



15th July, 2019

Stock Code: BSE - 501455
NSE - GREAVESCOT

BSE Limited
Listing Department
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

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

Dear Sir/Madam,

Sub: Notice of 100th Annual General Meeting, Annual Report for the FY 2018-19, Book Closure and details of Remote e-voting

This is to inform you that pursuant to Regulation 30 read with Schedule III Part A Para A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed the Notice of 100th Annual General Meeting ("AGM") of the Members of Greaves Cotton Limited ("Company") scheduled to be held on Thursday, 8th August, 2019 at 3:30 p.m. at Rangsharda Natyamandir, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, ONGC Colony, Bandra West, Mumbai - 400050.

Further, pursuant to Regulation 34 of the Listing Regulations, please find enclosed herewith the Annual Report of the Company for the FY 2018-19. The Company is in the process of mailing / dispatching the Notice of AGM and Annual Report 2018-19 to its members by permitted mode(s).

Further, pursuant to the provisions of Section 91 of Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will be closed from Friday, 2nd August, 2019 to Thursday, 8th August, 2019 (both days inclusive) for the purpose of the said AGM.

We also wish to inform that pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations, the Company is pleased to provide to its Members, facility to exercise their right to vote on resolutions proposed to be considered at the ensuing AGM by electronic means i.e. "Remote e-voting". The facility of casting the votes by the Members using an electronic voting system from a place other than the venue of the AGM ("Remote e-voting") will be provided by Karvy Fintech Private Limited. Further, the facility for voting through insta poll shall be available at the venue of the AGM. Members who have already cast their vote through remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote at the AGM. The voting rights of Members shall be in the proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Thursday, 1st August, 2019. Detailed procedure for voting through electronic means has been provided in the notes to the Notice of AGM.

GREAVES COTTON LIMITED

www.greavescotton.com

Registered Office: Unit No. 701, 7th Floor, Tower 3, Equinox Business Park, LBS Marg, Kurla West, Mumbai 400 070, India

Tel: +91 22 62211700 Fax: +91 22 33812799 CIN: L99999MH1922PLC000987



The calendar of events is as under:-

Sr. No.	Particulars	Event Dates
1.	Cut-off Date for identifying the eligibility of Members holding shares in physical or demat form, for Remote e-voting/voting at the AGM	Thursday, 1 st August, 2019
2.	Remote e-voting period will commence on	Monday, 5 th August, 2019 at 9.00 am
3.	Remote e-voting period will end on	Wednesday, 7 th August, 2019 at 5.00 pm
4.	Annual General Meeting	Thursday, 8 th August, 2019 at 3.30 pm
5.	Announcement of Results of Remote e-voting together with voting done at AGM	Not later than Saturday, 10 th August, 2019

Please take the same on record.

Thanking you,

Yours faithfully,
For Greaves Cotton Limited

Atindra Basu
Head - Legal, Internal Audit
& Company Secretary



Encl.: a/a

GREAVES COTTON LIMITED

CIN: L99999MH1922PLC000987

Registered Office: Unit No. 701, 7th Floor, Tower 3, Equinox Business Park, LBS Marg, Kurla West, Mumbai - 400 070

Telephone: + 91 - 22 - 6221 1700 • Fax: +91 - 22 - 6221 7499

Email: investorservices@greavescotton.com • Website: www.greavescotton.com

Notice

Notice is hereby given that the 100th Annual General Meeting of the Members of Greaves Cotton Limited will be held at the Rangsharda Natyamandir, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, ONGC Colony, Bandra West, Mumbai-400 050 on Thursday, 8th August 2019 at 3.30 pm to transact the following business:-

ORDINARY BUSINESS:

1. Adoption of Financial Statements and Reports thereon

To receive, consider and adopt:

- a. the audited Standalone Financial Statements of the Company for the financial year ended 31st March 2019, the Reports of Directors and Auditors thereon, and
- b. the audited Consolidated Financial Statements of the Company and its subsidiaries for the financial year ended 31st March 2019 and the Report of Auditors thereon.

2. Confirmation of Interim Dividend

To confirm the Interim Dividend of ₹ 4 per equity share (200%) of face value of ₹ 2 each already paid during the year as the Final Dividend for the financial year ended 31st March 2019.

3. Director retiring by rotation

To appoint a Director in place of Mr. Vijay Rai (DIN: 00075837), who retires by rotation and, expresses his unwillingness to be re-appointed as Director.

SPECIAL BUSINESS:

4. Re-appointment of Mr. Vikram Tandon as an Independent Director

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Vikram Tandon (DIN: 01727251), Independent Director, whose initial term of office ceased on 17th November 2018 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, and who is eligible for re-appointment for a second term under the provisions of the Act and Rules framed thereunder and who has given a notice in writing under Section 160 of the Act, signifying his candidature for the appointment of Director, be and is

hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold the office for a second term for a period of five years with effect from 18th November 2018 to 17th November 2023.”

5. Re-appointment of Mr. Arvind Kumar Singhal as an Independent Director

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Arvind Kumar Singhal (DIN: 00709084), Independent Director, whose initial term of office ceased on 31st March 2019 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, and who is eligible for re-appointment for a second term under the provisions of the Act and Rules framed thereunder and who has given a notice in writing under Section 160 of the Act, signifying his candidature for the appointment of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold the office for a second term for a period of five years with effect from 1st April 2019 to 31st March 2024.”

6. Re-appointment of Mr. Navneet Singh as an Independent Director

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Navneet Singh (DIN: 01896854), Independent Director, whose initial term of office ceased on 31st March 2019 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, and who is eligible for re-appointment for a second term under the provisions of the Act and Rules framed thereunder, and who has given a notice in writing under Section 160 of the Act, signifying his candidature for the appointment of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold the office for a second term for a period commencing from 1st April 2019 till the conclusion of this Annual General Meeting.

RESOLVED FURTHER THAT, Mr. Navneet Singh (DIN: 01896854), Independent Director, though eligible for re-appointment for a term of five years, has expressed his unwillingness to be re-appointed for a further term after the Annual General Meeting.”

7. Ratification of the remuneration of Cost Auditors

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Members hereby ratify the remuneration of ₹ 8.10 lakhs plus out of pocket expenses and taxes payable to M/s. Dhananjay V. Joshi & Associates, Cost Accountants (Firm Registration Number: 000030), for conduct

of audit of the cost records maintained by the Company for the financial year 2019-20, as recommended by the Audit Committee and approved by the Board of Directors.”

By Order of the Board of Directors
For Greaves Cotton Limited



Atindra Basu
Head - Legal, Internal Audit
& Company Secretary

Registered Office:
Unit No. 701, 7th Floor, Tower 3,
Equinox Business Park, LBS Marg,
Kurla West, Mumbai - 400 070

Mumbai
2nd May 2019

Notes:

1. A Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of the items of Special Business given in this Notice, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. A person can act as a Proxy on behalf of not exceeding 50 Members and holding, in the aggregate, not more than 10% of the total share capital of the Company carrying voting rights. However, a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a Proxy and such person shall not act as a Proxy for any other Member.
4. The instrument of proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the Meeting. A Proxy Form is annexed to this Notice. Proxies submitted on behalf of limited companies, societies, etc. must be supported by an appropriate resolution.
5. During the period beginning 24 hours before the time fixed for the commencement of the Meeting, a Member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided that not less than 3 days' of notice in writing of the intention to so inspect, is given to the Company.
6. A profile of the Directors seeking appointment / re-appointment, as required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

and Secretarial Standard 2 on General Meetings is given in this Notice. These Directors have furnished the requisite consents / declarations in respect of their appointment / re-appointment. None of these Directors are related to any Director or to any Key Managerial Personnel of the Company.

7. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 2nd August 2019 to Thursday, 8th August 2019, both days inclusive.
8. 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.

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 dividend 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 Final Dividend for the financial year 2010-11, the 1st, 2nd and 3rd

Interim Dividend for the financial year 2011-12 have been transferred to the IEPF. Members who have not 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 - Karvy Fintech Private Limited, at the earliest.

During the Financial Year 2018-19, the Company has transferred 2,04,988 shares to the IEPF Account.

9. Pursuant to SEBI circular dated 20th April 2018, shareholders whose ledger folios having incomplete details with regard to PAN and Bank particulars are required to compulsorily furnish the same to the Registrar and Share Transfer Agents / to the company for registration in the folio.
10. The Annual Report 2018-19, the Notice of the 100th Annual General Meeting and the Instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company / respective Depository Participants unless the Member has requested for a physical copy of the same. Hard copies of the above mentioned documents are being sent by the permitted mode to those Members who have not registered their e-mail addresses.
11. As a measure of austerity, copies of the Annual Report 2018-19 will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting. The Annual Report 2018-19 and the Notice convening the 100th Annual General Meeting are available on the Company's website www.greavescotton.com
12. Members / Proxies / Representatives should bring the Attendance Slip, duly filled in, for attending the Meeting.
13. Members who have not registered their e-mail addresses so far are requested to register the same with their respective Depository Participants, in case of shares held in dematerialised form and with the Registrar and Share Transfer Agent - Karvy Fintech Private Limited, in case of shares held in physical form so that all communication including Annual Report, Notices, Circulars, etc. can be sent to them electronically.
14. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agent - Karvy Fintech Private Limited for consolidation into a single folio.
15. As per the provisions of the Companies Act, 2013, nomination facility is available to the Members in respect of the shares held by them. Members holding shares in

single name and physical form may send duly completed and signed nomination form to the Registrar and Share Transfer Agent – Karvy Fintech Private Limited (nomination form can be downloaded from the Company's website www.greavescotton.com). Members holding shares in dematerialised form may contact their respective Depository Participants.

16. For any assistance or information about shares, dividend, etc., Members may contact the Registrar and Share Transfer Agent, as follows:
 Karvy Fintech Private Limited
 [UNIT: Greaves Cotton Limited]
 Karvy Selenium Tower B
 Plot 31-32, Gachibowli, Financial District
 Nanakramguda, Hyderabad - 500 032
 Phone: 040 6716 2222
 Fax: 040 2342 0814
 Email: einward.ris@karvy.com
17. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts and Arrangements in which Directors are interested as maintained under Section 170 and Section 189 of the Companies Act, 2013, respectively, will be available for inspection by the Members at the venue of the 100th Annual General Meeting.
18. Members desirous of getting any information about the Accounts and Operations of the Company are requested to address their queries to the Company Secretary at the Registered Office of the Company or by email to investorservices@greavescotton.com at least seven days in advance of the Meeting so that the information required can be made readily available at the Meeting.
19. Corporate members intending to send their authorised representatives to attend the 100th Annual General Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
20. **Procedure for e-Voting**
 - I. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members with the facility to exercise their right to vote on Resolutions proposed to be considered at the 100th Annual General Meeting ("AGM") by electronic means. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Karvy Fintech Private Limited ("Karvy").

The process and manner for remote e-voting is as under:

- A. Members whose email IDs are registered with the Company / Depository Participants (“DPs”) will receive an email from Karvy informing them of their User-ID and password. Once the Member receives the email, he/she will need to go through the following steps to complete the e-voting process:
- (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - (ii) Enter the login credentials i.e. User ID and Password. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
 - (iii) After entering these details appropriately, click on “LOGIN”.
 - (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password, in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. After changing the password, you need to login again with the new credentials.
 - (v) On successful login, the system will prompt you to select the e-voting Event. Select ‘Event of Greaves Cotton Limited’.
 - (vi) On the voting page enter the number of shares (which represents the number of votes) as on the Cut-off Date i.e. Thursday, 1st August 2019, under “FOR / AGAINST” alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR / AGAINST” taken together should not exceed your total shareholding as on the Cut-off Date. You may also choose the option “ABSTAIN” and the shares held will not be counted under either head.

- (vii) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
 - (viii) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as “Abstained”.
 - (ix) You may then cast your vote by selecting an appropriate option and click on “Submit”.
 - (x) A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - (xi) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: ucshukla@rediffmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format “GREAVES COTTON _EVENT NO.”
- B. In case a Member receives a physical copy of the Notice of AGM [for Members whose email IDs are not registered or have requested for a physical copy]:

- (i) Initial password is provided in below format at the bottom of the Attendance Slip for the AGM:

EVEN (e-voting event number)	USER ID	PASSWORD/ PIN
-	-	-

- (ii) Members are requested to follow all steps from Sl. No. (i) to Sl. No. (xi) above to cast vote.
- II. Members can also update their mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication.
 - III. The voting rights of Members shall be in proportion to their share of the Paid-up Equity Share Capital of the Company as on the Cut-off Date i.e. Thursday, 1st August 2019

- IV. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the Cut-off Date i.e. Thursday, 1st August 2019, may obtain the User ID and password by sending a request at evoting@karvy.com or call Karvy's toll free number 1-800-345-4001.

However, if a Member is already registered with Karvy for remote e-voting platform, then he / she can use the existing User ID and password for casting the vote through remote e-voting.

- V. The remote e-voting period commences on Monday, 5th August 2019 at 9:00 am and ends on Wednesday, 7th August 2019 at 5:00 pm. Thereafter, the remote e-voting module shall be disabled by Karvy for voting.
- VI. The facility for voting through insta poll shall also be made available at the AGM and Members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM.
- VII. A person, whose name is recorded in the Register of Members or in the records maintained by the Depositories as on the Cut-off Date, viz., Thursday, 1st August 2019, only shall be entitled to avail the facility of remote e-voting or voting at the AGM through insta poll.
- VIII. A Member may participate in the AGM even after exercising his / her voting right through remote e-voting but will not be allowed to vote again at the AGM.
- IX. The Results declared along with the report of the Scrutinizer shall be placed on the Company's website www.greavescotton.com and on the Karvy's website <http://evoting.karvy.com> forthwith after the declaration of result by the Chairman or by a person duly authorised. The results shall also be forwarded to the National Stock Exchange of India Limited and BSE Limited, where the equity shares of the Company are listed.
- X. Mr. Upendra Shukla, a Company Secretary in whole-time practice, (Registration Number: F2727) will be acting as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- XI. A Member can opt for only one mode i.e. either through remote e-voting or voting at the AGM. If a Member casts votes by both modes, then the voting done through remote e-voting shall prevail and the voting at the AGM shall be treated as invalid.

- XII. At the AGM, the Chairman shall, at the end of discussion on the Resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of insta poll for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

- XIII. The Scrutiniser shall after the conclusion of voting at the AGM, first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or to a person authorised by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.

- XIV. Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, Members will need to go through "Forgot Password" option available on the site to reset the same.

- XV. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com> or contact Mr. V Rajendra Prasad, Manager, Karvy on e-mail at rajendra.v@karvy.com or on the telephone number 040 – 67162222.

21. All documents referred to in the Notice and accompanying Statement are open for inspection at the Registered Office of the Company on all working days of the Company between 10 a.m. and 12 noon upto the date of the AGM.

Statement pursuant to the provisions of Section 102 (1) of the Companies Act, 2013 ("the Act")

This Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Resolution No. 4

Re-appointment of Mr. Vikram Tandon as an Independent Director

Mr. Vikram Tandon was appointed as an Independent Director for a consecutive term upto 17th November 2018 by the Members at the 95th Annual General Meeting held on 31st July 2014.

Considering in-depth knowledge of Mr. Tandon and years of experience in the business, the Nomination and Remuneration Committee at its Meeting held on 4th February 2019 recommended to the Board of Directors, the re-appointment of Mr. Tandon as an Independent Director for a second term of five years effective from 18th November 2018 to 17th November 2023.

In terms of Section 149 and other applicable provisions of the Act and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is proposed to appoint Mr. Tandon as an Independent Director for a second term of five years with effect from 18th November 2018 to 17th November 2023. Pursuant to the provisions of Section 149 (13), Mr. Tandon will not be liable to retire by rotation.

The Company has received a notice in writing from Mr. Tandon under the provisions of Section 160 of the Act signifying his candidature for the office of Director. Mr. Tandon has informed the Company that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Mr. Tandon has given a declaration that he meets with the criteria of independence as prescribed under Section 149 (6) of the Act and under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board of Directors, Mr. Tandon fulfils the conditions for his appointment as an Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Tandon is independent of the Management.

As required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, his brief resume, giving nature of expertise, disclosure of relationships between directors inter se and other directorships and committee memberships and shareholding in the Company, are furnished and form part of this Notice.

A copy of the draft letter of appointment of Mr. Tandon as an Independent Director stating the terms and conditions is available for inspection by the Members at the Registered Office of the Company between 10 a.m. and 12 noon on any working day of the Company and the same is also available on the Company's website www.greavescotton.com.

As per Section 149 of the Companies Act, 2013 and the Rules thereunder, an Independent Director can be re-appointed for a second term on passing a Special Resolution in the General Meeting. Accordingly, the approval of the Members is sought for the re-appointment of Mr. Tandon as an Independent Director.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Tandon, are in any way, concerned or interested in the Resolution.

The Directors recommend the Resolution for the approval of the Members.

Resolution No. 5

Re-appointment of Mr. Arvind Kumar Singhal as an Independent Director

Mr. Arvind Kumar Singhal was appointed as an Independent Director for a consecutive term upto 31st March 2019 by the Members at the 95th Annual General Meeting held on 31st July 2014.

Considering in-depth knowledge of Mr. Singhal and years of experience in the business, the Nomination and Remuneration Committee at its Meeting held on 4th February 2019 recommended to the Board of Directors, the re-appointment of Mr. Singhal as an Independent Director for a second term of five years from 1st April 2019 to 31st March 2024.

In terms of Section 149 and other applicable provisions of the Act and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is proposed to appoint Mr. Singhal as an Independent Director for a second term of five years with effect from 1st April 2019 to 31st March 2024. Pursuant to the provisions of Section 149 (13), Mr. Singhal will not be liable to retire by rotation.

The Company has received a notice in writing from Mr. Singhal under the provisions of Section 160 of the Act signifying his candidature for the office of Director. Mr. Singhal has informed the Company that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Mr. Singhal has given a declaration that he meets with the criteria of independence as prescribed under Section 149 (6) of the Act and under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board of Directors, Mr. Singhal fulfils the conditions for his appointment as an Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Singhal is independent of the Management.

As required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, his brief resume, giving nature of expertise, disclosure of relationships between directors inter se and other directorships and committee memberships and shareholding in the Company, are furnished and form part of this Notice.

A copy of the draft letter of appointment of Mr. Singhal as an Independent Director stating the terms and conditions is available for inspection by the Members at the Registered Office of the Company between 10 a.m. and 12 noon on any working day of the Company and the same is also available on the Company's website www.greavescotton.com.

As per Section 149 of the Companies Act, 2013 and the Rules thereunder, an Independent Director can be re-appointed for a second term on passing a Special Resolution in the General Meeting. Accordingly, the approval of the Members is sought for the re-appointment of Mr. Singhal as an Independent Director.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Singhal, are in any way, concerned or interested in the Resolution.

The Directors recommend the Resolution for the approval of the Members.

Resolution No. 6

Re-appointment of Mr. Navneet Singh as an Independent Director

Mr. Navneet Singh was appointed as an Independent Director for a first term commencing from 31st July 2014 to 31st March 2019 at the 95th Annual General Meeting held on 31st July 2014. Based on the recommendation of Nomination & Remuneration Committee at its meeting held on 4th February 2019, the Board of Directors of the Company approved the extension of term of Mr. Navneet Singh as an Independent Director with effect from 1st April 2019, till the next Annual General Meeting of the Company subject to approval of members and accordingly he holds office upto the date of this 100th Annual General Meeting.

In terms of Section 149 and other applicable provisions of the Act and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is proposed to ratify the appointment of Mr. Singh as an Independent Director for a second term for a period commencing from 1st April 2019 till the conclusion of this Annual General Meeting by the members.

The Company has received a notice in writing from Mr. Singh under the provisions of Section 160 of the Act signifying his candidature for the office of Director. Mr. Singh has informed the Company that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Mr. Singh has given a declaration that he meets with the criteria of independence as prescribed under Section 149 (6) of the Act and under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board of Directors, Mr. Singh fulfils the conditions for his appointment as an Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Singh is independent of the Management.

As required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, his brief resume, giving nature of expertise, disclosure of relationships between directors inter se and other directorships and committee memberships and shareholding in the Company, are furnished and form part of this Notice.

A copy of the draft letter of appointment of Mr. Singh as an Independent Director stating the terms and conditions is available for inspection by the Members at the Registered Office of the Company between 10 a.m. and 12 noon on any working day of the Company and the same is also available on the Company's website www.greavescotton.com.

As per Section 149 of the Companies Act, 2013 and the Rules thereunder, an Independent Director can be re-appointed for a second term on passing a Special Resolution in the General Meeting. Accordingly, the approval of the Members is sought for the re-appointment of Mr. Singh as an Independent Director.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Singh, are in any way, concerned or interested in the Resolution.

The Directors recommend the Resolution for the approval of the Members.

Resolution No. 7

Ratification of the remuneration of Cost Auditors

M/s. Dhananjay V. Joshi & Associates, Cost Accountants (Firm Registration Number: 000030) (Firm), has been conducting the audit of the cost accounting records of the Company for the past many years. The Firm has, as required under Section 141 of the Companies Act, 2013, confirmed its eligibility to conduct the audit of the cost accounting records of the Company for the financial year 2019-20 and has consented to act as the Cost Auditor of the Company.

Based on the recommendation of the Audit Committee, the Board of Directors at its Meeting held on 2nd May 2019, approved the appointment of M/s. Dhananjay V. Joshi & Associates, Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2019-20 at a remuneration of ₹ 8.10 lakhs.

Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditor) Rules, 2014, requires the remuneration payable to the Cost Auditors to be ratified by the Members of the Company. Accordingly, ratification by the Members is sought for the remuneration payable to the Cost Auditors for the financial year 2019-20.

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

The Directors recommend the Resolution for the approval of the Members.

By Order of the Board of Directors
For Greaves Cotton Limited



Atindra Basu

Head - Legal, Internal Audit
Company Secretary

Registered Office:
Unit No. 701, 7th Floor, Tower 3,
Equinox Business Park, LBS Marg,
Kurla West, Mumbai - 400 070

Mumbai
2nd May 2019

Insta Poll

Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the Meeting. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however these Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall treated as invalid.

The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

Web check-in

To facilitate smooth registration / entry at the AGM, the Company has also provided a web check-in facility, which would help the Members enter the AGM hall expeditiously.

Members can do web check-in by log in to <https://karisma.karvy.com> and click on the AGM web check-in link. Please refer Notice of AGM for detailed instructions.

Profile of the Directors seeking re-appointment / appointment:

Name	Mr. Vikram Tandon	Mr. Arvind Kumar Singhal	Mr. Navneet Singh
Date of Birth/Age	18 th November 1948 70 years	10 th August 1958 60 years	2 nd September 1950 68 years
Qualification	B.Tech (Hons) from IIT Delhi	B. E (Elec. & Comm.) from IIT, Roorkee; MBA (Fin. & Mkt.) from UCLA (USA)	FCA (England and Wales); ACA (India); BA Honours (Economics)
Experience/ Brief Resume	Expertise in Corporate development and strategy	Expertise in Retail Marketing Strategy and strategic business planning.	Expertise in Banking, Regulatory compliances and operational risk management.
Date of first appointment	7 th August 2007	1 st November 2013	1 st August 2013
Expertise in specific functional areas	Over 43 years of experience in to several functions ranging from manufacturing, corporate development to corporate strategy in the Indian and International arena.	Over 41 years of experience in retail marketing strategy and expertise in strategic business planning.	Over 44 years of experience in banking and regulatory Compliances. Held leadership positions in reputed International banks.
Terms and conditions for appointment / re- appointment	Detailed terms and conditions of appointment of Independent Directors is displayed in Investors Section on the website of the Company www.greavescotton.com	Detailed terms and conditions of appointment of Independent Directors is displayed in Investors Section on the website of the Company www.greavescotton.com	Detailed terms and conditions of appointment of Independent Directors is displayed in Investors Section on the website of the Company www.greavescotton.com
Remuneration sought to be paid	Remuneration to be paid in the form of sitting fees and commission		
Remuneration last drawn	Refer Corporate Governance Report	Refer Corporate Governance Report	Refer Corporate Governance Report
Directorships held in other companies	ESAB India Limited	<ol style="list-style-type: none"> Welspun India Limited Blue Star Limited Metro Brands Limited Premium Transmission Private Limited Technopak Advisors Private Limited Avensa Chemical Solutions Private Limited Caleffi Bed And Bath (India) Private Limited Amrylis Farmeworks Private Limited Stylenama Retail Private Limited Technopak Skills Foundation 	<ol style="list-style-type: none"> Standard Chartered Investments and Loans (India) Limited Standard Chartered Securities (India) Limited
Memberships/ Chairmanships of committees across other companies	ESAB India Limited <ul style="list-style-type: none"> Audit Committee (Member) Shareholders / Investors Grievances Committee (Chairman) 	Premium Transmission Private Limited <ul style="list-style-type: none"> Strategy & Risk Review and CSR Committee (Member) Nomination and Remuneration Committee (Chairman) Metro Brands Limited Corporate Social Responsibility Committee (Member)	Standard Chartered Investments and Loans (India) Limited <ul style="list-style-type: none"> Audit Committee (Member) Nomination and Remuneration Committee (Member) Standard Chartered Securities (India) Limited <ul style="list-style-type: none"> Audit Committee (Member) Nomination and Remuneration Committee (Member)
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None	None
Number of Meetings of the Board of Directors attended during the year	5 of 6	5 of 6	5 of 6
Shareholding in the Company	NIL	NIL	NIL

Greaves Cotton Limited Form No.MGT-11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN : L99999MH1922PLC000987
Name of the Company : Greaves Cotton Limited
Registered Office : Unit No. 701, 7th Floor, Tower 3, Equinox Business Park, LBS Marg, Kurla West, Mumbai - 400 070

Name of the Member(s):
Registered address:
E-mail ID:
Folio Number / Client Id:
DP ID:

I / We, being the Member(s) of _____ Shares of the above named company, hereby appoint:

(1)	or failing number (1)	or failing number (2)
Name:	Name:	Name:
Address:	Address:	Address:
Email ID:	Email ID:	Email ID:
Signature:	Signature:	Signature:

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 100th Annual General Meeting of the Company, to be held on Thursday, 8th August 2019 at 3.30 p.m. at Rangsharda Natyamandir, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, ONGC Colony, Bandra West, Mumbai - 400 050 and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolution
1	Adoption of : a. the audited Standalone Financial Statements of the Company for the financial year ended 31 st March 2019, the Reports of Directors and Auditors thereon; and b. the audited Consolidated Financial Statements of the Company for the financial year ended 31 st March 2019, the Report of the Auditors thereon.
2	Confirmation of Interim Dividend
3	Director retiring by rotation
4	Re-appointment of Mr. Vikram Tandon as an Independent Director
5	Re-appointment of Mr. Arvind Kumar Singhal as an Independent Director
6	Re-appointment of Mr. Navneet Singh as an Independent Director
7	Ratification of the remuneration of Cost Auditors

Signed on this ___ day of _____ 2019

Signature of shareholder: _____

Signature of Proxy holder(s): _____

Affix Revenue Stamp ₹ 1

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
- A person can act as a Proxy on behalf of not exceeding 50 Members and holding, in the aggregate, not more than 10% of the total share capital of the Company carrying voting rights. However, a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a Proxy and such person shall not act as a Proxy for any other Member.



CLEANTECH SOLUTIONS



CNG



GREAVES

INNOVATE • INVEST • IMPACT

ANNUAL REPORT, 2018-19



E-MOBILITY SOLUTIONS



In this year's report

02	Chairman's Letter
03	Corporate Information
04	Board of Directors
06	Innovate. Invest. Impact.
08	160 Years Young and Growing
10	Financial Highlights
11	Management Discussion & Analysis
28	Directors' Report
54	Corporate Governance Report
72	Business Responsibility Report
81	Standalone Financial Statements
124	Information on Subsidiary Companies
127	Consolidated Financial Statements



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

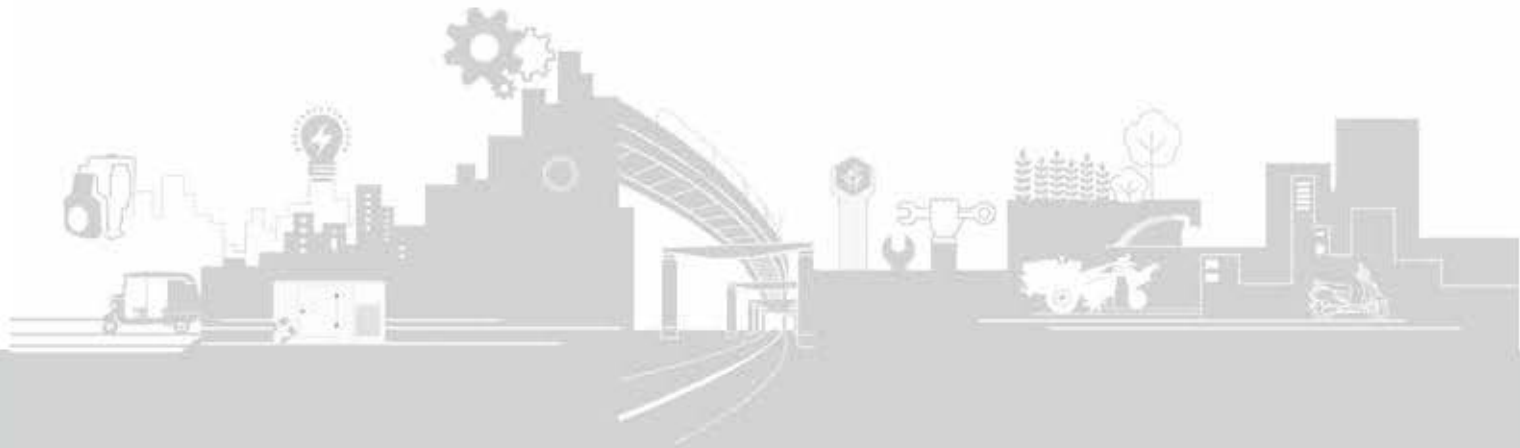
FORWARD-LOOKING STATEMENT

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

GREAVES

DO MORE.
GET MORE.
LIVE MORE.

More Products
More Applications
More Assurance
More Opportunities
More Possibilities
More Efficiencies
More Earnings



MORE TO LIFE

Chairman's Letter



Dear Shareholders,

It is my privilege to update you on the performance of the Company for FY 2018-19 as well as share with you the key highlights of our future direction and journey backed on solid foundation.

As I look back in the last 3 years, it is notable how well our Company has performed. In spite of various macro-economic challenges, commodity price fluctuations and disruptions around the world, your Company has delivered strong financial performance, has strengthened in B2B & B2C domain, worked closely with end users and communities, all the while earning a fair return for our shareholders. Our revenues and profits, both witnessed higher growth for the year - a strong validation of our strategic roadmap to the future.

We have an extraordinary heritage of 160 years based on the strong premise of brand's trust, reach & capability. Our future-focussed strategy has paved the way for strong initiatives and we are confident to create a promising future. We are using the powerful combination of human insights, investment, technology and scale to make Greaves a future relevant company.

At Greaves, our philosophy of impact-investing is driven by dual goals of generating higher returns for the shareholders and creating measurable benefits for the society and environment. The capital invested in sustainable Cleantech technology and product development across businesses ensure higher productivity for the end customers, help restore the planets ecological balance and build inclusive societies. We expect our energy-efficient, reliable and affordable range of E-mobility solutions, both in commercial and personal mobility segment will transform the last-mile delivery in India. We have also enhanced our focus in getting closer to the customers with new Greaves 3S Retail stores as a part of providing enriched consumer experience under single roof in last-mile ecosystem support.

We have seen good progress in our Energy, Farm, Aftermarket Parts and Care and the new E-mobility business with higher emphasis now on providing one-stop solution to millions of end users with a wide range of products and services. The new business has seen good acceptance from the market and we are gearing up to drive this to higher levels of performance and value delivery. We remain focussed on innovating, investing and creating a meaningful difference in the lives of our stakeholders.

It is this firm focus on our principles and embodiment of our customer-centric culture by our people, that will fast-forward Greaves as a diversified strong entity in the coming years.

We continue to make progress around technology, risk and controls, innovation, diversity and efficient management enablement for our operations. We are united and inspired by our strong values and culture, which compels us to deliver on our responsibilities to our employees, our communities, our environment, and our shareholders. We've helped communities by expanding certain flagship Corporate Responsibility programmes (DEEP - for the underprivileged students, PRIDE for rural youth in farming) and have always put "India first" - powering progress and driving prosperity for the various stakeholders.

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

Karan Thapar
Chairman



At Greaves, our philosophy of impact-investing is driven by dual goals of generating higher returns for the shareholders and creating measurable benefits for the society and environment



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

CHIEF FINANCIAL OFFICER

Ms. Neetu Kashiramka

COMPANY SECRETARY

Mr. Atindra Basu
(w.e.f. 14th August, 2018)

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

Kotak Bank

Yes Bank

REGISTRAR & SHARE TRANSFER AGENT

Karvy Fintech Private Limited

Karvy Selenium Tower B,

Plot 31-32, Gachibowli, Financial District,

Nanakramguda,

Hyderabad - 500 032

Phone: 040 - 6716 2222

Fax: 040 - 2342 0814

Email: einward.ris@karvy.com

REGISTERED OFFICE

Unit No. 701, 7th Floor, Tower 3,

Equinox Business Park, LBS Marg,

Kurla West, Mumbai - 400 070

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 and executed numerous successful business ventures, Entrepreneur, Instrumental in taking a company to market leadership

Innovate. Invest. Impact.

Innovate

Greaves innovates and reinvents its customer experience to create a positive impact on its stakeholders.

Our products in the last-mile personal and commercial mobility meet the requirements of millions of end users. The BS-VI compliant **CREST CNG engine** gives best-in-class fuel efficiency and has substantially lower emission levels meeting regulatory norms. The innovative and fuel-efficient CNG engine technology will give significant saving to auto drivers and also support government's mission of clean mobility solutions. CREST engine follows the idea of Clean Responsible Technology for sustainable planet. As part of our retail outreach, Greaves Care provides a comprehensive solution for three-wheeled and small four-wheeled vehicles by providing genuine spares, along with service and repairs.

We believe that innovation is the way to maintain our relevance in tomorrow's market where the solutions need to enhance productivity of all our users, and when fuel agnostic powertrain solutions contribute towards a cleaner and greener tomorrow.

The advent of electric vehicles transforms the last-mile mobility, where consumers are able to do more, get more from various energy efficient products and services from the transforming Greaves portfolio.

We are innovating to shape a stronger tomorrow.



Collaborating with world's best on technology & world class solutions



Invest

For those willing to transform, every change is an opportunity. Greaves Cotton is investing to transform itself to meet the changing times.

We have invested in technology through domestic and global alliances to offer best-in-class products. Our readiness with CNG and BS-VI engines helps meet emerging demands and help the automotive industry with affordable, sustainable and scalable mobility solutions.

We reiterate our commitment to the environment by investing in clean and green technology. We have invested in building our road ahead with the best resources and talent while sprucing up our capabilities across organisational functions and geographies. We have also ramped up our processes and products to support large-scale operations. Our investments in fast-growing 3S (Sales, Service and Spares) format Greaves Retail is to provide comprehensive experience for entire lifetime of the discerning consumers in mobility segment. We also enhanced our focus in building stronger footprint in India and abroad.

We are preparing ourselves to fulfil the emerging opportunities. After all, success occurs when preparation meets opportunities.



Impact

We operate in a manner whereby our innovations and investments deliver a positive impact on customers, communities and channel, thus creating a meaningful difference in the lives of our stakeholders. Our pursuit of excellence benefits our retail customers, institutional buyers and all our OEMs. We contribute to improving the ecological balance of our planet through the use of Clean and Green energy. We benefit our stakeholders through our continued focus on efficiency and profitability. We support through social inclusion every year, underprivileged people via re-skilling and training for better living. Our intent is that our operations should have a positive impact on our society, by making it a better place.



Resilience for longevity

The innovations that we bring to life help us in building higher shareholder value while benefiting millions of end users. Our investments, in line with strategic business plan, bring transformative change, ensuring our continuing relevance and drives profitable growth even in the middle of cyclical ups and downs owing to external factors. This outlook enhances our ability to have a positive impact on our business associates, employees, customers and the society at large makes us more resilient. It is this resilience that has seen us survive and thrive for over 160 years. Innovating, investing and making a positive impact will remain a strong driving factor in our journey ahead.

160 YEARS YOUNG AND GROWING

1859 James Greaves founded James Greaves & Company
"A Journey of a 1000 miles starts with a single step"

1868  James Greaves and George Cotton formed Greaves Cotton & Company

1895 Became one of the largest and profitable companies

1872 Became a Private Limited Company

1935 Launched two motor engines for fishing industry

1937 Collaborated with Crompton Parkinson of England and introduced electrical products

1938 New JV Ruston & Hornsby (India) Pvt. Ltd. was formed to manufacture diesel engines



1947 Lala Karamchand Thapar bought the company

1956 Went public; Greaves Cotton & Company Limited was born

1959 Celebrated 100 years

1962 Set up Offfield Division sourcing latest technology for oil exploration

1963 Pioneered marine gear boxes manufacturing

1970 Mr. Nityanand Wagle, MD. Greaves, received Padma Bhushan award

1975 Marine Division set up with elite customers like: Indian Navy, Mizoram Dock & ONSC

1976 Partnered with Lombardini Motor set up a light diesel engine unit in Aurangabad

1980 MWM diesel engine manufactured for marine & gensets applications

1982 Collaborated with Friedrich Wihl Schwing GmbH, Germany for construction equipment manufacturing



1984 Celebrated 125th anniversary

1986 Formed a new JV Greaves Morganha Crucible Ltd.

1988 First computer installed at Greaves

ENGINE

1989 Received single largest engine order worth ₹14 crore from Bangladesh Agriculture Development Corporation

1991 Manufacturing unit set up at Fatta to produce DBG Industrial and marine gearboxes

1992 Ruston & Hornsby (I) won National Award for R&D efforts

1984 Greaves Genie 3-Wheeler launched. Two Plants acquired from Enfield India Ltd.

1988 Won Impress '88 award for strengthening of Indo-Italian business relations

1999 Pleggio Greaves Vehicles Ltd. launched Ape 3-wheeler range for passenger / goods carrier



2000 Lightweight Diesel engine GL 400 launched

2002 Awarded 'Self-Certification Status' by Ministry of Defence

2004 1 millionth lightweight Diesel Engine rolled out

2005 Lightweight Diesel Engine complying with Bharat Stage II launched

2006 Inaugurated technology centre at Aurangabad

2007 First global acquisition of Buhk-Faymann GmbH Diesel, Germany. Inaugurated factory at Aurangabad to produce twin-cylinder engines



2008 Opened second technology centre and manufacturing facility in pune. Inaugurated new plant in Gurnadipond.

2009 Celebrated 150th Anniversary

2010 Acquired Asot International FZE (UAE)



2013 Established a technology centre for Farm Equipment business

2014 International business division signs strategic exports alliance with KYB - a Japanese JV

2015 Farm Equipment Business launches 'SAMPUKNA SWADESHI' programme

2017 Greaves Cotton Limited and Pinnacle Engines Inc. US, announced a technology partnership for the launch of a revolutionary Opposed Piston Petrol / CNG lean burn BS-VI compliant engine for 3-wheelers in India.



2018 Greaves Cotton acquire majority stake in electric vehicle company Ampere

2019 ELECTRIC VEHICLES



Financial Highlights

(₹ in Crore)

Particulars	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19
	Jul-Jun	Jul-Mar	Apr-Mar	Apr-Mar	Apr-Mar	Apr-Mar	Apr-Mar	Apr-Mar	Apr-Mar	Apr-Mar
	12 mths	9 mths	12 mths	12 mths	12 mths	12 mths	12 mths	12 mths	12 mths	12 mths
Revenue from Operations (Gross)	1462	1370	1926	2096	1915	1856	1800	1819	1840	1988
Less: Excise Duty	114	118	173	223	196	167	187	185	48	0
Revenue from Operations (Net)	1347	1252	1753	1873	1719	1689	1613	1634	1792	1988
EBIDTA (before exceptional items)	206	193	237	242	194	200	267	243	255	275
EBIDTA (%)	15%	15%	13%	13%	11%	12%	17%	15%	14%	14%
EBIT (before exceptional items)	186	185	211	219	177	177	269	247	248	268
Profit before Tax	173	184	251	200	164	109	295	252	296	246
Profit after Tax	118	127	185	138	113	82	199	181	203	169
Total Comprehensive Income	-	-	-	-	-	-	200	181	201	171
ROCE (%)	39%	48%	34%	30%	22%	21%	31%	27%	26%	27%
Equity	48.84	48.84	48.84	48.84	48.84	48.84	48.84	48.84	48.84	48.84
Earnings Per Share (₹)	4.83	5.21	7.60	5.65	4.63	3.34	8.17	7.40	8.30	6.93
Net Worth	437	522	645	738	814	816	887	921	960	969
Debt	5	6	20	2	-	-	-	-	-	-
Capital Employed	471	558	700	779	851	832	906	938	981	976
Debt : Equity	0.01	0.01	0.03	0.00	-	-	-	-	-	-
Dividend (%)	150	75	110	80	65	125	280#	250#	275#	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 (₹)

Management Discussion And Analysis

ECONOMIC OVERVIEW

GLOBAL ECONOMY

According to IMF estimates, world economic growth in 2018 dipped to 3.6% from 3.8% witnessed in 2017. Slower growth was the result of heightened trade tensions between few leading countries, decline in business confidence, weak financial markets, tightening of financial conditions, and higher policy uncertainty across many economies. Growth is expected to remain subdued in the near term and slowly pick pace in the second half of 2019. An accommodative policy stance is expected in advanced economies. These expectations playing out will lead to a bounce back in global economy to 3.6% in 2020.

INDIAN ECONOMY

Normalisation of activity in the post demonetisation and GST era, coupled with robust rural growth led by Government’s thrust in this sector, boosted consumer demand during the better part of FY 2018-19. As per Second Advance Estimates of CSO, India’s GDP growth is pegged at 7% in FY 2018-19. Agricultural growth in terms of GVA at basic prices, is expected to be 2.7% in FY 2018-19. Government’s continued focus on inclusive growth is expected to boost demand in the rural segment. A growth of over 7% for three consecutive years will see India remaining in a sweet spot despite the global economic slowdown. India, despite short-term challenges, is likely to weather the turbulence in the global market

better than other economies in Asia. IMF forecasts a GDP growth rate of 7.3% in FY 2019-20 for India. With industrial capacities running at above average utilisation, one can expect more capital investments taking place over the next couple of years. Consumer demand is expected to remain at a heightened level with good support from industrial and services sectors in FY 2019-20.

COMPANY PERFORMANCE

Greaves Cotton Limited (the ‘Company’) is a diversified engineering company with over 160 years of strong presence. The company manufactures world-class products and solutions under various business units - Engines, Power, Farm, Aftermarket, Care and Global, backed by comprehensive support from 325+ big 3S (Sales, Service and Spares) retail centres and 5,000+ smaller spare parts retail outlets.

In the mobility segment, the Company provides affordable mobility solutions manufacturing 4 lakh plus engines annually, almost 1 engine per minute. This translates to moving over 1 Crore passengers and 5 lakh tonnes of cargo daily. In all, the Company has crossed 5 million engines, 3 million pumpsets and 1 million gensets. Greaves Cotton augmented its Clean Technology portfolio with entry in the last-mile affordable 2W personal Mobility segment with Ampere Electric Vehicles and e-rickshaws in last-mile people transportation segment.





After decades of success in the last-mile commercial mobility segment, the Company has forayed into burgeoning personal mobility segment with E-mobility solutions.

Over the last two years, the Company has embarked on a new multi-pronged strategy, to remain relevant in the fast-evolving new economy. It has made rapid strides in embracing Clean Technology

solutions which are scalable, sustainable and profitable in the long run. The Company’s work on Clean **RES**ponsible Technology (CREST) in CNG and EV ecosystem helps foster affordable mobility, better health, reduced emission and a clean and green environment for the customers. In addition, these also result in savings for customers.

100% UP TIME TO SHOPPING

GREAVES MORE TO LIFE

SALES, SERVICE & SPARES SUPPORT

DIFFUSING FIRE TO IRRIGATING FARMS

EASY TO OWN, EASY TO USE

More Applications | More Possibilities | More to Life



Greaves Cotton strengthens its position in the Cleantech Mobility space with a wide range of Fuel Efficient Water-cooled CNG Engines and strong Retail Network.

These Greaves CNG engines are used in wide body vehicles for personal and commercial use in the semi-rural and rural areas.



**MORE CROP
PER DROP**

New Initiatives

- One major highlight was the acquisition of a 67% stake in Ampere Vehicles (AV) for ₹ 77 Crore with an option to acquire another 13% at ₹ 75.5 Crore over the next 3 years based on the achievement of certain milestones. The Company foresees tremendous growth potential with a platform ready to roll out e-scooters and other e-vehicle products in the future

- The Company is in the process of building Greaves retail in providing one-stop solution with comprehensive 3S network – Sales, service & spares for last-mile customers. These outlets will also serve as EV charging Infra ecosystem for India
- In the Agriculture segment, the Company is working to increase productivity of the farmers through rapid mechanisation
- In the Power sector, in large diesel generators, the Company offers 24x7 services with a view to ensure that emergency backup power equipment are kept in 'ready to use' conditions
- In the Mobility segment, the Company is widening its focus to providing affordable mobility solutions to the aspiring consumers in Tier 2, Tier 3 cities, smaller towns and urban customers

Financial performance

The Company has reported good performance for eight consecutive quarters followed by significant increase in new business. In FY 2018-19, consolidated Revenue stood at ₹ 2,015.3 Crore as against ₹ 1,792.1 Crore in FY 2017-18, registering 12.5% growth. PAT at ₹ 162.63 Crore in FY 2018-19 against ₹ 202.19 Crore in FY 2017-18, the reduction was on account of exceptional items. In FY 2018-19, there was exceptional expense of ₹ 17.9 Crore against the exception income of ₹ 47.5 Crore in FY 2017-18. FY 2018-19 exceptional expense was for provision made towards losses which may be suffered on account of a fixed deposit of ₹ 20.50 Crore placed in IL&FS.

MOBILITY

India is the fourth-largest automobile producer globally in volume terms. Improved road construction pace in semi-urban and rural areas, expanding cities, CNG network expansion has helped the growth in last-mile mobility segment.

The Company is participating in the progress and growth story of the automobile industry. The Company provides a wide range of time-tested and trusted class-leading products and services to leading OEMs. The Company boasts of unparalleled delivery of low TCO, rugged and reliable solutions backed by nationwide reach and aftermarket assurance.

Business Overview

The Company's engines are robustly designed and used across segments like (i) affordable commercial mobility and affordable passenger mobility (Automotive segment), and (ii) Non-automotive segments (including marine, farm, construction and industrial applications). In-house developments along with new strategic tie-ups inked with international majors have given the Company an edge in providing world-class engines. Improved safety norms, technical enhancements and the go green initiatives backed by responsible technology is aimed at lowering emission and embracing cleaner technology for the future.

A. ENGINE BUSINESS

i. AUTOMOTIVE ENGINE BUSINESS

In sync with Industry growth and focus on CNG, Greaves has a robust portfolio with Wide body CNG engines and Superior performance CREST engines.

CNG

ii. INDUSTRIAL ENGINE BUSINESS

The Company caters to agriculture equipment, construction equipment, marine segment and other industries with a wide range of non-auto engines with power capacity ranging from 1.5 HP to 700 HP. The Company is the only manufacturer in India with this wide product range. These robust engines are fuel efficient, compact, reliable, rugged and versatile prime movers for various non-auto applications with air and water-cooled options to improve efficiency and ensure product longevity. With labour scarcity, mechanisation and technology adoption across user segments, the growth outlook remains lucrative for the industrial engine segment, which is likely to emerge as the next growth driver for the Company.

Risks and Concerns

- Slow growth in diesel vehicles and growing demand for cleaner fuel and energy solutions.
- Changing emission norms

OUTLOOK FOR ENGINES

The demand for automobiles and thus the engines will grow supported by various factors such as development of suburbs and satellite towns, migrating population and rising consumerism. The Company is exploring the potential of alternative fuel segment through new strategic tie-ups. The Company is closely working with leading Automotive OEMs to enable them to meet the BS-VI norms. These BSVI-compliant eco-friendly engines have superior cost economics and suitable for wide category and build a better system of ecology and economy. Company is working extensively to explore the potential of fuel agnostic Powertrain solutions in last-mile mobility.

With increasing safety norms for residential and commercial establishments, Fire Fighting Pump segment is expected to see sustained buoyancy. The Company is ready with an advanced range of engines to meet increasingly stringent norms.





New Era New Engines
Technology Differentiator
Clean Fuel
Technovation
Fuel Agnostic Powertrain Solutions
Affordable Engines
Engines of Mobility
Earnings 24x7
Future Ready
Wide Range of Engines
Alternate Fuel Engine
Clean Technology
Technovation
Employability Assured
Earnability Redefined
Environment Friendly
New Era
New Engines

Automotive Engines



G435A



G400 WG



G600W

Industrial Engines



1510



G-Series



D-Series

& many more...

B. E- MOBILITY SOLUTIONS

i. ELECTRIC TWO-WHEELERS (AMPERE BUSINESS)



Giving access of electric mobility solutions to millions of individuals at the bottom of the pyramid, Ampere specialises in last-mile affordable mobility solutions. These stylish Ampere electric scooters have low TCO (Total cost of ownership) and provide emission-free transportation. For over a decade, Ampere vehicles have been accelerating the mission of affordable clean mobility solutions for emerging India. A few benefits arising from Ampere vehicles are listed below:

- **Additional savings:** Over 40,000 users of Ampere vehicles have contributed in saving over 40-million-gallon petrol.
- **Emission-free vehicles:** Ampere vehicles have been instrumental in saving over 20,000 tonnes of Carbon Emission.
- **Convenience:** Ampere vehicles facilitate travel by use of 2W vehicles providing comfortable hassle-free long rides and helping to avoid usage of travelling in public transportation or long walks.
- **Enabling micro entrepreneurs:** Ampere vehicles have enabled many micro-entrepreneurs to scale up their business and grow in profession, like traders, vendors, delivery partners, e-commerce partners etc.
- **Empowerment possibilities:** Coimbatore factory employs a significant Female workforce thereby creating empowering and growth opportunities.



E-Rickshaw On, कमाई On

- ★ Empowered to do more tips
- ★ End-to-end transportation
- ★ Energy efficiency
- ★ Employability
- ★ Eco-friendly
- ★ Earnings

ii. E-RICKSHAW

The Company expanded its clean technology footprint by selling E-Rickshaws through its network of Greaves Retail outlets. Highly energy-efficient with Zero emissions make E-Rickshaws a better alternative for a greener tomorrow.

Outlook for E-Mobility

The outlook in the affordable mobility is exciting as the Company is witnessing demand in the lower speed as well as the optimal speed of the higher speed EV versions. The Company believes that the market size for affordable mobility is large at the bottom of the pyramid and more than 200 million households can benefit with these vehicles.

Enabling Micro-entrepreneurs
Greener Transportation Alternative
Efficient Battery Management Systems
Responsible tech player
E-Mobility
E-Mobility
E-Scooters
Mobilising Dreams
Experience Freedom
E-Scooters
Switch to Electric
Next Generation
Vehicles
Affordable E-Mobility Solutions
Affordable Mobility Solutions
Battery powered vehicles



AUXILIARY POWER BUSINESS

The auxiliary power market in the country is growing in comparison to the last year. The industry has been largely dominated by the diesel gensets segment. It can be broadly classified into four segments based on power generation capacity – low, medium, high and very high. Power generated in the low segment is 5kVA-75kVA, one whose growth is led by unpredictable nature of electricity supply. Whereas the power in the medium segment consists of 75kVA-375kVA and the high segment consists of 375kVA-750kVA. Pace of economic activity, infrastructure development and capacity additions are the main growth drivers for the medium and high segments. Very high segment consists of 750 kVA and above. There is a steady shift in demand from low-mid range kVA to mid-high range kVA.

Rise of small scale and home grown industries, increased impetus on local manufacturing, in turn, has generated demand for Auxiliary power industry.

Business Overview

The Company's product range in the auxiliary power market includes CPCB-II compliant new generation gensets. The Company-assembled gensets exhibit higher efficiencies, compactness, higher reliability and dependence and have a compact footprint with reliable after sales service.

Risk and Concerns

Primary risks include:

- Cost-effective solutions for CPCBIV+ emission norm change
- Growth in alternate fuel auxiliary power solutions

Outlook

With robust economic growth and development, strong growth in the private sector capex cycle and higher budgetary allocations to infrastructure, the genset industry is poised for a good growth.





Innovative Solutions
Smart Cities Smarter Solutions
Reliable Compact **Powering Progress**
Modern Power Systems
Advanced Technology
Economic Sustainable Growth
Mobile-App Based Solutions
Uninterrupted Power
Mobile-App Based Solutions
Dependable Non-Stop Operations
Power Back-up Solutions
Economic Sustainable Growth



& many more...

Portable Generator Set
5kVA - 7.5kVA

Industrial Generator Set
10kVA - 1250kVA

FARM EQUIPMENT BUSINESS

Industry Overview

Under Union Budget 2018-19, an Agri-Market Infrastructure Fund was announced to develop and upgrade the infrastructure in 22,000 Grameen Agricultural Markets and 585 APMCs (Agricultural produce market committee). India is expected to achieve the ambitious goal of doubling farm income by 2022. Growth in the sector is expected to gain momentum in the next few years due to increased investments in agricultural infrastructure. The Government targets to increase the average income of a farmer household (at current prices) to ₹ 2,19,724 by FY 2022-23 from ₹ 96,703 in FY 2015-16.



Business Overview

The Company encourages farmers to undertake mechanised farming to increase productivity by making available useful products from soil preparation to post-harvest stage, at affordable rates requiring low maintenance. The portfolio of products includes pumpsets, power tillers and other agri-equipment

like the reaper, weeder, sprayers, mini-tiller. The company has also introduced eHD electric pump (Heavy Duty) and Duralife pumps in OHV pumps category.

In FY 2018-19, the Company invested in developing technological capacities for making more indigenous products in farming equipment infrastructure like petrol and diesel reapers and electric start weeders. Last year, the Company forayed into electric pumps (eHD Pumps) with monoblock and centrifugal pumps and new Duralife OHV series of pumps. Through its tie-up with experts in the field of Micro Irrigation, stepping up the efforts with dedicated customer-centric programmes, the Company expects growth opportunities in this field.

Risks and Concerns

Major risk facing the segment is Vagaries of nature impacting farmers

Outlook

The Government's continued thrust in the agricultural areas, higher MSP for certain crops and reforms to ensure farmers get a better price hold promise for the Company. Mechanisation is also aided by the higher labour prices and unavailability of labour during particular season. The Company is looking to expand product range based on the feedback received from farming communities. The Company is also working on digital revolution to increase productivity by providing timely information about rainfall and price quoted in various mandis and outlook.

DURA Life
SERIES

ZYADA POWER ZYADA PANI

श्रीमती सवित्री का

Powerful Portable Fuel Efficient Durable

A Quality Product from GREAVES

2 HP OHV Pumpset
(Powered by B&S)

Boosting Mechanisation
Farm Care & Advisory Solutions
Future Of Farming Technology
Farm Tech Solutions
Farm Ecosystem
Cultivating Dreams
Farm Ecosystem
Micro Irrigation Systems
Precision Agriculture
Farm Tech Solutions
Harvesting Happiness
A Product For Every Crop Cycle
Improving Productivity
Micro Irrigation Systems
More Yield Per Field
Cultivating Dreams
Farm Ecosystem
Farm Equipment
Farm Equipment
Farm Ecosystem

Power Tiller



14 Dlx



15 DIL



8 DIL



Mahabali



Bshubali

Pumpsets & Micro Irrigation Solutions



Petrol Pumpsets



Diesel Pumpsets



Electrical Pumpsets



Duralife (OHV) Pumpsets



Micro Irrigation Solutions

Light Agri Equipment



Rotavator



Reaper



Brush Cutter



Weeder



Knapsack Sprayers

& many more...

AFTERMARKET BUSINESS

Greaves with its wide portfolio of trusted, genuine and affordable spares have created solid assurance in the minds of end-users, auto-mechanics across 5,000+ retail outlets spread throughout the country.

With the growing base of last-mile vehicles, Farm Equipment and Company's foray into new geographies and higher replacement market currently being catered by the unorganised segment, superior quality spares are constantly in demand. The earlier dominance of the highly fragmented unorganised sector has been reduced to a great extent with GST implementation.



Business Overview

The Company is a one-stop shop meeting all the requirements of spares across the life cycle of the products for all the business groups – Mobility, Farm, Energy and Care.

The Company added a new range of product categories and adopted a focussed approach to promote multi-brand business and strengthen its network.

Key developments in the segment in FY 2018-19 include:

- Expanding retail network
- Growing demand from traditional vehicles in rural segment
- Foray into 2W Multi-Brand segment
- A new range of 3W CNG petrol engine spare parts compliant to new environmental norms
- Raids at multiple locations against spurious parts sale have been initiated to protect consumer interest

Risks and Concerns

Major risks to this business include:

- Large prevalence of spurious parts
- Tighter liquidity and slow growth of retail segment
- Rising commodity prices

Outlook

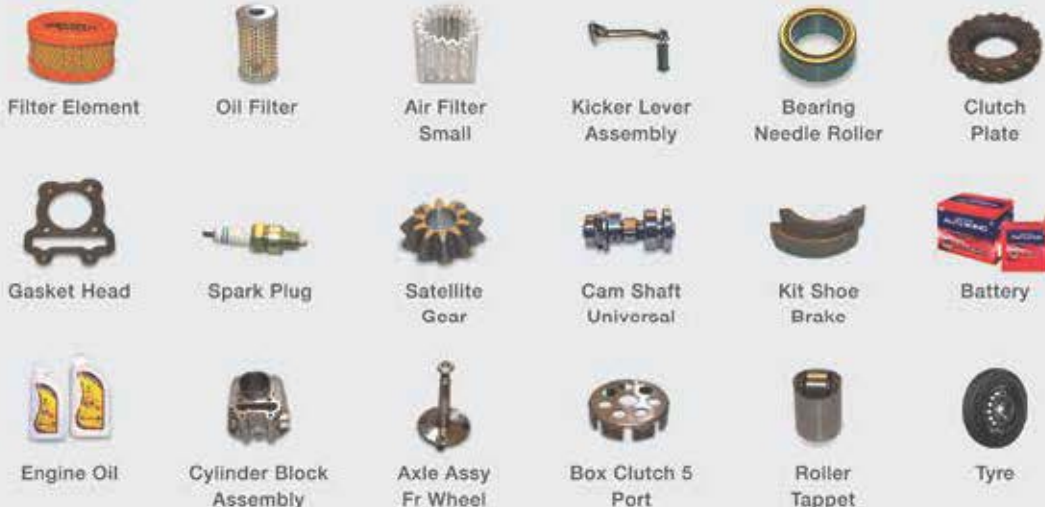
Leveraging its strong brand name assiduously built over the decades, the Company hopes to become a dominant player in the After sales and service market.





9000+ On-Board Mechanics
 Digitalisation of Automotive Aftermarket
 2-Wheeler Multi-brand Spares
 Wide Network - 5000+
 Assurance
 Guaranteed
 Tyres
 Lubricant Oils
 Uninterrupted Experience
 3000+ On-Board Mechanics
 Digitalisation of Automotive Aftermarket
 Vehicle Care
 Battery
 Engines Part
 Greaves Certified Spares
 Uninterrupted Experience
Assurance
Guaranteed
 Greaves Genuine Spares
 3-Wheeler Multi-Brand Spares
 Last-Mile Delivery Assured

**ENGINE PARTS. VEHICLE PARTS.
 ANY MAKE. ANY BRAND.**



& many more...

GREAVES RETAIL

Greaves Retail is a comprehensive 3S (Sales, Service and Spares) facility and catering to Cleantech range of products and services especially in the E-mobility domain. The Company has fast expanded with more than 325+ outlets across the country.

Greaves Care, as part of strong Greaves Retail network, is one of the fastest growing service retail outlets in the country catering to last-mile 3W service requirements. Since inception, Greaves Care has served more than 1,50,000 customers across the country in the last-mile mobility segment. This growth is a testimony to the increased service satisfaction, higher quality service and living up to the promise of providing higher uptime on the road.



GREAVES

**ACHIEVING
1.5LAC+
HAPPY CUSTOMERS
WITH GREAVES CARE,
PART OF GREAVES RETAIL**

☎ 1800 268 6670 | ✉ marketing@greavescofion.com | 🌐 www.greavescofion.com

Mobility | Energy | Farm | Aftermarket | Care

Through this modern 3S dealerships, a customer can buy stylish range of Ampere electric vehicles and other E-mobility solutions. Also, any 3-wheeler customer can get his vehicle serviced bumper-to-bumper from the workshop and buy any spares from the Multi-brand spares portfolio. By building Greaves Retail, the Company is well poised to support customer with EV charging infrastructure and thus accelerate India's mission of growing Electric Vehicles as a clean last-mile solution.

Greaves Retail has been actively promoting social inclusion for the people and communities at the bottom-of-the-pyramid and remains committed to the millions of the last-mile small commercial vehicle users thus delivering higher value throughout their lifecycle.



Superior Customer Experience
Professional Quality Service
3S-Sales, Service, Spares
Ev Charging Infrastructure
Service With A Smile
One-Stop
One-Stop Shop
Fast Expanding
Network
Cleantech Solutions
Assured Service
Augment Customer Happiness
Customised Experience
Customer Care
E-mobility Solutions
Company Trained Manpower
Ev Charging Infrastructure
Vehicle Accessories
Customer-Centric Solutions



Picture for illustrative purpose only

INTERNATIONAL BUSINESS

Industry Overview

In a challenging global market marked by regional treaties, stringent tariffs and overall static growth, India performed reasonably well on the exports front. India's merchandise exports, at USD 331 billion in FY 2018-19 were the highest ever. India's ranking on World Bank's Ease of Doing Business improved by 30 places – from 100th to 77th. Out of 209 export destinations of Indian engineering goods, top 25 nations accounted for 78.8% of total engineering exports in April 2018. Various Government initiatives like Make in India, Start-up India and Digital India have fuelled this growth.

Business Overview

The Company has a growing global footprint with a presence in the Indian sub-continent, South-East Asia, Africa, Middle East and Europe. Exports business has shown growth momentum despite political uncertainties in Middle East and Africa coupled with currency devaluations. The presence has been strong in nations like Philippines, Nepal and Sri Lanka. Improvement in channel network, introduction of new distributors, strong value focus and improved product-mix led to a better growth than last year.

Risks and Concerns

Major risks hovering the international exports business include:

- Geopolitical tensions like trade war between major economies, restrictive trade policies and sharp fluctuations in currency
- Any significant fluctuation in the raw material prices

To mitigate these risks, the Company hedges its currency besides taking appropriate risk mitigation measures.

Outlook

India with its competitive advantages is likely to witness healthy growth in engineering exports in FY 2019-20. Despite the 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.

INTERNAL CONTROLS FRAMEWORK

To safeguard its assets and ensure efficient productivity at all levels, the Company has robust internal control systems in place, commensurate with the size and industry in which it operates. The internal control systems and benchmarks conform to the globally accepted framework as issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control - Integrated Framework (2013). The systems are periodically upgraded to keep pace with changing norms.

The internal controls are designed to ensure that the following conditions are met with:

- Operations are effective and performed efficiently
- Assets are adequately safeguarded
- Frauds and errors are prevented and detected in time
- Accounting records are accurate and complete
- Financial information is prepared on time and are reliable

In addition, standardised operating procedures, policies and guidelines, regular monitoring procedures and self-assessment exercises are also followed. All employees are required to adhere to the Code of Conduct in their regular work.



Employees are benefited by a well-defined whistle blower policy that ensures and encourages reporting of any misconduct, unethical behaviour or any behaviour with possibility of conflict of interest. Highest standards of integrity and transparency are adhered to, further encouraged by a self-monitoring mechanism.

During the fiscal year, key controls were adequately tested and appropriate measures were initiated where deviation from normal was identified. The Internal Auditors and Corporate Audit Department monitor and control the effectiveness of the internal control systems. The implementation of the corrective actions and improvements in business processes are regularly followed up by the Internal Audit group. It is also committed in ensuring that the operations are carried out within the purview of applicable laws and statutory requirements.

HUMAN RESOURCES

Fit for purpose capability is pivotal to an organisation's growth and success. At Greaves Cotton, we continued our focus on attracting, retaining and developing the right talent to meet current and future business needs of the Company. 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.

The Company launched a structured Campus Recruitment Programme to bring in 40 Graduate Engineer Trainees and Management Trainees in line with our endeavour to attract and grow diverse young talent from reputed Engineering Colleges and Business Schools. We strengthened our efforts behind DEEP (Development, Education, Empowerment, Progress), a Community Partnership intervention to empower socio-economically underprivileged youth for independent livelihood by engaging them to acquire and apply fit for purpose vocational skills, thereby improving their employability for a better future. Our efforts in this area saw the Company receiving the prestigious Asian CSR Award. In FY 2018-19, the Company hired 219 DEEP Trainees under this programme and currently has 240 DEEP Trainees enrolled for the same.



In FY 2018-19, the relations of the Company with all its employees and trade unions remained harmonious. The payroll count of Company's permanent employees was 1,675 on March 31, 2019.

INFORMATION TECHNOLOGY

Information technology (IT) is an integral part of the Company's operations. Robust IT systems ensure automation, integration, collaboration, optimisation building security and controls for operations. Core business processes for customer feedback and new product launches continue to drive business efficiency.



Advanced digital technologies are effected, to reimagine and redefine core business processes and models and to establish manufacturing and service excellence. High productivity and engagement are resultant of the state-of-the-art collaboration communication systems. The IT systems ensure high information security and effective combat of cyber threats. Adequate infrastructure and controls with a fail-safe network ensures business processes continuity.

CORPORATE SOCIAL RESPONSIBILITY

The Company is aimed at creating economic value and is committed to actively contribute towards the development of a sustainable society. It strives to undertake various projects for the common good through responsible business practices and good governance. Under the DEEP Programme - a 'Reskilling' initiative, the Company provides skill enhancement training to underprivileged students around the factory to gain independent livelihood.

With PRIDE (Productivity, Recognition, Individuality, Dignity, Earnings) programme, small and marginal farmers are given training on improving farm productivity.

Directors' Report

To,
The Members,

The Directors have pleasure in presenting their 100th Annual Report on the business and operations of the Company and the Audited Financial Statements for the Financial Year ended 31st March 2019.

FINANCIAL HIGHLIGHTS

Particulars	(₹ in Crore)	
	Year Ended 31 st March 2019	Year Ended 31 st March 2018
Total Revenue*	2029.45	1884.99
Profit Before Tax and Exceptional items	264.20	247.42
(Loss) / Gain on Exceptional Items	(17.87)	48.17
Profit Before Tax	246.33	295.59
Less: Provision for Tax	77.03	92.97
Profit for the year	169.30	202.62
Total Comprehensive Income for the year	170.68	201.08
Dividend paid and Tax on Dividend	161.92	161.65
Balance of the Profit carried forward	538.21	529.45

*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:

Particulars	(₹ in Crore)	
	Year Ended 31 st March 2019	Year Ended 31 st March 2018
Revenue from operations (a)	1,987.82	1,839.70
Less: Excise duty on Sale (b)	-	47.60
Revenue from operations excluding Excise Duty (c)=(a-b)	1,987.82	1,792.10

REVIEW OF OPERATIONS

The Company registered total revenue of ₹ 2,029.45 Crore during the year under review as against ₹ 1,884.99 Crore in the previous financial year. The profit after tax was ₹ 169.30 Crore for the year under review as against ₹ 202.62 Crore in the previous financial year. The profit after tax for the year under review includes an

exceptional loss of ₹ 17.87 Crore as against exceptional gain of ₹ 48.17 Crore in the previous financial year.

The profit before tax and exceptional items as a percentage of total revenue for the year under review was at 13.02% as against 13.13% in the previous financial year.

During the year under review, the Company has not revised its financial statement or the Report in respect of any of the three preceding financial years either voluntarily or pursuant to the order of a judicial authority.

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.

STATE OF AFFAIRS

The Company is one of the most diversified engineering companies in India with core competencies in diesel/petrol engines, farm equipment and generator sets. The Company has sustained its leadership through 6 manufacturing units which produce world class products backed by comprehensive spares and service through its 3500+ service outlets across India.

DIVIDEND

The Company paid an interim dividend of ₹ 4 per share on face value of ₹ 2 each in compliance with the Dividend Distribution Policy. The Board has not recommended any final dividend for the Financial Year 2018-19. Thus, the interim dividend of ₹ 4 paid during the financial year shall be considered as final dividend. The total dividend for the year under review, excluding the tax on dividend, is ₹ 97.68 Crore. Dividend as a percentage of Profit for the year is 68.99% as compared to 80.43% in the previous year.

TRANSFER TO RESERVES

During the year under review, no amount was transferred to Reserves.

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, ASSOCIATES AND JOINT VENTURES

During the year under review, the Company acquired 67.34% equity shareholding in Ampere Vehicles Private Limited (Ampere) and pursuant to the same, Ampere became the subsidiary of the Company. As at 31st March 2019, the Company has three subsidiaries.

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 ₹ 0.48 Crore and profit before tax of ₹ 0.34 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 ₹ 90,359 during the year under review.

Ampere Vehicles Private Limited (AVPL)

AVPL, a subsidiary of the Company, has reported a total revenue of ₹ 53.74 Crore and loss of ₹ 8.97 Crore during the year under review.

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 100th Annual General Meeting.

CONSOLIDATED FINANCIAL STATEMENTS

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE REPORT

The Company follows the principles of Corporate Governance in letter and spirit. Requirements relating to Board of Directors, its Committees, related party transactions, disclosures etc. as prescribed under Schedule V of the SEBI (LODR) Regulations, have been duly complied with. The quarterly Corporate Governance Report confirming that the Company has complied with statutory provisions has been filed with the Stock Exchanges, where the shares of the Company are listed and also placed before the Board of Directors. A detailed report on Corporate Governance and a certificate from the Statutory Auditors confirming compliance of conditions of the Corporate Governance, form 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 2018-19, 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, Health and Safety Policy” and are certified as per ISO 14001 and ISO 45001 assessment 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, include:

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.

9. World environment day and earth day are observed on annual basis.
 10. Environmental measures like planting saplings is conducted across all the facilities.
- Exercising higher standards of excellence in Safety and Health Practice in Factory



It is an honour to be awarded for the measures we take at our plant in terms of Safety, Health & Welfare initiatives. We are delighted about our Aurangabad Plant winning the First Prize at the Industrial Safety & Health Awards 2019 by the Government of Maharashtra.

HUMAN RESOURCES

Fit for purpose capability is pivotal to an organisation's growth & success. At Greaves Cotton, we continued our focus on attracting, retaining & developing right talent to meet current and future business needs of the Company. 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.

The Company launched a structured Campus Recruitment Program to bring in 40 Graduate Engineer Trainees and Management Trainees in line with our endeavour to attract & grow diverse young talent from reputed Engineering Colleges and Business Schools. We strengthened our efforts behind DEEP (Development, Education, Empowerment, Progress), a Community Partnership intervention to empower socio-economically underprivileged youth for independent livelihood by engaging them to acquire and apply fit for purpose vocational skills, thereby improving their employability for a better future. Our efforts in this area saw, the Company receiving the prestigious Asian CSR Award. In FY 2018-19, the Company hired 219 DEEP Trainees under this program and currently has 240 DEEP Trainees enrolled for the same.

In FY 2018-19 the relations of the Company with all its employees and trade unions remained harmonious. The payroll count of Company's permanent employees was 1,675 on 31st March 2019. (1,750 as on 31st March 2018).

Disclosures pertaining to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

During the year and up to the date of the Report, no individual has been appointed or ceased to be a Director of the Company.

Pursuant to provisions of the Companies Act, 2013, the shareholders in the 95th Annual General Meeting held on 31st July 2014 appointed Mr. Vikram Tandon as an Independent Director for a consecutive term upto 17th November 2018. Further, Mr. Tandon is eligible for re-appointment as an Independent Non-Executive Director for a second term of five consecutive years.

Based on the recommendation of the Nomination and Remuneration Committee, the Board recommends for the approval of the Members through a Special Resolution in the 100th AGM of your Company, the re-appointment of Mr. Tandon as an Independent Non-Executive Director for a second term of five consecutive years from 18th November 2018 to 17th November 2023.

Pursuant to the provisions of the Companies Act, 2013, the shareholders in the 95th Annual General Meeting held on 31st July 2014 appointed Mr. Arvind Kumar Singhal as an Independent Director of the Company for a consecutive term upto 31st March 2019. Further, Mr. Singhal is eligible for re-appointment as an Independent Non-Executive Director for a second term of five consecutive years.

Based on the recommendation of the Nomination and Remuneration Committee, the Board recommends for the approval of the Members through a Special Resolution in the 100th AGM of your Company, the re-appointment of Mr. Singhal as an Independent Non-Executive Director for a second term of five consecutive years from 1st April 2019 to 31st March 2024.

Mr. Navneet Singh was appointed as an Independent Director for a first term commencing from 1st August 2013 to 31st March 2019. Based on the recommendation of Nomination & Remuneration Committee at its meeting held on 4th February 2019, the Board of Directors of the Company approved the extension of term of Mr. Navneet Singh as an Independent Director with effect from 1st April 2019, till the conclusion of 100th Annual General Meeting of the Company, subject to approval of members.

Mr. Singh holds office up to the date of the forthcoming 100th Annual General Meeting. Based on the recommendation of the Nomination and Remuneration Committee, the Board recommends for the approval of the Members through an Ordinary Resolution in the 100th Annual General Meeting of your Company, the re-appointment of Mr. Singh as an Independent Non-Executive

Director from 1st April 2019 till the conclusion of 100th Annual General Meeting, post which he shall cease to be an Independent Director of the Company.

Mr. Vijay Rai retires by rotation at the forthcoming 100th Annual General Meeting, and has expressed his unwillingness to be re-appointed.

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 100th Annual General Meeting.

The above appointments and re-appointments form part of the Notice of the forthcoming 100th Annual General Meeting and the Resolutions are recommended for Members' approval.

During the year, Mr. Amit K. Vyas, Company Secretary, KMP and Compliance Officer of the Company resigned from the services of the Company. The resignation was effective from the close of business hours on 13th August 2018. Consequent to Mr. Vyas's resignation, the Board appointed Mr. Atindra Basu as the Company Secretary, KMP and Compliance Officer of the Company. The appointment was effective from 14th August 2018.

Mr. Nagesh Basavanhalli, Managing Director & CEO, Ms. Neetu Kashiramka, Chief Financial Officer and Mr. Atindra Basu, Head - Legal, Internal Audit & Company Secretary are the Key Managerial Personnel of the Company within the meaning of Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS

As required under Section 149 (7) of the Companies Act, 2013, each of the Independent Directors has given the necessary declaration about meeting the criteria of independence as specified in Section 149(6) of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2019 and of the profit of the Company for that period;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance

with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. The Directors had prepared the annual accounts on a going concern basis;
5. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

The Company has constituted a Nomination and Remuneration Committee and formulated the criteria for determining the 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(3) 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, a proven track record, etc. The criteria for making payments to Non-Executive Directors is disclosed in the Corporate Governance Report which forms a part of this Annual Report.

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 subsidiary of the Company.

RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES

The information as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given as **Annexure 2** to this Directors Report. In terms of Section 136(1) read with relevant proviso to Rule 5 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 100th Annual General Meeting.

FAMILIARISATION PROGRAMME FOR DIRECTORS

The Company follows a structured orientation programme including presentations by key personnel, information about the various codes, policies, etc. to familiarize the Directors with the Company's operations. In addition, Plant visits are organised to familiarise the Directors with the Company's products, production process, etc. 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 http://www.greaves cotton.com/php/media/brochure_files/Familiarisation_Programme_for_Directors.pdf

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 2019 to review the performance of the Non-independent Directors, the Board as a whole and the Chairman on the parameters of effectiveness and to assess the quality, quantity and timeliness of the flow of information between the Management and the Board.

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

LOANS, GUARANTEES AND INVESTMENTS

Particulars of loans, guarantees and investments as on the 31st March 2019 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 as **Annexure 3** 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) read with section 92(3) of the Companies Act, 2013, an extract of Annual Return in the prescribed Form MGT - 9 is placed on Company's website www.greaves cotton.com and is given as **Annexure 4** to this Directors' Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars of conservation of energy, technology absorption, foreign exchange earnings and outgo, as prescribed in Rule 8 (3) of the Companies (Accounts) Rules, 2014 are given as **Annexure 5** to this Directors' Report.

RISK MANAGEMENT POLICY

The Company has constituted a Risk, CSR and Strategy Committee (with effect from 1st April 2019, a separate committee has been constituted for Risk and Strategy named as "Risk Management 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 (The Company has renamed and reconstituted the Committee for CSR as “CSR Committee” with effect from 1st April 2019) 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 CSR Committee is given as **Annexure 6** to this Directors' Report.

The Company believes that CSR is a process by which an organization 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 Company has continued with the Corporate Social Responsibility (CSR) project focusing on Reskilling called - DEVELOPMENT, EDUCATION, EMPOWERMENT & PROGRESS (DEEP), a concerted effort to provide skills to those people who aspire to grow but lack financial support. Through DEEP, the Company provided classroom and practical training with inputs from last year's training and helped needy students from the underserved population of Aurangabad and Ranipet to work on assembly lines and get proficient in repairing engines. Total amount incurred towards the said project is ₹ 216 lakhs.

PRODUCTIVITY, RECOGNITION, INDIVIDUALITY, DIGNITY & EARNINGS (PRIDE) program pitched by Greaves as 'Friends of Farmers' focused on mechanization and educating farmers on future of efficient farming practices and engaging in gainful employment. With an aim to provide dignified engagement to rural youth from farming sector, this program was conducted in Panvel, Maharashtra as pilot project with cost of ₹ 2 lakhs. Here, farmers were educated about various tools and equipment that they could use to improve the productivity of farm and how those equipment could become an income multiplier for them in long run. Today, mechanization helps to solve the problem of availability of human labor and rising labor rates in the rural hinterland. Farmers can do things much faster and also move towards generating rental income from other farms and thus earn more. In future, this program will help to provide recognition of becoming a responsible livelihood

earner from current state of being unemployed. At Greaves, we intend to continue such practice of supporting and progressing lives of millions of people at the bottom-of-the-pyramid with our community support programs.

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 being envisaged. The implementation of the said initiatives is monitored by the CSR Committee.

VIGIL MECHANISM

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

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

M/s. 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 2019 are with unmodified opinion (unqualified).

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS

There have been no frauds reported by the auditors pursuant to Section 143(12) of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company.

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 M/s. Pradeep Purwar & Associates, Company Secretaries, Thane to conduct the Secretarial Audit of the Company for the financial year ended 31st March 2019.

The Secretarial Audit Report (Form MR - 3) is attached as **Annexure 7** to this Directors' Report. The said report is unqualified.

MAINTENANCE OF COST RECORDS

Pursuant to the provisions of Section 148(1) of the Companies Act, 2013 read with clause (ix) of Rule 8(5) of the Companies (Accounts) Rules, 2014, adequate Cost accounts and records are made and maintained by the Company as specified by the Central Government.

COST AUDITORS

Pursuant to the provisions of Section 148(3) of the Companies Act, 2013, the Board has appointed M/s. Dhananjay V. Joshi & Associates, Cost Accountants (Firm Registration Number: 000030), 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 2020. 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 100th 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 capitalization 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 8**. The Policy is also available on the website of the Company under the "Investors" section at http://www.greavescotton.com/php/media/brochure_files/dividend_distribution_policy.pdf.

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.

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 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.

The details of dividend transferred to IEPF during the year is provided below:

Dividend	Date of Declaration of Dividend	Unpaid/Unclaimed amount
Final Dividend for the financial year 2010-11	21.07.2011	5,68,736
1 st Interim Dividend for the financial year 2011-12	24.08.2011	6,16,728
2 nd Interim Dividend for the financial year 2011-12	21.10.2011	7,20,644
3 rd Interim Dividend for the financial year 2011-12	24.01.2012	9,04,666

During the Financial Year 2018-19, the Company has transferred 2,04,988 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 and there are no shares held in trust for the benefit of the employees of the Company. There were no changes in the share capital.

ACKNOWLEDGEMENT

The Board wishes to place on record its appreciation for all the employees for their hard work, solidarity, cooperation and dedication during the year.

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

For and on behalf of the Board

Karan Thapar

Chairman

DIN: 00004264

Mumbai
2nd May 2019

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:

- Fixed Pay: It is based on role and responsibilities, function/business, grade and level in the organization.
- Variable Pay: It is based on the individual and organization's performance for the given assessment year.

4. IMPLEMENTATION OF ELEMENTS OF REMUNERATION INCREMENT POLICY

- Fixed Pay: Increments will be given each year effective 1st April based on the performance of the employee against agreed Objectives/Key Result Areas (KRAs). It is not based on years of experience and education alone, but on merit and market standards. Quantum of increment will be based on capacity of the Company to pay.
- Variable Pay: Variable Pay for the Management Staff will be based on evaluation of overall performance of the Company, the individual's business / function performance and assessment of the individual's performance against stated goals and objectives which were established at the beginning of the year based on the Company's strategic business plan and budget towards driving growth.
- Long Term Incentive Program: This is applicable to the Managing Director and his direct reports and critical role holders (M1 and M2) only.

- 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. NORMALIZATION

To remain competitive in the market place, we follow a guided distribution or performance curve across 5 point raising scales pattern and reward high performing employees by paying them better compensation than the lower performing employees.

Following normalization pattern is followed for level wise increments:

Performance Rating	Percentage Distribution for M1 to M6
Above, Exceeds Expectations (4, 5)	30%
Meets Expectations (3)	55%
Approaches, Below Expectation (1,2)	15%

6. GOVERNANCE OF THE REMUNERATION POLICY

- 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.
- 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

Karan Thapar

Chairman

DIN: 00004264

Mumbai

2nd May 2019

Annexure 2

Disclosure under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Requirement	Disclosure																																				
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	<table border="1"> <thead> <tr> <th>Name of the Director</th> <th>Designation</th> <th>Ratio</th> </tr> </thead> <tbody> <tr> <td>Mr. Nagesh Basavanhalli</td> <td>Managing Director & CEO</td> <td>85.64</td> </tr> </tbody> </table>	Name of the Director	Designation	Ratio	Mr. Nagesh Basavanhalli	Managing Director & CEO	85.64																														
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Mr. Nagesh Basavanhalli	Managing Director & CEO	85.64																																				
The median of remuneration for all employees of the Company for the financial year 2018 -19 is ₹ 5.94 lakhs																																						
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<table border="1"> <thead> <tr> <th>Name</th> <th>Designation</th> <th>% increase</th> </tr> </thead> <tbody> <tr> <td>Mr. Karan Thapar</td> <td>Chairman</td> <td>6.39</td> </tr> <tr> <td>Mr. Nagesh Basavanhalli</td> <td>Managing Director & CEO</td> <td>35.35</td> </tr> <tr> <td>Mr. Vijay Rai</td> <td>Non-Executive, Non-Independent Director</td> <td>4.60</td> </tr> <tr> <td>Mr. Vikram Tandon</td> <td>Independent Director</td> <td>10.78</td> </tr> <tr> <td>Mr. Navneet Singh</td> <td>Independent Director</td> <td>8.25</td> </tr> <tr> <td>Mr. Arvind Kumar Singhal</td> <td>Independent Director</td> <td>6.23</td> </tr> <tr> <td>Mr. Kewal Handa</td> <td>Independent Director</td> <td>18.05</td> </tr> <tr> <td>Ms. Sree Patel</td> <td>Independent Director</td> <td>13.32</td> </tr> <tr> <td>Mr. Vinay Sanghi*</td> <td>Independent Director</td> <td>--</td> </tr> <tr> <td>Ms. Neetu Kashiramka**</td> <td>Chief Financial Officer</td> <td>--</td> </tr> <tr> <td>Mr. Atindra Basu***</td> <td>Company Secretary</td> <td>--</td> </tr> </tbody> </table>	Name	Designation	% increase	Mr. Karan Thapar	Chairman	6.39	Mr. Nagesh Basavanhalli	Managing Director & CEO	35.35	Mr. Vijay Rai	Non-Executive, Non-Independent Director	4.60	Mr. Vikram Tandon	Independent Director	10.78	Mr. Navneet Singh	Independent Director	8.25	Mr. Arvind Kumar Singhal	Independent Director	6.23	Mr. Kewal Handa	Independent Director	18.05	Ms. Sree Patel	Independent Director	13.32	Mr. Vinay Sanghi*	Independent Director	--	Ms. Neetu Kashiramka**	Chief Financial Officer	--	Mr. Atindra Basu***	Company Secretary	--
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Ms. Neetu Kashiramka**	Chief Financial Officer	--																																				
Mr. Atindra Basu***	Company Secretary	--																																				
3	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of employees in the financial year was increased by 4.41%																																				
4	The number of permanent employees on the rolls of Company	There were 1675 permanent employees of the Company as at 31 st March 2019																																				
5	Comparison of average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in remuneration for Employees other than Managerial Personnel is 1.12% and average increase in remuneration for Managerial Personnel is 1.12%																																				
6	Affirmation that the remuneration is as per the remuneration policy of the company	Pursuant to Rule 5 (1) (xii) of the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of the Company.																																				

* Mr. Vinay Sanghi was appointed w.e.f. 4th August 2017

** Ms. Neetu Kashiramka was appointed w.e.f. 5th February 2018

*** Mr. Atindra Basu was appointed w.e.f. 14th August 2018

Annexure 3

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 2019, 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 2019.

For and on behalf of the Board

Mumbai
2nd May 2019

Karan Thapar
Chairman
DIN: 00004264

Annexure 4

Extract of Annual Return as on 31st March 2019 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 2019)

I. REGISTRATION AND OTHER DETAILS:

Sr. No.	Particulars	Details
1	Corporate Identity Number	L99999MH1922PLC000987
2	Registration Date	29 th March 1922
3	Name of the Company	Greaves Cotton Limited
4	Category of the Company	Public Company
5	Sub-Category of the Company	Limited by Shares
6	Address of the Registered office and contact details	Unit No. 701, 7 th Floor, Tower 3, Equinox Business Park, LBS Marg, Kurla West, Mumbai - 400070 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 Fintech 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.karvyfintech.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	94%

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 Unit No. 701, 7 th Floor, Tower 3, Equinox Business Park, LBS Marg, Kurla West, Mumbai - 400070	U29299MH1958PLC011250	Subsidiary Company	100%	2(87)
2.	Ampere Vehicles Private Limited 150/1B, Nanthavana Thottam Kannampalayam Road, Ranganathapuram Coimbatore - 641402	U51900TZ2008PTC017628	Subsidiary Company	67.34%	2(87)
3.	Dee Greaves Limited Unit No. 701, 7 th Floor, Tower 3, Equinox Business Park, LBS Marg, Kurla West, Mumbai - 400070	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 CODE	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	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	-	-	-	-	-	-	-	-	-
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	12,45,53,726	-	12,45,53,726	51.00	12,67,31,715	-	12,67,31,715	51.90	0.89
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	12,45,53,726	-	12,45,53,726	51.00	12,67,31,715	-	12,67,31,715	51.90	0.89
(2)	FOREIGN									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Others - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	-	-	-	-	-	-	-	-	-
	Total A=A(1)+A(2)	12,45,53,726	-	12,45,53,726	51.00	12,67,31,715	-	12,67,31,715	51.90	0.89
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds	2,39,82,524	-	2,39,82,524	9.82	1,65,73,513	-	1,65,73,513	6.79	-3.03
(b)	Financial Institutions / Banks	2,34,939	21,995	2,56,934	0.11	2,10,876	21,995	2,32,871	0.10	-0.01
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	2,20,32,673	10,525	2,20,43,198	9.03	2,13,45,987	10,525	2,13,56,512	8.75	-0.28
(f)	Foreign Institutional Investors	1,64,21,206	-	1,64,21,206	6.72	3,42,39,738	-	3,42,39,738	14.02	7.30
(g)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total B(1) :	6,26,71,342	32,520	6,27,03,862	25.68	7,23,70,114	32,520	7,24,02,634	29.65	3.97
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate									
(i)	Indian	72,59,537	28,820	72,88,357	2.98	43,13,559	26,280	43,39,839	1.78	-1.21
(ii)	Overseas	-	7,75,000	7,75,000	0.32	-	7,75,000	7,75,000	0.32	0.00
(b)	Individuals									
(i)	Individuals holding nominal share capital upto ₹1 lakh	3,78,00,783	22,15,645	4,00,16,428	16.39	3,13,80,928	17,91,715	3,31,72,643	13.58	-2.80
(ii)	Individuals holding nominal share capital in excess of ₹ 1 lakh	62,57,057	58,540	63,15,597	2.59	36,99,910	-	36,99,910	1.52	-1.07

CATE- GORY CODE	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	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(c)	Others									
	Clearing Members	-	-	-	0.00	1,50,727	-	1,50,727	0.06	0.06
	I E P F	-	-	-	0.00	10,32,757	-	10,32,757	0.42	0.42
	Non Resident Indians	24,42,845	36,715	24,79,560	1.02	18,24,887	26,140	18,51,027	0.76	-0.26
	Shares Lying in unclaimed shares demat suspense Account	65,245	-	65,245	0.03	-	-	-	0.00	-0.03
	Trusts	8,920	100	9,020	0.00	50,443	100	50,543	0.02	0.02
	Sub-Total B(2) :	5,38,34,387	31,14,820	5,69,49,207	23.32	4,24,53,211	26,19,235	4,50,72,446	18.46	-4.86
	Total B=B(1)+B(2) :	11,65,05,729	31,47,340	11,96,53,069	49.00	11,48,23,325	26,51,755	11,74,75,080	48.10	-0.89
	Total (A+B) :	24,10,59,455	31,47,340	24,42,06,795	100.00	24,15,55,040	26,51,755	24,42,06,795	100.00	0.00
(C)	SHARES HELD BY CUTODIANS FOR GDR'S AND ADR'S	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C) :	24,10,59,455	31,47,340	24,42,06,795	100.00	24,15,55,040	26,51,755	24,42,06,795	100.00	

(B) Shareholding of Promoters:

Sr. No	Shareholders' Name	Shareholding as on 1 st April 2018			Shareholding as on 31 st March 2019			% 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	-	9,87,46,790	40.44	-	0.11
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	-	1,42,09,060	5.82	-	0.78
		12,45,53,726	51.00	-	12,67,31,715	51.90	-	0.89

C Change in Promoters' Shareholding

Sl. no	Shareholders' Name	Shareholding		Date of transaction	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		Number of Shares at the beginning (01.04.2018)/ end of the year (31.03.2019)	% of total Shares of the Company				Number of Shares	% of total Shares of the Company
1	DBH International Pvt. Ltd.	9,84,69,662	40.32	01.04.2018	-	-	9,84,69,662	40.32
				05.10.2018	1,77,128	bought	9,86,46,790	40.39
				12.10.2018	1,00,000	bought	9,87,46,790	40.44
		9,87,46,790	40.44	31.03.2019	-	-	9,87,46,790	40.44
2	Karun Carpets Pvt. Ltd.	1,23,08,199	5.04	01.04.2018	-	-	1,23,08,199	5.04
			0.01	05.10.2018	30,000	bought	1,23,38,199	5.05
			0.24	12.10.2018	5,89,412	bought	1,29,27,611	5.29
			0.16	16.11.2018	3,80,784	bought	1,33,08,395	5.45
			0.01	23.11.2018	31,127	bought	1,33,39,522	5.46
			0.08	14.12.2018	2,03,562	bought	1,35,43,084	5.55
			0.02	28.12.2018	59,400	bought	1,36,02,484	5.57
			0.04	04.01.2019	1,00,833	bought	1,37,03,317	5.61
			0.03	11.01.2019	75,000	bought	1,37,78,317	5.64
			0.04	15.02.2019	1,03,564	bought	1,38,81,881	5.68
	0.05	22.02.2019	1,24,581	bought	1,40,06,462	5.74		
	0.08	01.03.2019	2,02,598	bought	1,42,09,060	5.82		
	1,42,09,060	5.82	31.03.2019	-	-	1,42,09,060	5.82	
3	Bharat Starch Products Pvt. Ltd.	1,37,75,865	5.64	01.04.2018	-	no change	1,37,75,865	5.64
		1,37,75,865	5.64	31.03.2019	-	no change	1,37,75,865	5.64

(D) Shareholding Pattern of Top 10 Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl no	Shareholders' Name	Shareholding		Date of Transaction	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		Number of Shares at the beginning (01.04.2018)/ end of the year (31.03.2019)	% of total Shares of the Company				Number of Shares	% of total Shares of the Company
1	Smallcap World Fund, Inc	0	0.00	01.04.2018	-	-	0	0.00
			0.00	22.06.2018	9,58,727	bought	9,58,727	0.39
			0.96	29.06.2018	23,41,248	bought	32,99,975	1.35
			1.17	06.07.2018	28,47,772	bought	61,47,747	2.52
			0.57	13.07.2018	13,81,550	bought	75,29,297	3.08
			0.35	20.07.2018	8,49,000	bought	83,78,297	3.43
			0.24	27.07.2018	5,80,472	bought	89,58,769	3.67
			0.25	03.08.2018	6,03,499	bought	95,62,268	3.92
			0.08	10.08.2018	2,02,309	bought	97,64,577	4.00
			0.44	17.08.2018	10,65,466	bought	1,08,30,043	4.43
			1.18	24.08.2018	28,89,872	bought	1,37,19,915	5.62
			0.05	31.08.2018	1,13,393	bought	1,38,33,308	5.66
			0.33	07.09.2018	8,09,787	bought	1,46,43,095	6.00
			0.17	14.09.2018	4,17,034	bought	1,50,60,129	6.17
			0.02	21.09.2018	58,353	bought	1,51,18,482	6.19
			0.03	28.09.2018	81,518	bought	1,52,00,000	6.22
			0.38	23.11.2018	9,28,873	bought	1,61,28,873	6.60
			0.03	30.11.2018	63,121	bought	1,61,91,994	6.63
			0.00	07.12.2018	8,006	bought	1,62,00,000	6.63
			1,62,00,000	6.63	31.03.2019	-	-	1,62,00,000

SI no	Shareholders' Name	Shareholding		Date of Transaction	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		Number of Shares at the beginning (01.04.2018)/ end of the year (31.03.2019)	% of total Shares of the Company				Number of Shares	% of total Shares of the Company
2	The New India Assurance Company Limited	72,08,955	2.95	01.04.2018	-	-	72,08,955	2.95
			-0.04	07.09.2018	-1,01,000	sold	71,07,955	2.91
			-0.20	14.09.2018	-4,79,039	sold	66,28,916	2.71
			-0.09	21.09.2018	-2,17,629	sold	64,11,287	2.63
			-0.04	28.09.2018	-98,497	sold	63,12,790	2.59
			0.08	02.11.2018	2,00,000	bought	65,12,790	2.67
			0.05	28.12.2018	1,20,000	bought	66,32,790	2.72
			0.02	31.12.2018	47,222	bought	66,80,012	2.74
			0.03	04.01.2019	75,020	bought	67,55,032	2.77
			0.03	11.01.2019	69,902	bought	68,24,934	2.79
			0.01	25.01.2019	21,652	bought	68,46,586	2.80
			0.04	01.02.2019	97,183	bought	69,43,769	2.84
			69,43,769	2.84	31.03.2019	-	-	69,43,769
3	Life Insurance Corporation of India	59,34,813	2.43	01.04.2018	-	no change	59,34,813	2.43
		59,34,813	2.43	31.03.2019	-	no change	59,34,813	2.43
4	General Insurance Corporation of India	60,00,000	2.46	01.04.2018	-	-	60,00,000	2.46
			0.01	06.04.2018	13,416	bought	60,13,416	2.46
			0.02	20.04.2018	52,991	bought	60,66,407	2.48
			0.05	04.05.2018	1,21,815	bought	61,88,222	2.53
			0.00	11.05.2018	11,778	bought	62,00,000	2.54
			-0.06	22.06.2018	-1,50,000	sold	60,50,000	2.48
			-0.02	29.06.2018	-50,000	sold	60,00,000	2.46
			-0.02	13.07.2018	-60,000	sold	59,40,000	2.43
			-0.02	20.07.2018	-40,000	sold	59,00,000	2.42
	-0.04	24.08.2018	-1,00,000	sold	58,00,000	2.38		
	58,00,000	2.38	31.03.2019	-	-	58,00,000	2.38	
5	American Funds Insurance Series Global Small Capitalization Fund	0	0.00	01.04.2018	-	-	0	0.00
			0.06	03.08.2018	1,45,043	bought	1,45,043	0.06
			0.02	10.08.2018	48,623	bought	1,93,666	0.08
			0.10	17.08.2018	2,56,071	bought	4,49,737	0.18
			0.28	24.08.2018	6,94,546	bought	11,44,283	0.47
			0.01	31.08.2018	27,253	bought	11,71,536	0.48
			0.13	07.09.2018	3,28,464	bought	15,00,000	0.61
			1.04	23.11.2018	25,49,330	bought	40,49,330	1.66
			0.07	30.11.2018	1,73,236	bought	42,22,566	1.73
			0.01	07.12.2018	21,974	bought	42,44,540	1.74
	42,44,540	1.74	31.03.2019	-	-			
6	Vantage Equity Fund	0	0.00	01.04.2018	-	-	0	0.00
			0.08	11.05.2018	21,00,000	bought	21,00,000	0.86
			0.27	25.05.2018	2,00,000	bought	23,00,000	0.94
			0.30	01.06.2018	6,50,000	bought	29,50,000	1.21
			0.05	08.06.2018	7,40,000	bought	36,90,000	1.51
			0.03	22.06.2018	1,30,000	bought	38,20,000	1.56
			0.00	18.01.2019	79,751	bought	38,99,751	1.60
	38,99,751	1.60	31.03.2019	-	-	38,99,751	1.60	

SI no	Shareholders' Name	Shareholding		Date of Transaction	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		Number of Shares at the beginning (01.04.2018)/ end of the year (31.03.2019)	% of total Shares of the Company				Number of Shares	% of total Shares of the Company
7	L&T Mutual Fund Trustee Limited-L&T Emerging Business Fund	16,91,277	0.69	01.04.2018	-	-	16,91,277	0.69
			0.12	27.04.2018	3,00,000	bought	19,91,277	0.82
			0.36	11.05.2018	8,86,723	bought	28,78,000	1.18
			0.15	18.05.2018	3,60,000	bought	32,38,000	1.33
			0.06	13.07.2018	1,46,459	bought	33,84,459	1.39
		33,84,459	1.39	31.03.2019	-	-	33,84,459	1.39
8	Massachusetts Institute of Technology	0	0.00	01.04.2018	-	-	0	0.00
			0.61	15.02.2019	15,00,000	bought	15,00,000	0.61
			0.01	01.03.2019	29,802	bought	15,29,802	0.01
			0.03	08.03.2019	77,009	bought	16,06,811	0.03
			0.01	15.03.2019	35,059	bought	16,41,870	0.01
		16,62,505	0.68	31.03.2019	-	-	16,62,505	0.68
9	The Oriental Insurance Company Limited	16,36,841	0.67	01.04.2018	-	-	16,36,841	0.67
			-0.00	17.08.2018	-10,000	sold	16,26,841	-0.00
			-0.01	24.08.2018	-20,000	sold	16,06,841	-0.01
			-0.02	31.08.2018	-40,000	sold	15,66,841	-0.02
			-0.02	07.09.2018	-49,957	sold	15,16,884	-0.02
			-0.02	14.09.2018	-47,543	sold	14,69,341	-0.02
		14,15,341	0.58	31.03.2019	-	-	14,15,341	0.58
10	L and T Mutual Fund Trustee Ltd-L and T Infrastructure Fund	13,25,953	0.54	01.04.2018	-	no change	13,25,953	0.54
				13,25,953	0.54	31.03.2019	-	no change

(E) Shareholding of Directors and Key Managerial Personnel

SI no	Shareholders' Name	Shareholding		Date of Transaction	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		Number of Shares at the beginning (01.04.2018)/ end of the year (31.03.2019)	% of total Shares of the Company				Number of Shares	% of total Shares of the Company
1	Mr. Vijay Rai Non Executive Non Independent Director	20,150	0.01	01.04.2018	-	no change	20,150	0.01
		20,150	0.01	31.03.2019	-	no change	20,150	0.01
2	Ms. Neetu Kashiramka Chief Financial Officer	2,100	0.00	01.04.2018	-	no change	2,100	0.00
		2,100	0.00	31.03.2019	-	no change	2,100	0.00

V. INDEBTEDNESS

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

(₹ In Lakh)

	Secured Loans excluding deposits	Unsecured Loans	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)	-	-	-	-

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	444.11	444.11
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	64.62	64.62
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-
	Stock Option	-	-
	Sweat Equity	-	-
	Commission		
	- as % of profit	-	-
	- others, specify	-	-
	Others, please specify (Long term Incentive)	-	-
	Total (A)	508.73	508.73
	Ceiling as per the Act (being 5% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		1170.06

B. Remuneration to other directors:

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount	
		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	3.15	3.70	2.80	4.90	3.50	3.15	21.20
	• Commission	14.22	12.71	14.07	14.07	12.41	11.81	79.29
	• Others, please specify	-	-	-	-	-	-	-
	Total(1)	17.37	16.41	16.87	18.97	15.91	14.96	100.49
2	Non-Executive Directors							
	• Fee for attending board / committee meetings	3.50	2.30					5.80
	• Commission	138.00	12.71					150.71
	• Others, please specify	-	-					-
	Total(2)	141.50	15.01					156.51
	Total (B)=(1+2)							257.00
	Total Managerial Remuneration (A)+(B) (excluding sitting fees)							738.73
	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)							2574.14

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

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Ms. Neetu Kashiramka Chief Financial Officer	Mr. Amit K. Vyas*, Company Secretary	Mr. Atindra Basu**, Company Secretary	
	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	152.37	34.20	65.93	252.50
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
	Stock Option	-	-	-	-
	Sweat Equity	-	-	-	-
	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
	Others, please specify (Long Term Incentive)	-	-	-	-
	Total	152.37	34.20	65.93	252.50

* Ceased to be the Company Secretary with effect from the close of business hours on 13th August 2018.** Appointed as the Company Secretary with effect from 14th August 2018.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Mumbai
2nd May 2019**Karan Thapar**
Chairman
DIN: 00004264

Annexure 5

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. Crank Case all Machines, Machine Lamp Conversion in to LED
2. All machine accessorises are linked with basic machine idle time running OFF mode.
3. Power savings from one row of Test Cell by re-shuffling 2 test beds and switched off one set of blowers.
4. Monitoring and controlling of Air Consumption
5. Real time clock incorporated for switching off the Blowers and cooling pump during shift end and week end for Engine Assembly.
6. Excess capacity reduced from 5Hp to 3Hp for Solar evaporation in Effluent Treatment Plant (ETP) area.
7. PLC Program modified to stop hydraulic motor & coolant motors in idle running hours in crank shaft HMT Hobbing machines.
8. Wiring circuit modified to stop coolant motor in idle running hours in crank case Mazak machines.
9. Installation of "Air Saving Unit" to compressors to reduce loading hours and save energy by 3-5%.
10. Installation of Inverter drive pack in hydraulic circuit of Vertical machining centres.
11. Auto Power Factor Control Panel (APFC) with detuned capacitor to get Clean Power without harmonic distortion.
12. Control contractors provided for fume killers with machine and linked with machine idle power saving mode.
13. Incorporation of Variable Frequency Drive (VFD) at D-Assembly & D-Testing blowers.
14. Elimination of Hydraulic Powerpack Motor on AMS, VMC & HMC Machine.
15. 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.

(iii) Capital investment on energy conservation equipment

1. Variable Frequency Drive (VFD) installation for compressor – ₹ 5 lakhs
2. Replacement of 36.7 kW Air Handling Unit (AHU) System by 15.7 kW Air Washer System – Project Cost – ₹ 9.7 lakhs

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption

1. The Automotive Engine Business has introduced 100% Banjo leak testing at supplier end to avoid banjo puncture at Customer end.
2. TPS Setting inspection method changed from Attribute to Variable method to avoid Vehicle acceleration low.
3. Poka – Yoke system introduced at Crank Case bush pressing machine and at engine testing to avoid Oil pressure low at Customer end.
4. Introduced Smoke meter with higher accuracy model MDS450 of AVL at Engine testing.
5. The Auxiliary Power Business (APB) has successfully developed the MEGA series (1010kVA/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.
6. The Company has launched Power Tiller (Bahubali) which is the first indigenously designed and developed engine for Power Tiller in India.
7. Introduction of procedure for vibration analysis and measurements for design verification of farm equipment.
8. Strategic partnerships for electrical pump sets done and innovative validation techniques introduced.
9. Proof of concepts for IOT and for power tillers done successfully.
10. Feature additions for power tillers, power weeders and boom sprayers along with proof of concepts.
11. 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.

12. Efforts are made to generate in-house solutions for emission compliance and service interval improvement.
13. Development of existing GL400 Alternate Fuel engine for BS IV 3 wheeler application.
14. 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. Improvement in Product Quality Customer Requirement met.
2. Compact sized, improved diesel generators in 10 kVA to 40 kVA range was developed to enhance the competitiveness of the product.
3. A new version of 160 kVA diesel generator was developed to improve the performance and competitiveness with best in class fuel economy.
4. 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.
5. Improved validation protocol & component wear analysis and failure investigation methodology introduced for Farm Equipment products.
6. Product feedback for newly launched Farm Equipment products and improvements done successfully.

7. Cost improvement, improvements in emissions control, Noise Vibration Harshness and service interval.
8. New launches in Alternate fuel segment
9. 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	3.18
Revenue	19.18
Total	22.36

The total R&D expenditure as a percentage of Revenue from Operations: 1.12% (2017-18:1.54%)

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	Amount (₹ in Crore)
Inflow	70.10
Outflow	79.40

For and on behalf of the Board

Karan Thapar

Chairman

DIN: 00004264

Mumbai

2nd May 2019

Annexure 6

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

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

The Company believes that CSR is a process by which an organization 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. Through DEEP, the Company provided classroom and practical training with inputs from last year's training and helped needy students from the underserved population. PRIDE program pitched Greaves as 'Friends of Farmers' & focused on mechanization & educating farmers on future of efficient farming practices & engaging in gainful employment. Inventory pooling for productivity increase is also being envisaged. The implementation of the said initiatives is monitored by the CSR Committee. However, the Company has renamed and reconstituted the said Committee named as "CSR Committee" with effect from 1st April 2019.

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.greaves cotton.com/php/media/brochure_files/CSR_Policy.pdf.

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

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

However, the Company has renamed and reconstituted the said Risk, CSR and Strategy Committee named as "CSR Committee" with effect from 1st April 2019. The reconstitution of CSR Committee is as follows:

Name	Category
Ms. Sree Patel	Chairperson, Independent Director
Mr. Arvind Kumar Singhal	Independent Director
Mr. Nagesh Basavanhalli	Executive Director

3. Average net profit of the Company for last three financial years: ₹ 228.15 Crore

4. Prescribed CSR Expenditure (2% of the amount as in Sr. No. 3 above): ₹ 4.56 Crore

5. Details of CSR spend for the financial year:

- Total amount to be spent for the financial year: ₹ 2.18 Crore
- Amount unspent: ₹ 2.38 Crore
- Manner in which the amount spent during the financial year is detailed below:

1) S. No.	2) CSR project or activity identified	3) Sector in which the Project is covered	4) Projects or Programs 1) Local area or other 2) Specify the State and district where the projects or programs was undertaken	5) Amount outlay (budget) project or programs wise	6) Amount spent on the projects or programs Sub-heads:		7) Cumulative expenditure upto the reporting period	8) Amount spent; Direct or through implementing agency
					Direct Expenditure on projects or programs	Overheads		
1	DEEP (Development: Education: Empowerment : Progress)	Skilling	Local (Aurangabad)	₹ 200 lakhs	₹ 191 lakhs	₹ 25 lakhs	₹ 216 lakhs	NEEM
2	Gaja Cyclone Free Service Camp	Skilling	Kerala			₹ 2 lakhs	₹ 2 lakhs	Through Dealer

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.

For and on behalf of the Board

Nagesh Basavanhalli
Managing Director & CEO
DIN: 01886313

Mumbai
2nd May 2019

Karan Thapar
Chairman of Board &
CSR Committee
DIN: 00004264

Annexure 7

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the Financial Year ended 31st March 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 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 our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 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 2019 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 for the financial year under review:-

- (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- (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;
- (vi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

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
FCS No.: 5769
C. P. No. 5918

Place : Thane
Date : 2nd May 2019

Annexure 8

Dividend Distribution Policy

1. PREAMBLE

Greaves Cotton Limited has a 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 their 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 their 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

Utilization 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 authorized, 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

Karan Thapar

Chairman

DIN: 00004264

Mumbai
2nd May 2019

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 in this regard. The Chairman and the Executive Director are liable to retire by rotation. The Managing Director & CEO is not liable to retire by rotation. Day-to-day management of the Company, under the superintendence of the Board, is vested with the Managing Director & CEO, who is supported by a competent Management team. Thus, an effective independent Board, the separation of supervisory role from executive management and the constitution of committees to oversee critical areas are a reflection of the Company's commitment to good corporate governance.

There is no relationship between the Directors inter se.

The list of 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	2	2
Mr. Vikram Tandon	Independent Director	1	1	1
Mr. Navneet Singh	Independent Director	2	2	0
Mr. Arvind Kumar Singhal	Independent Director	3	0	0
Mr. Kewal Handa	Independent Director	5	4	2
Ms. Sree Patel	Independent Director	0	0	0
Mr. Vinay Sanghi	Independent Director	2	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.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and are independent of the Management.

The list of Directorships of the Directors in other listed entities along with the category of directorships is attached as **Annexure A**.

2.2 List of skills/expertise/competencies

The Board has identified the following skills/expertise/competencies as required in the context of its Business and sectors and which are actually available with the Board:

Name of the Director	Expertise in specific functional area
Mr. Karan Thapar	Promoter-Investor with over 30 years of rich experience in Managing companies, both public and private, having interest in diversified areas
Mr. Nagesh Basavanhalli	Building New Business and Brands, Strategic Tie-ups & Partnerships, Multicultural Global exposure
Mr. Vijay Rai	Manufacturing Management and Agro Inputs Marketing
Mr. Vikram Tandon	Corporate Development and Strategy
Mr. Navneet Singh	Banking, Regulatory Compliances and Operating Risk Management
Mr. Arvind Kumar Singhal	Retail Marketing Strategy and Strategic Business Planning
Mr. Kewal Handa	Business Strategy and Planning, Finance, People Management and Managing Enterprises
Ms. Sree Patel	Business Strategy & Advisory, Corporate Law, M & A, Divestment & Acquisition of Business, Corporate Governance, Indirect tax, Government Affairs and FCPA Compliance
Mr. Vinay Sanghi	Auto industry Expert, Conceptualised and executed numerous successful Business ventures, Entrepreneur, Instrumental in taking a company to market leadership.

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

During the financial year 2018-19, the Board met six times i.e. on 3rd May 2018, 17th July 2018, 13th August 2018, 29th August 2018, 1st November 2018 and 4th February 2019. The gap between any two consecutive Board 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. Karan Thapar	5 of 6
Mr. Nagesh Basavanhalli	6 of 6
Mr. Vijay Rai	6 of 6
Mr. Vikram Tandon	5 of 6
Mr. Navneet Singh	5 of 6
Mr. Arvind Kumar Singhal	5 of 6
Mr. Kewal Handa	6 of 6
Ms. Sree Patel	6 of 6
Mr. Vinay Sanghi	5 of 6

Annual General Meeting

The Annual General Meeting for the year ended 31st March 2018 was held on 13th August 2018. Except Mr. Vikram Tandon, all the other directors attended the meeting.

2.4 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 Companies Act, 2013 and 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 Company has renamed the said Risk, CSR and Strategy Committee as "CSR Committee" and has formed a separate Committee for Risk & Strategy named "Risk Management Committee" with effect from 1st April 2019). 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 2019 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 the internal financial controls, risk management systems, discussion on any significant findings and Management response thereon;
- (vii) reviewing the findings of any internal investigations by the internal auditors;
- (viii) reviewing the function of the Whistle Blower Mechanism and ensure adequate safeguards against victimization of employees and directors;
- (ix) approving the appointment of Chief Financial Officer; and
- (x) recommend to the Board, the appointment and remuneration of Cost Auditors and review Cost Audit Report/Cost Statements.

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

3.1.3 Meetings and attendance

During the financial year 2018-19, the Committee met four times i.e. on 2nd May 2018, 13th August 2018, 31st October 2018 and 4th February 2019. The gap between any two consecutive 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 4

The Chairman of the Committee was present at the 99th Annual General Meeting held on 13th August 2018.

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 nomination, remuneration and incentive policies, practices and key performance indicators of the Executive Directors, Key Management Personnel and the Senior Management are aligned with the Board's vision, values and overall business objectives and are appropriately designed to attract, motivate and retain them and to pursue the long term growth and success of the Company.

3.2.1 Terms of reference in brief

- To formulate the criteria for determining the qualifications, positive attributes expertise and independence of Directors and recommend to the Board their appointment;
- To recommend to the Board, the remuneration of the Executive Directors', as follows:
 - 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;
 - Remuneration amount, annual / mid-term increments, merit rewards, special payments, etc.;
 - Changes in the remuneration package, terms of appointment, notice period, severance fees, recruitment, retention and termination policies and procedures;
 - Details of stock options and period over which the options are exercisable;
 - Key performance indicators, the actual performance vis-à-vis the key performance indicators and amount of the annual performance linked incentive;
- To recommend to the Board a policy relating to the remuneration for the Executive Directors, Key Managerial Personnel and Management Staff;
- To devise a policy on Board diversity;
- To formulate a criteria for evaluation of Independent Directors and the Board; and
- 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 of 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

3.2.3 Meetings and attendance

During the financial year 2018-19, the Nomination and Remuneration Committee met three times i.e. on, 2nd May 2018, 31st October 2018 and 4th February 2019. The details of the attendance of the Directors at these Meetings are as follows:

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

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 of 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 2018-19 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	222.37	64.62	15.04	206.70	--	508.73

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 ₹ 35,000 for attending each meeting of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Risk, CSR & Strategy Committee and Independent Directors. The Company renamed the said Risk, CSR & Strategy Committee as "CSR Committee" and constituted a separate committee for Risk & Strategy named as "Risk Management Committee" with effect from 1st April 2019. The sitting fees for attending each meeting of the Risk Management Committee is ₹ 35,000. For each meeting of Stakeholders' Relationship & Share Transfer Committee and Managing Committee, the Non-Executive Directors are entitled to sitting fees of ₹ 10,000.

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; and
- Overall contribution and time devoted outside the Meetings.

Details of the remuneration paid / payable to the Non - executive Directors for the financial year 2018-19 are as follows:

(₹ in lakh)

Name of the Directors	Sitting fees	Commission*	Total
Mr. Karan Thapar	3.50	138.00	141.50
Mr. Vijay Rai	2.30	12.71	15.01
Mr. Vikram Tandon	3.15	14.22	17.37
Mr. Navneet Singh	3.70	12.71	16.41
Mr. Arvind Kumar Singhal	2.80	14.07	16.87
Mr. Kewal Handa	4.90	14.07	18.97
Ms. Sree Patel	3.50	12.41	15.91
Mr. Vinay Sanghi	3.15	11.81	14.96

* Subject to approval of the audited financial statements for the financial year 2018-19 by the Members at the forthcoming 100th Annual General Meeting.

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 and review 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 share certificates 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;

- To review the Shareholding Pattern of the Company and the significant changes therein; and
- To monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015.
- To review the measures taken for effective exercise of voting rights by shareholders and adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent.
- To review various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrant / annual reports / statutory notices by the shareholders of the Company.

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 2nd May 2018 and 4th February 2019, wherein all the Members were present.

3.3.4 Name and designation of Compliance Officer

Mr. Atindra Basu, Head - Legal, Internal Audit and Company Secretary, is the Compliance Officer of the Company as required under Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.3.5 Investor complaints

The Company received eleven complaints during the year under review which were satisfactorily addressed. There were no pending complaints as on 31st March 2019.

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. Atindra Basu, Head - Legal, Internal Audit and 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 from time to time, 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 2018-19, the Company has transferred 2,04,988 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
13 th August 2018	4.00 p.m.	Hall of Culture, Nehru Centre, Worli, Mumbai - 400 018	Adoption of new set of Articles of Association
3 rd August 2017	3.30 p.m.	Hall of Culture, Nehru Centre, Worli, Mumbai - 400 018	Payment of Commission to Non- Executive Directors
26 th 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

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 2020, in accordance with the prescribed procedure.

5. Disclosures

5.1. Related Party Transactions

5.1.1 Basis

During the year under review, the Company has not entered into any Material Related Party Transactions. 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 at www.greavescotton.com and can also be accessed through the following link http://www.greavescotton.com/php/media/brochure_files/Related%20Party%20Transaction%20Policy.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 Report, 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 were no instance of non-compliance with any of the requirements specified under the Listing Regulations as well as other regulations and guidelines of Securities and Exchange Board of India (SEBI). Consequently, there were no penalties or strictures have been imposed by SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three financial 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 is attached as **Annexure B**.

5.6 Certificate on Corporate Governance

The Auditors' Certificate on compliance with the conditions of corporate governance, as stipulated under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as **Annexure E**.

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%20for%20determining%20material%20subsidiaries.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. Atindra Basu, Head - Legal, Internal Audit and Company Secretary, has been appointed as the Compliance Officer for the purpose of this Code.

5.9 Code of Conduct

The Board is responsible for ensuring that rules are in place to avoid 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 http://www.greavescotton.com/php/media/brochure_files/Code_of_Conduct_for_Board_Members_and_Senior_Management.pdf. All the Members of the Board and Senior Management personnel have affirmed their compliance with the Code for the financial year ended 31st March 2019. A declaration to this effect, signed by the Managing Director & CEO, is attached as **Annexure C**. 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 behaviour. 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 http://www.greavescotton.com/php/media/brochure_files/Whistle_Blower_Policy.pdf.

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 proceedings of 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 <http://www.greavescotton.com/investors/financials>.

7. General Shareholder Information

7.1 Annual General Meeting Information

Day and Date	Thursday, 8 th August 2019
Time	3.30 pm
Venue	Rangsharda Natyamandir, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, ONGC Colony, Bandra West, Mumbai
Book Closure	Friday, 2 nd August 2019 to Thursday, 8 th August 2019 (Both days inclusive)

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 2019-20, as per the following schedule:

1 st quarter ending 30 th June 2019	: on or before 14 th August 2019
2 nd quarter ending 30 th September 2019	: on or before 14 th November 2019
3 rd quarter ending 31 st December 2019	: on or before 14 th February 2020
4 th quarter and financial year ending 31 st March 2020	: on or before 30 th May 2020
101 st Annual General Meeting	: on or before 30 th September 2020

7.4 Dividend Payment

During the period under review, the Board has declared and paid an Interim Dividend of ₹ 4 per equity share (200%) on face value of ₹ 2 each. The Record date for payment of the Interim dividend was 14th February 2019. The Payment of the dividend was made within the Statutory timelines. The Interim Dividend of ₹ 4 paid during the year shall be considered as final Dividend for financial year 2018-19.

7.5 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.

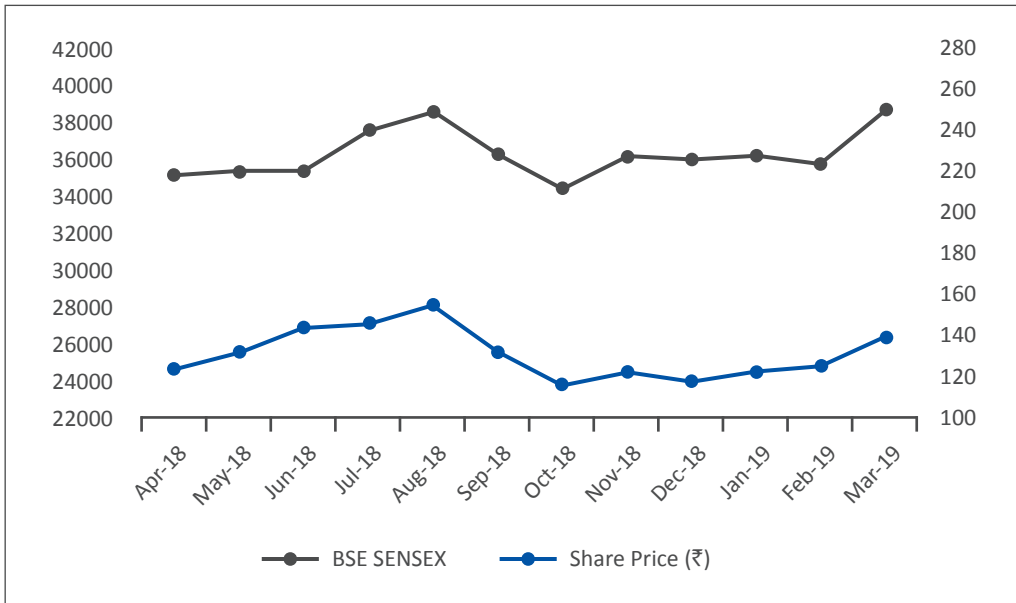
The Listing Fee for the financial year 2019-20 has been paid to both the above Stock Exchanges.

7.6 Market Price Data (high, low during each month in the financial year 2018-19):

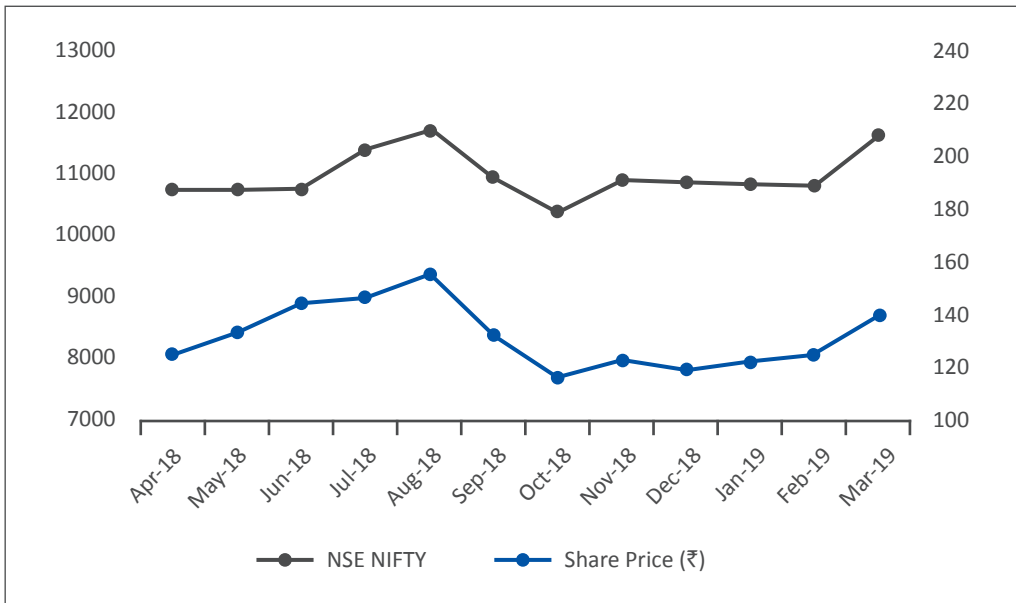
Month	BSE				NSE			
	Prices in ₹		S & P BSE Sensex		Prices in ₹		Nifty 50	
	High	Low	High	Low	High	Low	High	Low
April, 2018	132.30	113.90	35,213.30	32,972.56	132.45	113.90	10,759.00	10,111.30
May, 2018	145.90	122.40	35,993.53	34,302.89	145.85	122.30	10,929.20	10,417.80
June, 2018	146.45	120.30	35,877.41	34,784.68	146.45	120.20	10,893.25	10,550.90
July, 2018	152.15	133.00	37,644.59	35,106.57	152.30	132.65	11,366.00	10,604.65
August, 2018	164.55	142.55	38,989.65	37,128.99	164.70	142.00	11,760.20	11,234.95
September 2018	165.00	131.25	38,934.35	35,985.63	165.00	129.00	11,751.80	10,850.30
October, 2018	134.90	111.10	36,616.64	33,291.58	132.10	111.05	11,035.65	10,004.55
November, 2018	133.50	115.45	36,389.22	34,303.38	134.00	115.40	10,922.45	10,341.90
December, 2018	129.10	113.50	36,554.99	34,426.29	128.75	112.40	10,985.15	10,333.85
January, 2019	128.00	115.00	36,701.03	35,375.51	126.00	114.60	10,987.45	10,583.65
February, 2019	126.30	116.05	37,172.18	35,287.16	126.35	116.30	11,118.10	10,585.65
March, 2019	147.50	127.00	38,748.54	35,926.94	147.90	127.30	11,630.35	10,817.00

7.7 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



7.8 Share Transfer Agent Information:**Registrar and Share Transfer Agent:**

Karvy Fintech 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.karvyfintech.com

7.9 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 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 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.

Shareholders to note that effective from 1st April 2019 requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository, as per the proviso to Regulations 40(1) of Listing Regulations read with SEBI Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November 2018, press releases dated 3rd December 2018 and 27th March 2019 respectively issued by SEBI.

7.10 Shareholding Pattern as on 31st March 2019

Category	Number of Shares held	Percentage of Shareholding
Promoters	12,67,31,715	51.90
Mutual Funds	1,65,73,513	6.79
Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions/ Non-Government Institutions)	2,15,89,383	8.84
Corporate Bodies/Clearing Members	44,83,539	1.84
NRIs/ OCBs/ FIIs/FPIs	3,68,65,765	15.10
Resident Individuals/Trust	3,69,30,123	15.12
IEPF	10,32,757	0.42
Total	24,42,06,795	100.00

7.11 Distribution of Shareholding as on 31st March 2019

Number of shares	Number of shareholders	Percentage	Number of Shares	Percentage
Up to 2,500	79,454	96.61	2,01,29,211	8.24
2,501 to 5,000	1,594	1.94	58,14,254	2.38
5,001 to 10,000	685	0.83	48,76,704	2.00
10,001 to 15,000	167	0.20	20,69,602	0.85
15,001 to 20,000	78	0.09	13,98,064	0.57
20,001 to 25,000	60	0.07	13,45,697	0.55
25,001 to 50,000	82	0.10	28,43,445	1.16
50,001 and above	120	0.15	20,57,29,818	84.24
Total	82,240	100.00	24,42,06,795	100.00

7.12 Dematerialization of Shares and Liquidity

The Company's shares can be traded on the Stock Exchanges only in dematerialized form. 98.91% of the total Equity Share Capital was held in dematerialized form as on 31st March 2019.

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

The details of shares held in dematerialised and physical form as on 31st March 2019 are as follows:

Particulars	Equity Shares of ₹ 2 each		Shareholders	
	Number	% of total	Number	% of total
Dematerialized form				
NSDL	22,85,48,401	93.59	46,257	56.25
CDSL	1,30,06,639	5.33	28,125	34.20
Sub- total	24,15,55,040	98.91	74,382	90.45
Physical form	26,51,755	1.09	7,858	9.55
Total	24,42,06,795	100	82,240	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.

7.13 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.

7.14 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:

Aggregate Number of Shareholders and Outstanding Shares in the suspense account at the beginning of the year		Number of shareholders who approached the Company for transfer of shares from suspense account during the year		Number of shareholders to whom shares were transferred from suspense account during the year		Number of shares transferred to Investor Education and Protection Fund (IEPF) Account during the year		Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	
Number of Cases	Number of Shares	Number of Cases	Number of Shares	Number of Cases	Number of Shares	Number of Cases	Number of Shares	Number of Cases	Number of Shares
279	65,245	3	2,035	3	2,035	276	63,210	0	0

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.

7.15 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

7.16 Address for Correspondence

Greaves Cotton Limited
Unit No. 701, 7th Floor, Tower 3,
Equinox Business Park, LBS Marg,
Kurla West, Mumbai - 400 070

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

7.17 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

7.18 Credit Rating

List of all credit ratings obtained by the Company along with any revisions thereto during the financial year, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad - Not Applicable.

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. Affirmations and Disclosures

- 9.1 **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) - Not applicable.**
- 9.2 **A certificate from a company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority - The Certificate of Company Secretary in Practice is attached as Annexure D.**
- 9.3 **Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof - Not Applicable.**
- 9.4 **Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part - The Company and its subsidiaries do not have a common Statutory Auditor. The fees paid to the Statutory Auditors by the Company and its subsidiaries are disclosed in the Standalone and Consolidated Financial Statements of the Company respectively.**
- 9.5 **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 - There were no complaints filed during the year.**
- 9.6 **During the year under review, there were no instances of Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Part C of Schedule V to the Listing Regulations.**

10. Disclosures of compliance with Corporate Governance

During the year under review, the Company is in compliance of Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. 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:

11.1 The Board

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

11.2 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.

11.3 Audit qualifications

The audit report is with unmodified opinion (unqualified).

11.4 Separate posts of Chairman and CEO

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

11.5 Reporting of Internal Auditor

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

Annexure A

The list of Directorships of the Directors in other listed entities along with the category of directorships are as follows:

Sr. No.	Name of the Director	Name of Listed Entity	Category
01.	Mr. Vijay Rai	Punjab Chemicals and Crop Protection Limited	Director
02.	Mr. Vikram Tandon	ESAB India Limited	Director
03.	Mr. Arvind Kumar Singhal	Welspun India Limited	Director
		Blue Star Limited	Additional Director
04.	Mr. Kewal Handa	Clariant Chemicals (India) Limited	Director
		R M Drip and Sprinklers Systems Limited	Director
		Mukta Arts Limited	Director
		Borosil Glass Works Limited	Additional Director

Annexure B

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 31st March 2019 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 were no significant changes in internal control over financial reporting during the year;
 - b) there were no significant changes in accounting policies 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
DIN: 01886313

Neetu Kashiramka
Chief Financial Officer

Place: Mumbai
Date: 2nd May 2019

Annexure C

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 2019.

For Greaves Cotton Limited

Nagesh Basavanhalli
Managing Director & CEO
DIN: 01886313

Place: Mumbai
Date: 2nd May 2019

Annexure D

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Greaves Cotton Limited
Unit No. 701, 7th Floor, Tower 3,
Equinox Business Park, LBS Marg,
Kurla West, Mumbai – 400 070

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Greaves Cotton Limited having CIN L99999MH1922PLC000987 and having registered office at Unit No. 701, 7th Floor, Tower 3, Equinox Business Park, LBS Marg, Kurla West Mumbai – 400 070 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that **none** of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	Designation	DIN	Date of Appointment in the Company
1.	Mr. Karan Thapar	Chairman & Director	00004264	29 th September 1991
2.	Mr. Nagesh Basavanhalli	Managing Director	01886313	27 th September 2016
3.	Mr. Vijay Rai	Director	00075837	21 st March 2002
4.	Mr. Vikram Tandon	Director	01727251	7 th August 2007
5.	Mr. Navneet Singh	Director	01896854	1 st August 2013
6.	Mr. Arvind Kumar Singhal	Director	00709084	1 st November 2013
7.	Mr. Kewal Handa	Director	00056826	6 th May 2016
8.	Ms. Sree Patel	Director	03554790	14 th February 2017
9.	Mr. Vinay Sanghi	Director	00309085	4 th August 2017

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Pradeep Purwar & Associates**
Company Secretaries

Pradeep Kumar Purwar

Proprietor

Mem. No: 5769

CoP No: 5918

Date: 20th May 2019

Place: Thane

Annexure E

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/6730 dated 25th September 2018.
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 2019, 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 2019.
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)

UDIN: 19046930AAAAAK8969

MUMBAI
2nd May 2019

Business Responsibility Report

For the Financial Year 2018-19

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:**
L99999MH1922PLC000987
- Name of the Company:** Greaves Cotton Limited
- Registered address:** Unit No. 701, 7th Floor, Tower 3, Equinox Business Park, LBS Marg, Kurla West, Mumbai - 400070
- Website:** www.greavescotton.com
- E-mail id:** investorservices@greavescotton.com
- Financial Year reported:** FY 2018-19
- 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

- List three key products/services that the Company manufactures/provides (as in balance sheet):**
 - Automotive Engines - Single cylinder automotive diesel Engines, Single cylinder Gasoline Engines, Range 4 HP to 11 HP
 - Farm Equipment - Petrol, Kerosene Portable Engines (1HP -4 HP), Portable Pump sets, Power Tiller, Reaper
 - Auxiliary Power - Portable Gensets 2.5 to 7.5 KVA, Gensets 10 KVA to 500 KVA
 - Greaves Retail outlets - One stop shop for Sales, Service & Spares needs for last mile e-mobility requirements. Service & parts support for IC engine powered vehicles.
- Total number of locations where business activity is undertaken by the Company:**
 - Number of International Locations: Nil
 - Number of National Locations: 6 (manufacturing facilities)
- Markets served by the Company - Local/State/National/International:** All

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (INR) :** ₹ 48.84 Crore
- Total Turnover (INR) :** ₹ 2029.45 Crore (Total Revenue)
- Total profit after taxes (INR) :** ₹ 169.30 Crore
- Total Spending on Corporate Social Responsibility (CSR) (INR) and as percentage of profit after taxes (%):** ₹ 218.34 lakhs (1.29%)
- List of activities in which expenditure in 4 above has been incurred:**
 - DEVELOPMENT, EDUCATION, EMPOWERMENT & PROGRESS (DEEP) CSR program** - Program targeted towards skilling of the underprivileged students around factory - Investment of ₹ 1.9 Crore
 - PRODUCTIVITY, RECOGNITION, INDIVIDUALITY, DIGNITY & EARNINGS (PRIDE) CSR program** - Program targeted towards providing dignified engagement of rural youth in farming with techno-commercial skills - Investment of ₹ 2.2 lakhs

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?** Yes. The Company has 3 subsidiaries as on 31st March 2019. During the year, the Company acquired 67.34% shareholding in Ampere Vehicles Private Limited (Ampere). Pursuant to which, Ampere has become a subsidiary of the Company.
- 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.
- 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 Annual 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 their 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.

Designation: Vice President-Supply Chain Management
Tel No. : 022-62211700
Email ID : swad.deshpande@greavescotton.com

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 Basavanhalli
Designation: Managing Director & CEO
 - b. **Details of the BR Head**

DIN Number: Not Applicable
Name: Mr. Swad S Deshpande

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: Environmental 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) (Note 1)	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

Sr No	Questions	P1: Ethics and Transparency	P2: Product Responsibility	P3: Wellbeing of employees	P4: Responsiveness to Stakeholders	P5: Respect Human Rights	P6: Environmental Responsibility	P7: Public policy advocacy	P8: Support inclusive growth	P9: Engagement with Customers
6.	Indicate the link for the policy to be viewed online?	Note 2	N	Note 2	N	Note 2	Note 2	N	N	N
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 conform to the principles laid down in the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business.

Note 2: 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) - Not Applicable

Sr No	Questions	P1: Ethics and Transparency	P2: Product Responsibility	P3: Wellbeing of employees	P4: Responsiveness to Stakeholders	P5: Respect Human Rights	P6: Environmental 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									
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

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.

The Company has different mechanisms for receiving and dealing with complaints from various stakeholders like Customers, Employees, Suppliers, etc. During the financial year 2018-19, eleven complaints were received from the shareholders, all of which were attended and satisfactorily resolved. The details of complaints received from other stakeholders is specified under principle 9.

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?

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. Electric Vehicles	Giving access of electric mobility solutions to millions of individuals at the bottom of the pyramid, Ampere specializes in last mile affordable mobility solutions. These stylish Ampere electric scooters have low TCO and provide emission-free transportation. These vehicles are superior solutions for commuters who otherwise walk long distances or take public transport for their daily needs and are a boon to various E-commerce players who seek affordable and agile solution for their quick delivery in otherwise congested locales.
3. Auxillary 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.

Product	Social and Environmental benefits
4. 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	UOM	Previous Yr. 2017-18	Current Yr. 2018-19
Specific Energy Consumption	Automotive Engine Business(AEB)	Units/Engine	33.3	30.4
	Industrial Engine Business(IEB)	Units/Eq. Engine	218	197
	Farm Equipment Business (FEB)	Units/Engine	9.22	8.63
Specific water Consumption	Automotive Engine Business, Aurangabad	M ³ /Engine	0.22	0.21
	Industrial Engine Business	M ³ /Eq. Engine	2.10	1.80
	AEB & FEB, Ranipet	M ³ /Engine	0.18	0.17

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 Annual 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 products purchased by the Company for its Automotive Engines Business, Auxillary Power

Business, Aftermarket Business and Industrial Engines Business are procured from local suppliers. Remaining less than 5% of products are procured by way of imports. 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: 1675
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 1203
3. Please indicate the Number of permanent women Employees: 77

4. Please indicate the Number of permanent employees with disabilities: 1
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? 21.67 %
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: 75%
 - c. Casual/Temporary/Contractual Employees: 95%
 - 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 works 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 supports and respects the protection of internationally proclaimed human rights, labour standards and environmental protection measures. The Company does not hire child labour, forced labour or involuntary labour and the practice extends to the entire Group. The Suppliers / Contractors / NGOs dealing with the Company are always encouraged to maintain ethical standards in all their practices.
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 2018-19, 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 the 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. At Greaves, we have reimagined the future of Mobility ecosystem with clear focus on transformative technology. And working on this direction relentlessly, we have today a range of energy efficient products and services as offering in affordable last mile transportation.

In newly acquired Ampere vehicles, we have been accelerating the mission of affordable clean mobility solutions for an emerging India. Today, more than 40,000 happy users of Ampere vehicles have experienced freedom while saving approx. 40+ Million gallons of petrol. Facilitating cleaner and greener mobility, Ampere vehicles has been instrumental in saving 20+ thousand tonnes of Carbon Emission.

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

Yes, the Company identifies and assesses 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 & maximizing fuel efficiency.

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

1. Energy conservation:

The Solar rooftop panel installed at the Aurangabad Plant comes as a part of the conscious sustainability development plan. At Greaves, we are committed towards taking concrete steps in the direction of cleaner and greener tomorrow. This plan is aligned in the direction to build energy efficiency, secure resource optimization, optimise smart use of renewable resources which will eventually save the planet & contribute in fighting climate change.

Annually, the Solar installation at Aurangabad Plant is expected to provide savings close to 1.7 Million units and power enough electricity to houses of close to 650 families.

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 m³ 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 no 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:

- Crank Case all Machines, Machine Lamp Conversion into LED
- All machine accessories are linked with basic machine idle time running OFF mode.
- Power savings from one row of Test Cell by re-shuffling 2 test beds and switched off one set of blowers.
- Monitoring and controlling of Air Consumption
- 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.
- Installation of rooftop solar panels at select Aurangabad factory building.
- Inclusion of electric powered water pumps in farm portfolio
- Initiated Drip irrigation product in farm portfolio as part of micro irrigation practice, saving water for future. "More crop per drop" remains the guiding thought while we accelerate this further.
- Greaves believes in thought of providing responsible technology which helps deliver energy efficient products and services. In this direction, the Company has started selling battery powered e-rickshaws in commercial mobility domain. This saves more every km of drive, without any fuel and with zero emission.
- In affordable personal mobility segment, the Ampere range of e-mobility solutions has seen good acceptance owing to significantly low operating cost, savings on fuel and maintenance cost while saving the planet from tailpipe emission.
- Lastly, the Greaves CNG vehicles with significantly low TCO have started enabling India cut down carbon load from the environment while saving the national exchequer on the fuel cost.

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:

- Confederation of Indian Industry
- Indo-German Chamber of Commerce
- 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 (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, civic amenities improvement, water conservation/management, 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 an external agency.

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

The progress of CSR activities under implementation are reported to the CSR 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 has continued the 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 classroom and practical training with inputs from last years training and helped needy students from the underserved population of Aurangabad & Ranipet to work on assembly lines and get proficient in repairing engines. Total amount incurred towards the said project is ₹ 1.9 Crore.

Program 2 – PRIDE – A program to engage dignified Youth in the farming sector from Rural India

PRIDE program pitched Greaves as 'Friends of Farmers' and focused on mechanization and educating farmers on future of efficient farming practices and engaging in gainful employment. With an aim to provide dignified engagement to rural youth from farming sector, this program was conducted in Panvel, Maharashtra as pilot project with cost of ₹ 2 lakhs. Here farmers were exposed to various tools and equipment they can use to improve the productivity of farm and how this equipment can become an income multiplier for them in long run. Today, mechanization helps to solve the problem of availability of human labor and rising labor rates in the rural hinterland. Farmers can do things much faster and also move towards generating rental income from other farms and thus earn more. In future, this program helps to provide recognition of becoming a responsible livelihood earner from current state of being unemployed. At Greaves, we intend to continue such practice of supporting and progressing lives of millions of people at the bottom-of-the-pyramid with our community support programs.

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 till now has provided this skilling training to 150 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. The classroom modules were designed in a way to provide extensive knowhow on engines, related parts, assembly & repair. This was followed by hands-on practical training sessions in training center & later via deep observation on the assembly line. We are happy to see that some of these beneficiaries have undergone real life changing moments, have supported their families & elevated their standards of living today. Through this reskilling program, the Company aims to create cohorts who will step ahead & be driver of change in their communities & neighborhood around Ranipet & Aurangabad plant.

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 2018-19:

Division	Total Customer Complaints (Phenomena) Registered in this period	Open	Close	Open %	Close %
Automotive Engine	1	0	1	0	100
Industrial Engine & Auxiliary Power	1,638	0	1,638	0	100
Farm Equipment	4	0	4	0	100

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 takes 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 Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Greaves Cotton Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Revenue Recognition in the appropriate accounting period</p> <p>Revenue is recognized when performance obligations are satisfied by transferring promised goods to customers. Goods are considered transferred when the customer obtains 'control' of the promised goods. Control is the ability to direct the use of and obtain, substantially all the benefits from the goods.</p> <p>There is a risk of revenue not being recorded in the correct accounting period on account of the inability to establish with certainty, the point of time when control passes.</p> <p>(Refer note 2.4 and 22 to the standalone financial statements)</p>	<p>Principal audit procedures performed include:</p> <ol style="list-style-type: none"> (1) Assessed the appropriateness of the relevant accounting policy. (2) Evaluated the design and implementation of internal controls over management's assertion with respect to 'cut - off', to establish that control of promised goods has passed to customers. (3) Tested the operating effectiveness of controls over revenue recognition with a focus on those related to the timing of revenue recognition. (4) Performed testing on a sample of sales to confirm that 'cut - off' has been properly applied, in particular, the sales made before the year end

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Business Responsibility Report and Corporate Governance, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 Ind AS 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows 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 financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 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 the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 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: 2nd May 2019

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 2019 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 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 2019, based on the criteria for 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 & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

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

Place: Mumbai
Date: 2nd May 2019

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) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits as at 31st March 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (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, Customs Duty, 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, Customs Duty, Goods and Service Tax Act, cess and other material statutory dues in arrears as at 31st March 2019, 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 2019, 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 Crore)*
Central Sales Tax Act, 1956 & Local Tax Act	Non submission of forms, interest and other matters	High Court	2001-02	0.30
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 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	1999-00 1992-93 1998-99 2003-04 2006-07 2008-09 2011-12 to 2014-15	28.07

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates (Financial Year)	Amount Unpaid (₹ in Crore)*
Central Sales Tax Act, 1956 & Local Tax Act	Non submission of forms, interest and other matters	Before Assistant Deputy Commissioner/Additional Commissioner/Deputy Commissioner	2013-14 2016-17	20.35
Central Excise Act, 1944	Disallowance of input credit and penalty	Commissioner (Appeals)	1991-92 2010-11 2011-12 2014-15 2015-16 2016-17	0.57
Central Excise Act, 1944	Disallowance of input credit and penalty	Appellate Tribunal	2002-03 2005-06 2006-07 2008-09 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17	21.00
Central Excise Act, 1944	Disallowance of input credit and penalty	Assistant Commissioner/ Deputy Commissioner/ Additional Deputy Commissioner/ Joint Commissioner/ Commissioner	1991-98 2002-03 2004-05 2006-07 to 2016-17	2.95
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) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (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 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the 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 the Order 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 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 & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

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

Place: Mumbai
Date: 2nd May 2019

Balance Sheet

as at 31st March 2019

(₹ in Crore)

	Note No.	As at 31st March 2019	As at 31st March 2018
ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	4	234.89	242.98
(b) Capital work-in-progress		10.89	4.48
(c) Investment Properties	5	3.46	3.66
(d) Intangible assets	6	22.70	30.47
(e) Intangible assets under development		60.10	23.14
(f) Financial assets			
(i) Investments			
(a) Investments in subsidiaries	7A	72.76	0.29
(b) Other investments	7B	228.16	290.90
(ii) Other financial assets	8A	9.39	7.42
(g) Income tax assets (Net)		23.03	22.08
(h) Other non-current assets	9A	17.93	12.44
Total non-current assets		683.31	637.86
2 Current assets			
(a) Inventories	10	115.19	109.42
(b) Financial assets			
(i) Other investments	7C	191.13	211.45
(ii) Trade receivables	11	336.51	252.69
(iii) Cash and cash equivalents	12	38.41	29.79
(iv) Bank balances other than (iii) above	13	3.95	3.30
(v) Other financial assets	8B	10.66	72.90
(c) Other current assets	9B	21.01	15.23
Total current assets		716.86	694.78
3 Assets classified as held for sale	14	8.98	8.98
Total Assets		1,409.15	1,341.62
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	15	48.84	48.84
(b) Other equity	16	920.32	911.56
Equity attributable to the owners of the Company		969.16	960.40
LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	17A	4.13	1.20
(b) Provisions	18A	0.51	0.42
(c) Deferred tax liabilities (Net)	19A	7.00	20.16
(d) Other non-current liabilities	21A	14.60	5.75
Total non-current liabilities		26.24	27.53
2 Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	20	32.12	34.54
- Total outstanding dues of creditor's other than micro enterprises and small enterprises	20	287.30	238.42
(ii) Other financial liabilities	17B	38.68	31.34
(b) Provisions	18B	19.55	22.05
(c) Income tax liabilities (Net)		5.26	5.16
(d) Other current liabilities	21B	30.84	22.18
Total current liabilities		413.75	353.69
Total Equity and Liabilities		1,409.15	1,341.62
Notes forming part of the financial statements	1-41		

As per our report of even date attached

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

Rupen K. Bhatt
Partner

Neetu Kashiramka
Chief Financial Officer

Atindra Basu
Company Secretary & Head Legal

For and on behalf of the Board
Kewal Handa
Director

Nagesh Basavanhalli
Managing Director & CEO

Mumbai, 2nd May 2019

Statement of Profit and Loss

for the year ended 31st March 2019

	Note	Year ended 31st March 2019	Year ended 31st March 2018
(₹ in Crore)			
I Revenue from operations	22	1,987.82	1,839.70
II Other income	23	41.63	45.29
III Total Income (I + II)		2,029.45	1,884.99
IV Expenses			
Cost of materials consumed	24	1,262.52	1,120.90
Purchases of stock-in-trade	25	110.97	65.97
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	(15.01)	22.99
Excise duty on sale of goods		-	47.60
Employee benefits expense	27	174.68	167.29
Finance costs	28	3.33	0.81
Depreciation and amortisation expense	29	48.83	52.35
Other expenses	30	179.93	159.66
Total expenses		1,765.25	1,637.57
V Profit before exceptional items and tax		264.20	247.42
VI (Less)/Add: Exceptional Items	31	(17.87)	48.17
VII Profit before tax		246.33	295.59
VIII Tax expense			
Current tax		90.18	90.09
Deferred tax (credit)/charge		(13.15)	2.88
Total tax expenses	19E	77.03	92.97
IX Profit for the year (VII - VIII)		169.30	202.62
X Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans: Gain/(Loss)		2.11	(2.35)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.73)	0.81
Other comprehensive income for the year		1.38	(1.54)
XI Total Comprehensive Income for the year (IX + X)		170.68	201.08
XII Earnings per equity share of ₹ 2 each :			
Basic & Diluted	34	6.93	8.30
Notes forming part of the financial statements	1-41		

As per our report of even date attached

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

Rupen K. Bhatt
Partner

Neetu Kashiramka
Chief Financial Officer

Atindra Basu
Company Secretary & Head Legal

For and on behalf of the Board

Kewal Handa
Director

Nagesh Basavanhalli
Managing Director & CEO

Mumbai, 2nd May 2019

Statement of changes in equity

for the year ended 31st March 2019

(₹ in Crore)

A Equity share capital	
Balance as at 31st March 2018	48.84
Balance as at 31st March 2019	48.84

(₹ in Crore)

	Reserves and Surplus				Total
	Capital Reserve	Securities Premium	General Reserves	Retained Earnings	
B Other equity					
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
Balance as at 1st April 2018	1.34	34.59	346.18	529.45	911.56
Profit for the year	-	-	-	169.30	169.30
Other comprehensive income	-	-	-	1.38	1.38
Total Comprehensive Income for the year	-	-	-	170.68	170.68
Dividends (including tax on dividends)	-	-	-	(161.92)	(161.92)
Balance as at 31st March 2019	1.34	34.59	346.18	538.21	920.32
Notes forming part of the financial statements			1-41		

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Rupen K. Bhatt

Partner

Neetu Kashiramka

Chief Financial Officer

Atindra Basu

Company Secretary & Head Legal

For and on behalf of the Board

Kewal Handa

Director

Nagesh Basavanhalli

Managing Director & CEO

Mumbai, 2nd May 2019

Statement of cash flows

for the year ended 31st March 2019

	Year ended 31st March 2019	Year ended 31st March 2018
	(₹ in Crore)	
Cash flows from operating activities		
Profit for the year (after tax)	169.30	202.62
Adjustments for:		
Income tax expense	77.03	92.97
Finance costs	3.33	0.81
Interest income	(3.04)	(2.56)
Profit on sale of property, plant & equipment (Net)	(0.42)	(0.78)
Profit on sale of property, plant & equipment (exceptional item)	(2.63)	(47.72)
Provision for fixed deposit with IL&FS (exceptional item)	20.50	-
Fair value gain on investments measured at FVTPL	4.35	(27.30)
Profit on sale of investments (Net)	(35.24)	(3.40)
Depreciation and amortisation expenses	48.83	52.35
Unrealised foreign exchange loss/(gain)	0.84	(0.32)
Operating profit before working capital changes	282.85	266.67
Adjustment for movements in working capital:		
Trade receivables	(84.34)	18.03
Inventories	(5.77)	19.99
Other assets	(5.50)	14.80
Trade payables	46.59	53.10
Provisions	(0.30)	(0.93)
Other liabilities	23.17	(0.80)
Cash generated from operations	256.70	370.86
Less: Income taxes paid	(91.75)	(91.90)
Net cash generated from operating activities (A)	164.95	278.96
Cash flows from investing activities		
Payments for purchase of property, plant and equipment and capital work-in-progress	(29.63)	(24.08)
Payments for purchase of intangible assets (incl. Non-competee fees)	(45.58)	(25.78)
Proceeds from disposal of property, plant and equipment	3.59	48.85
(Purchase)/(reinvestment) of financial assets	(1,378.75)	(1,291.76)
Proceeds on sale of financial assets	1,492.69	1,227.13
Inter corporate deposits placed	(100.85)	(65.00)
Inter corporate deposit matured	135.35	31.55
Interest received	4.57	2.36
Investment in subsidiary	(72.47)	-
Net cash generated from/(used in) investing activities (B)	8.92	(96.73)
Cash flows from financing activities		
Dividends paid (including tax)	(161.92)	(161.65)
Interest paid	(3.33)	(0.81)
Net cash used in financing activities (C)	(165.25)	(162.46)
Net increase in cash and cash equivalents (A+B+C)	8.62	19.77
Cash and cash equivalents at the beginning of the year	29.79	10.02
Cash and cash equivalents at the end of the year	38.41	29.79
Notes forming part of the financial statements	1-41	

As per our report of even date attached

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

Rupen K. Bhatt
Partner

Neetu Kashiramka
Chief Financial Officer

Atindra Basu
Company Secretary & Head Legal

For and on behalf of the Board
Kewal Handa
Director

Nagesh Basavanhalli
Managing Director & CEO

Mumbai, 2nd May 2019

Notes to the Financial Statements

for the year ended 31st March 2019

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, electric vehicles 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 two direct and one indirect subsidiary.

The Company is public limited company incorporated and domiciled in India. The address of its corporate office is Unit No. 701, 7th Floor, Tower 3, Equinox Business Park, LBS Marg, Kurla (West), Mumbai – 400 070.

The Financial statements for the year ended 31st March 2019 were approved by the Board of Directors and authorised for issue on 2nd May 2019.

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.

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.

Notes to the Financial Statements

for the year ended 31st March 2019

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 is recognising revenue as and when it satisfies the performance obligation by transferring promised goods to a customer and customer obtains control of the same;
- 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 the 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 and the Central Provident Fund under the State Pension scheme. There are no other obligations other than the contribution payable to the Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme.

Notes to the Financial Statements

for the year ended 31st March 2019

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.

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.

Notes to the Financial Statements

for the year ended 31st March 2019

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 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.

Notes to the Financial Statements

for the year ended 31st March 2019

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.

2.16. Financial instrument:

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

Notes to the Financial Statements

for the year ended 31st March 2019

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 2019

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 2019

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 employment 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 2019

4 Property, Plant and Equipment

	Land		Buildings		Plant & equipment	Office equipment	Furniture & fixtures	Vehicles	Leasehold Improvements	Total
	Freehold	Leasehold	Freehold	Leasehold						
Cost										
Balance as at 1st April 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
Additions	-	-	1.52	-	19.44	0.24	0.07	0.05	3.39	24.71
Disposals	-	-	(0.01)	-	(7.17)	(0.32)	(1.13)	(0.05)	(2.12)	(10.80)
Balance as at 31st March 2019	3.44	20.07	78.47	0.01	243.37	3.55	6.74	0.39	5.00	361.04
Depreciation										
Balance as at 1st April 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)
Depreciation expense	-	(0.22)	(3.14)	-	(26.77)	(0.56)	(0.69)	(0.07)	(0.79)	(32.24)
Disposals	-	-	0.01	-	7.06	0.28	1.05	0.04	1.80	10.24
Balance as at 31st March 2019	-	(0.90)	(13.98)	-	(106.29)	(2.41)	(1.39)	(0.13)	(1.05)	(126.15)
Carrying amount										
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
Balance as at 31st March 2019	3.44	19.17	64.49	0.01	137.08	1.14	5.35	0.26	3.95	234.89

Carrying amount of Freehold Building includes ₹ 0.09 Crore (previous year ₹ 0.10 Crore) towards cost of ownership flats in Co-operative Housing Societies/Condominium.

Notes to the Financial Statements

for the year ended 31st March 2019

5 Investment properties

	(₹ in Crore)
	Investment Properties
Cost	
Balance as at 1st April 2017	4.36
Disposals	(0.07)
Balance as at 31st March 2018	4.29
Disposals	-
Balance as at 31st March 2019	4.29
Depreciation	
Balance as at 1st April 2017	(0.50)
Disposals	0.07
Depreciation expense	(0.20)
Balance as at 31st March 2018	(0.63)
Disposals	-
Depreciation expense	(0.20)
Balance as at 31st March 2019	(0.83)
Carrying amount	
Balance as at 31st March 2018	3.66
Balance as at 31st March 2019	3.46
Rental income from investment property for the year ended 31st March 2018	0.45
Rental income from investment property for the year ended 31st March 2019	0.24
Direct operating expenses including repairs and maintenance arising from investment property that generated rental income for the year ended 31st March 2018	0.16
Direct operating expenses including repairs and maintenance arising from investment property that generated rental income for the year ended 31st March 2019	0.09

Fair value of investment property

The Company has obtained valuation of its investment properties from an independent valuer. The fair values were ₹ 13.74 Crore (previous year - ₹ 16.41 Crore) (Level 3).

6 Intangible assets

					(₹ in Crore)
	Technical Knowhow	Product Development	Computer Software	Non-competee fees	Total
Cost					
Balance as at 1st April 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
Additions	0.08	2.21	1.33	5.00	8.62
Balance as at 31st March 2019	15.03	36.56	12.72	5.00	69.31
Amortisation					
Balance as at 1st April 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)
Amortisation expense	(2.58)	(11.43)	(2.01)	(0.37)	(16.39)
Balance as at 31st March 2019	(12.36)	(24.40)	(9.48)	(0.37)	(46.61)
Carrying Amount					
Balance as at 31st March 2018	5.17	21.38	3.92	-	30.47
Balance as at 31st March 2019	2.67	12.16	3.24	4.63	22.70

Notes to the Financial Statements

for the year ended 31st March 2019

7 Investments

	As at 31st March 2019		As at 31st March 2018	
	Nos.	Amount	Nos.	Amount
(₹ in Crore)				
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
Ampere Vehicles Private Limited (Face Value of ₹ 10/- each)	69,46,414	72.47	-	-
Refer Note 2 below				
Sub-total		72.76		0.29
7B Other Investments				
Investments in Mutual Funds (at fair value)		228.16		290.90
Sub-total		228.16		290.90
Aggregate carrying value of unquoted investments-Non current		300.92		291.19

	As at 31st March 2019		As at 31st March 2018	
	Nos.	Amount	Nos.	Amount
(₹ in Crore)				
Current (Unquoted)				
7C Other Investments				
Investments in Mutual Funds (at fair value)				
Sub-total		191.13		211.45
Aggregate carrying value of unquoted investments-Current		191.13		211.45
Aggregate carrying value of unquoted investments-Mutual Funds		419.29		502.36
Aggregate cost of unquoted investment-Mutual Funds		368.56		447.20

Note:

- The non-current investments in unquoted equity shares of subsidiaries are stated at amortised cost.
- During the year the Company acquired 69,46,414 shares having face value of ₹ 10 each for ₹ 72.47 Crore in Ampere Vehicles Private Limited. With this the Company has 67.34% shareholding. The acquisition cost includes control premium of ₹ 5 Crore
- The fair value of other investments (Non-current and Current) as at 31st March 2019 and 31st March 2018 have been arrived at on the basis of Net Asset Value (NAV) declared by the Mutual Funds (Level 1).
- Also refer Note 32B.

7D Particulars of Investment made during the year with purpose in terms of section 186 (4) of the Companies Act, 2013

Name of the Entity	Amount		Purpose
	₹	₹	
Ampere Vehicles Private Limited	72.47		Not Applicable

Notes to the Financial Statements

for the year ended 31st March 2019

8 Other financial assets

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
8A Non-current		
Security deposits	7.20	5.32
Margin money deposits with banks	1.84	1.75
Other assets - Employee Advances, etc.	0.35	0.35
Non-current total	9.39	7.42
8B Current		
Export benefit receivables	2.14	3.74
Security deposits	5.83	8.36
Derivative financial instruments	0.18	0.03
Fixed deposits with financial institutions	20.50	55.00
Less: Provision for doubtful deposits	(20.50)	-
	-	55.00
Interest receivable	0.09	1.62
Other assets - Claim receivable, Employee Advances, etc.	2.42	4.15
Current total	10.66	72.90
Total	20.05	80.32

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 32B)

9 Other assets

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
9A Non-current		
Capital advances	4.38	2.50
Prepaid expenses	0.86	0.06
Balances with Customs, Port Trust, Central Excise etc.	12.69	9.88
Non-current total	17.93	12.44
9B Current		
Advances to suppliers	13.66	8.47
Prepaid expenses	2.13	2.01
Balances with Customs, Port Trust, Central Excise, GST etc.	5.22	4.75
Current total	21.01	15.23
Total	38.94	27.67

Notes to the Financial Statements

for the year ended 31st March 2019

10 Inventories

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
Inventories (lower of cost and net realisable value)		
Raw Materials	44.54	53.75
Work-in-progress	7.46	5.46
Finished goods	34.62	29.14
Stock-in-trade	21.33	13.80
Stores and spares	3.96	3.98
Loose tools	3.28	3.29
Total	115.19	109.42

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
1. Raw Materials include in transit	5.47	5.41
Stock-in-trade include in transit	1.87	0.49

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

3. 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 ₹ 18.13 Crore (previous year ₹ 16.88 Crore) and ₹ 8.28 Crore (previous year ₹ 7.72 Crore) respectively.

11 Trade receivables

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
Trade Receivables considered good - Secured*	195.03	173.59
Trade Receivables considered good - Unsecured	141.48	79.10
Trade Receivables - credit impaired	21.64	23.99
Allowance for doubtful debts (expected credit loss allowance)	(21.64)	(23.99)
Total	336.51	252.69

a. Also refer Note 32

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

b. 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.

c. 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 ₹ 18.13 Crore (previous year ₹ 16.88 Crore) and ₹ 8.28 Crore (previous year ₹ 7.72 Crore) respectively.

Notes to the Financial Statements

for the year ended 31st March 2019

12 Cash and cash equivalents

	As at 31st March 2019	As at 31st March 2018
Cash on hand	@	0.01
Cheques, drafts on hand	4.05	8.51
Fixed deposit with maturity less than 3 months	10.00	-
Balances with banks		
In current accounts	24.36	21.27
	38.41	29.79

@ Represents amount less than ₹ 1 lakh

13 Bank balances other than cash and cash equivalents

	As at 31st March 2019	As at 31st March 2018
Unpaid dividend accounts	3.95	3.30
	3.95	3.30

14 Assets classified as held for sale

	As at 31st March 2019	As at 31st March 2018
Leasehold land and buildings thereon	12.59	12.59
Less: Impairment	(3.61)	(3.61)
	8.98	8.98

The recoverable value was estimated based on the fair value less cost of disposal of the asset.

15 Equity share capital

	As at 31st March 2019	As at 31st March 2018
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 31st March 2018	24,42,06,795	48.84
As at 31st March 2019	24,42,06,795	48.84

Notes to the Financial Statements

for the year ended 31st March 2019

15 Equity share capital (Contd.)

	(₹ in Crore)			
	As at 31st March 2019		As at 31st March 2018	
	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	9,87,46,790	40.44%	9,84,69,662	40.32%
Bharat Starch Products Private Limited	1,37,75,865	5.64%	1,37,75,865	5.64%
Karun Carpets Private Limited	1,42,09,060	5.82%	1,23,08,199	5.04%

15C Terms/Rights attached to equity shares

- 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.
- 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 2019	Year ended 31st March 2018
15D Dividends		
Interim dividend was declared by the Board of Directors in the meeting held on 4th February 2019, ₹ 4.00 per share.	97.68	
Interim dividend was declared by the Board of Directors in the meeting held on 5th February 2018, ₹ 4.00 per share.		97.68
Final dividend for the year ended 31st March 2018, ₹ 1.50 per share (Proposed by Board of Directors in the meeting held on 3rd May 2018 and was approved by Shareholders in the meeting held on 13th August 2018)	36.63	
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
Dividend distribution tax on above	27.61	27.34

16 Other equity

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
Reserves and surplus		
Capital reserve ¹	1.34	1.34
Securities premium ²	34.59	34.59
General reserve ³	346.18	346.18
Retained Earnings*	538.21	529.45
	920.32	911.56

- This is not available for distribution of dividend but can be utilised for issuing bonus shares.
- Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Act.
- 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.

* Refer Statement of change in equity

Notes to the Financial Statements

for the year ended 31st March 2019

17 Other financial liabilities

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
17A Non-current		
Employee benefits payable	4.13	1.20
Non-current total	4.13	1.20
17B Current		
Employee benefits payable	19.29	17.02
Unpaid dividends*	3.95	3.30
Deposits from dealers	6.88	6.53
Capital creditors	7.23	3.86
Others	0.64	0.54
Derivative financial instruments	0.69	0.09
Current total	38.68	31.34
Total	42.81	32.54

*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 32B)

18 Provisions

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
18A Non-current		
Provision for employee benefits		
Ex-gratia	0.51	0.42
Non-current total	0.51	0.42
18B Current		
Provision for employee benefits		
Compensated absences	9.21	8.97
Gratuity & Ex-gratia	0.69	3.58
Provisions for warranty	9.65	9.50
Current total	19.55	22.05
Total	20.06	22.47

Movement in provision for warranties

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
Opening balance	9.50	8.96
Provision recognised during the year	14.68	10.42
Amount utilised during the year	(14.53)	(9.88)
Closing balance	9.65	9.50

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 2019

19 Deferred tax

	As at 31st March 2019	As at 31st March 2018
(₹ in Crore)		
19A Analysis of deferred tax liabilities presented in the balance sheet:		
Deferred tax assets	22.13	16.43
Deferred tax liabilities	(29.13)	(36.59)
Deferred tax liabilities (net)	(7.00)	(20.16)

	Opening Balance	Recognised in profit or loss	Closing Balance
(₹ in Crore)			
19B Movement in deferred taxes during the year ended 31st March 2019			
Deferred tax asset/(liability) in relation to:			
Depreciation	(28.86)	4.19	(24.67)
Provision for post retirement benefits and other employee benefits	3.35	0.25	3.60
Allowance for doubtful debts and advances	8.38	(0.82)	7.56
Fair value of financial instruments	(7.73)	3.27	(4.46)
Other temporary differences	4.70	6.27	10.97
	(20.16)	*13.15	(7.00)

* Excludes ₹ 0.01 Crore in respect of charge related to OCI

	Opening Balance	Recognised in profit or loss	Closing Balance
(₹ in Crore)			
19C 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)

	As at 31st March 2019	As at 31st March 2018
(₹ in Crore)		
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)	16.03	23.30
	16.03	23.30

Notes to the Financial Statements

for the year ended 31st March 2019

19 Deferred tax (Contd.)

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
19E The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	246.33	295.59
Income tax expenses calculated at 34.944% (previous year 34.608%)	86.08	102.30
Differences due to:		
Tax on income at different rates	(1.74)	(5.48)
Deduction u/s 35(2AB) - R&D expenses	(3.91)	(4.81)
Effect of concessions (Long term capital loss set off)	(4.04)	(0.31)
Effect on deferred tax balances due to change in income tax rate	-	0.17
Others	0.64	1.10
Total tax expense	77.03	92.97

20 Trade payables

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
Trade payables		
Due to Micro Enterprises and Small Enterprises*	32.12	34.54
Other than Micro Enterprises and Small Enterprises	287.30	238.42
	319.42	272.96

Also refer Note 32

* 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 2019	As at 31st March 2018
Principal amount and interest due:		
Principal amount	32.12	34.54
Interest due	@	@
Interest paid by buyer in terms of section 16 of MSMED Act	-	-
Amount paid beyond the appointed day	24.91	18.83
Interest due and payable to supplier, for payment already made under MSMED Act	0.37	0.33
Amount of Interest accrued and remaining unpaid at the end of accounting year	0.71	0.54
Amount of further interest remaining due and payable even in succeeding years	0.07	-

@ Represents amount less than ₹ 1 lakh

21 Other liabilities

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
21A Non-current		
Advances from customers	14.60	5.75
Non-current total	14.60	5.75
21B Current		
Advances from customers	10.73	6.78
Statutory dues	19.10	14.04
Provision for excise duty	-	-
Other payables	1.01	1.36
Current total	30.84	22.18
Total	45.44	27.93

Notes to the Financial Statements

for the year ended 31st March 2019

22 Revenue from operations

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Sale of products		
(i) Finished goods	1,833.49	1,731.76
(ii) Stock-in-trade	148.01	95.68
	1,981.50	1,827.44
Service income	3.18	9.46
Other operating revenue		
(i) Export incentive	2.95	2.44
(ii) Others	0.19	0.36
	1,987.82	1,839.70

The Company manufactures engines and its applications like power generating sets, pumps, farm equipment etc.

It derives its revenue from sale of such engines, power generating sets, farm equipment. It also earns revenue from servicing of power generating sets. The Company also trades in the spares of the engines and other products like construction equipment and electric vehicles.

Effective 1st April 2018, the Company has adopted Ind AS 115 'Revenue from contracts with customers'.

Accordingly, the Company is recognising the revenue as and when it satisfies the performance obligation by transferring promised good or service to a customer and customer obtains the control of the same.

In case of exports the revenue is recognised based on the Bills of Lading received from the shipping companies who assume control of goods on behalf of the customers.

The products which are sold to OEMs and direct end customers, the prices are pre-determined as per negotiations and long term supply contracts. The products which are sold through dealer network have the dealer prices as determined and circulated by the Company.

The Company also offers cash discounts and volume discounts and the same are netted off against the gross revenue. The volume discounts are accrued on a regular basis based on off take of each dealer/customer.

The revenue is recognised on satisfaction of performance obligation and transferring control to the customer and hence the same is recognised at point in time. The Company dis-aggregates revenue on the basis of its segments viz. engines and others as well as geographical operations viz. domestic and overseas (refer Note No. 33A & 33D). The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

The Company also gives the performance assurance warranties for its products, undertaking to repair/replace the items if they fail within stipulated time or usage. The provision for such warranties is made based on the historical data and is accounted separately under other expenses.

Effective April 1, 2018, the Company has adopted Ind AS 115, 'Revenue from Contracts with Customers'. The application of Ind AS 115 did not have any material impact on the opening retained earnings and the financial results of the Company.

Notes to the Financial Statements

for the year ended 31st March 2019

23 Other income

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Interest income earned on financial assets not designated as at FVTPL		
Deposits	2.92	2.41
Other financial assets	0.12	0.15
Fair value gain		
Investments measured at FVTPL	(4.35)	27.30
Profit on sale of investments (Net)	35.24	3.40
Profit on sale of assets (Net)	0.42	0.78
Exchange fluctuation - gain (Net)	-	1.09
Scrap sales	2.69	2.51
Miscellaneous income	4.59	7.65
	41.63	45.29

24 Cost of materials consumed

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Raw materials consumed		
Opening stock	53.75	50.93
Purchases	1,253.31	1,123.72
Less : Closing stock	44.54	53.75
	1,262.52	1,120.90

25 Purchases of stock-in-trade

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Traded goods	110.97	65.97

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

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Opening 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
Closing inventories		
Finished goods	34.62	29.14
Work-in-progress	7.46	5.46
Stock-in-trade	21.33	13.80
	63.41	48.40
Total	(15.01)	22.99

Notes to the Financial Statements

for the year ended 31st March 2019

27 Employee benefits expense

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Salaries and wages	158.54	145.70
Contribution to provident funds and other funds	14.52	15.58
Staff welfare expenses	11.19	11.52
	184.25	172.80
Less: Capitalised towards product development	9.57	5.51
	174.68	167.29

Employee benefit plans

27A Defined contribution plans

The amount recognised as an expense during the year ended 31st March 2019 towards Provident Fund (including admin charges), ESIC contribution and Superannuation & National Pension Scheme is ₹ 6.90 Crore (previous year ₹ 7.29 Crore), ₹ 0.17 Crore (previous year ₹ 0.35 Crore) and ₹ 4.91 Crore (previous year ₹ 4.34 Crore) respectively.

27B The Company, based on legal opinion, is of the view that the Ruling issued on February 28, 2019 by the Honourable Supreme Court, clarifying the definition of basic wages under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is applicable from the date of the said Ruling. Accordingly, the Company has given effect to the said Ruling on a prospective basis. The impact determined on a prospective basis is insignificant.

27C 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 11th January 2019 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 2019

27 Employee benefits expense (Contd.)

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

	Valuation as at			
	31st March 2019		31st March 2018	
Discount rate(s)	7.45%		7.65%	
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.

	Year ended	
	31st March 2019	31st March 2018
	(₹ in Crore)	
Service cost:		
Current service cost	2.40	1.97
Past service cost and gain from settlements	-	1.15
Interest on net defined benefit asset	0.15	(0.23)
Components of defined benefit costs recognised in profit or loss during the year	2.55	2.89
Opening amount recognised in other comprehensive income :	(0.17)	(2.52)
Re-measurement during the year due to:		
Changes in financial assumptions	0.30	(1.30)
Changes in demographic assumptions	-	(0.59)
Experience adjustments	(1.43)	3.55
Actual return on plan assets less interest on plan assets	(0.98)	0.69
Closing amount recognised in other comprehensive income:	(2.28)	(0.17)
Components of defined benefit (Income)/cost recognised in other comprehensive income during the year	(2.11)	2.35

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:

	As at	
	31st March 2019	31st March 2018
	(₹ in Crore)	
Present value of funded defined benefit obligation	34.01	35.88
Fair value of plan assets	34.29	33.22
Funded status	(0.28)	2.66
Net (asset)/liability arising from defined benefit obligation	(0.28)	2.66

Notes to the Financial Statements

for the year ended 31st March 2019

27 Employee benefits expense (Contd.)

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

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Opening defined benefit obligation	35.88	33.25
Current service cost	2.40	1.97
Past service cost	-	1.15
Interest on defined benefit obligation	2.43	2.05
Re-measurement due to:		
Actuarial (gains)/losses arising from changes in financial assumptions	0.30	(1.30)
Actuarial gains arising from changes in demographic assumptions	-	(0.59)
Actuarial (gains)/losses arising from experience changes	(1.43)	3.55
Benefits paid	(5.57)	(4.20)
Closing defined benefit obligation	34.01	35.88

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

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Opening fair value of plan assets	33.22	35.83
Interest income	2.28	2.28
Re-measurement gain/(loss):		
Return on plan assets (excluding amounts included in net interest expense)	0.98	(0.69)
Contributions from the employer	3.38	-
Benefits paid	(5.57)	(4.20)
Closing fair value of plan assets	34.29	33.22

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 2019	31st March 2018
Cash and cash equivalents	0.15	0.18
Non quoted value :		
Insurer managed fund	34.14	33.04
Total	34.29	33.22

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 summarises 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.

	Year ended 31st March 2019		Year ended 31st March 2018	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	(0.74)	0.73	(0.77)	0.76
Impact of decrease in 50 bps on DBO	0.77	(0.72)	0.80	(0.74)

Notes to the Financial Statements

for the year ended 31st March 2019

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 2019 is 11.24 years, (as at 31st March 2018: 10.59 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	2018-2019	2017-2018
Expected benefits for year 1 to 3	17.49	19.05
Expected benefits for year 4 and 5	9.71	9.52
Expected benefits for year 6 and above	23.49	25.03

28 Finance costs

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Interest expenses	3.33	0.80
Other borrowing costs	-	0.01
	3.33	0.81

29 Depreciation and amortisation expense

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Depreciation of Property, plant and equipment (Note 4)	32.24	35.43
Depreciation of investment property (Note 5)	0.20	0.20
Amortisation of intangible assets (Note 6)	16.39	16.72
	48.83	52.35

30 Other expenses

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Stores and spares consumed	7.30	7.12
Power, fuel and electricity	13.30	12.71
Contracting expenses	26.76	22.49
Repairs and maintenance:		
Buildings	0.64	0.54
Plant & equipment	3.94	3.93
Others	1.77	1.73
Brokerage and commission	2.55	1.74
Rent	9.36	10.05
Lease rentals	2.90	2.51

Notes to the Financial Statements

for the year ended 31st March 2019

30 Other expenses (Contd.)

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Insurance	2.21	1.66
Bad debts/Advances written-off (i)	4.19	2.68
Less: Allowance for doubtful Debts/advances (ii)	(4.19)	(2.65)
Bad debts/Advances written-off (i)-(ii)	-	0.03
Allowance for doubtful debts/advances	1.99	(0.11)
Rates and taxes	0.97	1.44
Advertisement and sales promotion expenses	11.60	9.77
Travelling	13.60	13.00
Carriage and freight	24.56	18.15
Printing and stationery	0.67	0.61
Warranty expenses	14.68	10.42
Legal, professional and consultancy charges	9.96	12.18
Exchange fluctuation-loss (Net)	0.61	-
Miscellaneous expenses	30.56	29.69
	179.93	159.66

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
30A Miscellaneous expenses include:		
Auditors' remuneration and expenses		
Statutory audit fees	0.47	0.44
Limited review	0.17	0.15
Fees for certification	0.09	0.05
Reimbursement of out-of-pocket expenses	0.01	0.02
Payments to tax auditors		
Tax audit fees	0.08	0.08
Payments to cost auditors		
Cost audit fees	0.07	0.07
30B Expenditure incurred on corporate social responsibility activities		
(1) Gross amount required to be spent by the Company during the year	4.56	4.03
(2) Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	2.18	0.58

31 - Exceptional items

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
(i) Profit on sale of immovable property	2.63	47.72
(ii) Provision for fixed deposit with IL&FS	(20.50)	-
(iii) Employee separation cost	-	(0.81)
(iv) Reversal of provision for Employee pension scheme	-	1.26
Exceptional items (net)	(17.87)	48.17

Notes to the Financial Statements

for the year ended 31st March 2019

32 Risk management

32A 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.

32B 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 2019	As at 31st March 2018
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
Mutual fund	419.29	502.35
Derivative financial instruments	0.18	0.03
Measured at amortised cost @		
Cash and bank balances	42.36	33.09
Trade receivable	336.51	252.69
Security deposits	13.03	13.68
Margin money with Banks	1.84	1.75
Fixed deposit with financial institution	-	55.00
Others	5.00	9.86
Financial liabilities		
Measured at Fair value through profit or loss (FVTPL)		
Derivative financial instruments	0.69	0.09
Measured at amortised cost @		
Trade payable	319.42	272.96
Unpaid dividends	3.95	3.30
Deposits from dealers	6.88	6.53
Capital creditors	7.23	3.86
Others	0.64	0.54
Employee benefits payable	23.42	18.22

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

32C 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 86 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, 58% 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.

Notes to the Financial Statements

for the year ended 31st March 2019

32 Risk management (Contd.)

32D 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 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
USD	12.41	15.41	0.75	8.80
EUR	0.42	1.73	-	-

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

32E 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.

32F Fair value measurements

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

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 2019	As at 31st March 2018		
Financial assets				
Mutual fund	419.29	502.35	Level 1	
Derivative financial instruments	0.18	0.03	Level 2	Discounted Cash Flows used by Banks for Mark to Market
Financial liabilities				
Derivative financial instruments	0.69	0.09	Level 2	Discounted Cash Flows used by Banks for Mark to Market

Notes to the Financial Statements

for the year ended 31st March 2019

33 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:

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

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.

33A 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 2019	Year ended 31st March 2018	Year ended 31st March 2019	Year ended 31st March 2018
Engines	1,866.38	1,766.46	311.70	284.91
Others	121.44	73.24	4.09	1.27
Total	1,987.82	1,839.70	315.79	286.18
Other Income (including exceptional items)			16.77	84.38
Central administration costs			(82.90)	(74.16)
Finance costs			(3.33)	(0.81)
Profit before tax			246.33	295.59

33B Segment assets and liabilities

(₹ in Crore)

Segment assets	Year ended 31st March 2019	Year ended 31st March 2018
Engines	718.96	640.89
Others	54.77	27.29
Total segment assets	773.73	668.18
Assets classified as held for sale	8.98	8.98
Unallocated	626.44	664.46
Total Assets	1,409.15	1,341.62

Notes to the Financial Statements

for the year ended 31st March 2019

33 Segment information (Contd.)

Segment liabilities	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Engines	346.51	291.02
Others	24.64	14.80
Total segment liabilities	371.15	305.82
Unallocated	68.84	75.40
Total liabilities	439.99	381.22

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.

33C Other segment information

	(₹ in Crore)			
	Depreciation and amortisation		Additions to non-current assets	
	Year ended 31st March 2019	Year ended 31st March 2018	Year ended 31st March 2019	Year ended 31st March 2018
Engines	43.98	47.52	23.58	35.47
Others	0.04	0.02	0.22	0.19
Unallocable	4.81	4.81	9.53	2.18
	48.83	52.35	33.33	37.84

33D 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 2019	Year ended 31st March 2018	Year ended 31st March 2019	Year ended 31st March 2018
Domestic	1,917.72	1,772.04	349.97	317.17
Overseas	70.10	67.66	-	-
	1,987.82	1,839.70	349.97	317.17

* Non-current assets excludes investment in subsidiaries, Other investments, Other financials assets and Income tax assets (Net).

34 Earnings per share

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Profit for the year	169.30	202.62
Weighted average number of equity shares for the purpose of basic and diluted earnings per share	24,42,06,795	24,42,06,795
Basic and Diluted earnings per share	6.93	8.30

Notes to the Financial Statements

for the year ended 31st March 2019

35 Related party transactions

List of related parties :

35A Subsidiary Companies

Dee Greaves Limited
Greaves Leasing Finance Limited
Ampere Vehicles Private Limited (From October 2018)

35B Promoter and the promoter group companies, where company has transactions during the year

Mr Karan Thapar, Chairman
Bharat Starch Products Private Limited
DBH International Private Limited
Karun Carpets Private Limited
EICL Limited
Premium Transmission Private Limited

35C Key Management Personnel:

Mr Nagesh A Basavanhalli Managing Director & CEO
Ms Neetu Kashiramka Chief Financial Officer

35D Transactions with related parties

The following transactions occurred with the related parties:

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Sales and purchases of goods and services		
Sale of goods		
Promoter group company		
Premium Transmission Private Limited	0.02	-
Rendering of services/Reimbursement of expenses		
Subsidiaries		
Dee Greaves Limited	@	@
Greaves Leasing Finance Limited	0.01	0.01
Ampere Vehicles Private Limited	0.03	-
Promoter group company		
Premium Transmission Private Limited	-	0.05
Other transactions		
Commision and sitting fees paid		
Mr Karan Thapar	1.35	1.46
Lease rent expenses paid to subsidiaries		
Greaves Leasing Finance Limited	0.33	0.22
Lease rent expenses paid to Promoter group company		
Premium Transmission Private Limited	0.07	0.03
EICL Limited	0.34	0.14
Investment in subsidiary		
Ampere Vehicles Private Limited	25.00	-
Dividend paid		
DBH International Private Limited	54.27	54.16
Bharat Starch Products Limited	7.58	7.58
Karun Carpets Private Limited	7.40	6.77

@ Represents amount less than ₹ 1 lakh

Notes to the Financial Statements

for the year ended 31st March 2019

35 Related party transactions (Contd.)

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

	Amounts owed by related parties as at		Amounts owed to related parties as at	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Subsidiary Companies	0.03	-	-	-
Promoter group companies	0.01	0.01	0.03	0.03

(₹ in Crore)

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).

35E Compensation of key management personnel

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

	Year ended	Year ended
	31st March 2019	31st March 2018
Short-term employee benefits	6.41	5.31
Post-employment benefits	0.20	0.20
	6.61	5.51

(₹ in Crore)

Notes:

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

36 Contingent liabilities

	As at	As at
	31st March 2019	31st March 2018
a) Sales Tax liability that may arise in respect of matters in appeal	51.57	6.70
b) Sales Tax Liability that may arise on account of uncollected 'C' Forms	0.56	1.29
c) Excise Duty liability that may arise in respect of matters in appeal	25.37	24.24
d) Claims made against the Company, not acknowledged as debts	28.56	48.91
e) Bonds executed in favour of Collector of Customs/Central Excise	-	3.21
f) Wage demand not acknowledged by the Company in respect of matter in appeal	3.29	2.60

(₹ in Crore)

Notes:

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

37 Commitments

	As at	As at
	31st March 2019	31st March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	37.49	58.41

(₹ in Crore)

Notes to the Financial Statements

for the year ended 31st March 2019

38 Operating lease arrangements

38A 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 2019	Year ended 31st March 2018
Minimum lease payments	2.90	2.51
	2.90	2.51

(b) Non-cancellable operating lease commitments

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Not later than 1 year	3.95	-
Later than 1 year and not later than 5 years	16.59	-
Later than 5 year	-	-
	20.54	-

38B 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.

39 Expenditure on Research and Development

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
a) Revenue expenditure charged to Statement of Profit and Loss (Under Note Nos. 24, 27 & 30)	19.18	22.04
b) Capital Expenditure	3.18	6.38
	22.36	28.42

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

On 30th March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendments Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Company is currently evaluating the implication of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 notified amendments to the following accounting standards. The amendments would be effective from 1st April 2019

1. Ind AS 12 – Income taxes – Appendix C on uncertainty over income tax treatments
2. Ind AS 23 – Borrowing costs
3. Ind AS 109 – Financial instruments
4. Ind AS 19 – Employee benefits

The Company is in the process of evaluating the impact of such amendments.

41 The figures for the corresponding previous period have been regrouped wherever necessary, to make them comparable with the figures of the current period.

For and on behalf of the Board

Kewal Handa
Director

Neetu Kashiramka
Chief Financial Officer

Atindra Basu
Company Secretary & Head Legal

Nagesh Basavanhalli
Managing Director & CEO

Mumbai, 2nd May 2019

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)

Date of Acquisition	Greaves Leasing Finance Ltd.	Dee Greaves Ltd.	Ampere Vehicles Private Limited
	Since inception	Since inception	From Oct 2018
Financial Year ended 31st March 2019			
A) Share Capital	0.25	0.13	10.32
B) Reserves/Surplus in profit & loss	4.62	0.08	15.19
C) Total Assets	4.96	0.22	45.88
D) Total Liabilities	0.09	0.01	20.38
E) Investments (as per details attached)	0.06	0.20	-
F) Turnover (including other income)	0.48	0.01	53.74
G) Profit/(Loss) before taxation	0.34	@	(8.97)
H) Provision for taxation	0.07	-	0.04
I) Profit/(Loss) after taxation	0.27	@	(9.00)
J) Proposed Dividend	-	-	-
K) Extent of shareholding	100%	100%	67.34%

@ Represents amount less than ₹ 1 lakh

Part "B" : Associates and Joint Ventures

Not Applicable

Neetu Kashiramka
Chief Financial Officer

Atindra Basu
Company Secretary & Head Legal

For and on behalf of the Board
Kewal Handa
Director

Nagesh Basavanhalli
Managing Director & CEO

Mumbai, 2nd May 2019

Information on Subsidiary Companies

Details of investment of subsidiaries as at 31st March 2019

(₹ in Crore)

	As at 31st March 2019		As at 31st March 2018	
	Nos.	Amount	Nos.	Amount
Non-Current investment				
Greaves Leasing Finance Limited				
Investments in subsidiaries (Unquoted)				
Shares of Dee Greaves Limited of ₹ 10/- each	133851	0.01	133851	0.01
Sub Total		0.01		0.01
Investments in equity shares (Quoted)				
Fair value through profit or loss				
ABB India Limited	1	0.00	1	0.00
Ashok Leyland Limited	20	0.00	20	0.00
Bajaj Auto Limited	20	0.01	20	0.01
Bajaj Finance Services Limited	10	0.00	10	0.00
Bajaj Holdings and Investment Limited	10	0.00	10	0.00
Bharat Heavy Electricals Limited	7	0.00	7	0.00
Bosch Limited	1	0.00	1	0.00
Cummins India Limited	14	0.00	14	0.00
Elecon Engineering Limited	150	0.00	150	0.00
Force Motors Limited	10	0.00	10	0.00
Hindustan Unilever Limited	1	0.00	1	0.00
Honda Siel Power Products Limited	10	0.00	10	0.00
Ingersoll Rand (India) Limited	10	0.00	10	0.00
Kennametal Widia Limited	10	0.00	10	0.00
Kirloskar Industries Limited	5	0.00	5	0.00
Kirloskar Oil Engines Limited	75	0.00	75	0.00
Larsen & Toubro Limited	45	0.01	45	0.01
Mahindra & Mahindra Limited	132	0.01	132	0.01
Maruti Suzuki India Limited	1	0.00	1	0.00
Shanthi Gears Limited	200	0.00	200	0.01
Siemens Limited	1	0.00	1	0.00
Steel Authority of India Limited	1	0.00	1	0.00
Swaraj Engines Limited	30	0.00	30	0.01
Tata Motors Limited	25	0.00	25	0.00
UltraTech Cement Limited	4	0.00	4	0.00
Vesuvias Limited	10	0.00	10	0.00
VST Tillers Tractors Limited	15	0.00	15	0.00
Investments in equity shares (Unquoted)				
Alfa Laval India Limited	1	0.00	1	0.00
Birla Power Solutions Limited	120	0.00	120	0.00
Wellwind Industry Limited	100	0.00	100	0.00
Wartsila India Limited	10	0.00	10	0.00
Sub Total		0.05		0.06
Total		0.06		0.07

Details of investment of subsidiaries as at 31st March 2019

(₹ in Crore)

	As at 31st March 2019		As at 31st March 2018	
	Nos.	Amount	Nos.	Amount
Current Investments				
Greaves Leasing Finance Limited				
Investments in Mutual Funds (Unquoted)				
Fair value through profit or loss				
Baroda Pioneer Treasury Advantage Fund-Plan A Growth	-	-	15,080	3.07
Sub Total		-		3.07
Dee Greaves Limited				
Investments in Mutual Funds (Unquoted)				
Fair value through profit or loss				
ICICI Prudential Money Market Fund-Regular Plan-Daily Dividend	20,105	0.20	20,577	0.21
Sub Total		0.20		0.21

INDEPENDENT AUDITOR'S REPORT

To The Members of GREAVES COTTON LIMITED Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Greaves Cotton Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Acquisition of subsidiary – Ampere Vehicles Private Limited ("Ampere") – Purchase price allocation.</p> <p>During the year, the Group acquired Ampere for a consideration of ₹. 72.47 Crore (excluding ₹ 5 Crore paid towards non-compete fees) and recognised goodwill and intangible assets of ₹ 29.84 Crore and ₹ 44.51 Crore. The transaction is a business combination as defined in Ind AS 103 and has been accounted for by applying the acquisition method which requires the recognition and measurement of the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values. Management has determined the fair values with the assistance of an external expert (management expert). Significant judgements and estimates are involved in the determination of the fair value of the assets acquired and liabilities assumed including in the identification and valuation of intangible assets.</p> <p>The purchase price allocation has been performed by management, assisted by an external expert and accordingly the fair values of intangible assets (brand, process knowhow, distribution network and assembled workforce), other assets and liabilities and deferred tax have been assessed.</p> <p>(Refer note 2.22 and 41 to the consolidated financial statements)</p>	<p>Principal audit procedures performed include:</p> <ul style="list-style-type: none"> Evaluated the competence, capability and objectivity of the experts used by the management and our in-house experts Read and analysed the report of the management expert supporting the identification and valuation of intangible assets such as brand, process knowhow, distribution network and assembled workforce intangible assets. With the assistance of our in-house experts, we evaluated the appropriateness of the valuation methodologies and the reasonableness of key assumptions and judgements made by the management and valuers; Evaluated whether appropriate disclosures have been included in the consolidated financial statements.

Sr. No.	Key Audit Matter	Auditor's Response
2	<p>Revenue Recognition in the appropriate accounting period</p> <p>Revenue is recognized when performance obligations are satisfied by transferring promised goods to customers. Goods are considered transferred when the customer obtains 'control' of the promised goods. Control is the ability to direct the use of and obtain, substantially all the benefits from the goods.</p> <p>There is a risk of revenue not being recorded in the correct accounting period on account of the inability to establish with certainty, the point of time when control passes.</p> <p>(Refer note 2.5 and 23 to the consolidated financial statements)</p>	<p>Principal audit procedures performed include:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the relevant accounting policy. Evaluated the design and implementation of internal controls over management's assertion with respect to 'cut – off', to establish that control of promised goods has passed to customers. Tested the operating effectiveness of controls over revenue recognition with a focus on those related to the timing of revenue recognition. Performed testing on a sample of sales to confirm that 'cut - off' has been properly applied, in particular, the sales made before the year end.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Business Responsibility Report and Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity of the Group in accordance with the Ind AS 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; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. For the entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 5.18 Crore as at 31st March 2019, total revenues of ₹ 0.23 Crore and net cash inflows amounting to ₹ 0.43 Crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries 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 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

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section 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 financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the 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 financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified 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 2019, taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its, subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March 2019, 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 of those companies.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the 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: 2nd May 2019

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 2019, 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 the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 2019, 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 & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W - 100018)

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

Place: Mumbai

Date: 2nd May 2019

Consolidated Balance Sheet

as at 31st March 2019

(₹ in Crore)

	Note No.	As at 31st March 2019	As at 31st March 2018
ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	4	239.37	243.66
(b) Capital work - in - progress		10.88	4.48
(c) Goodwill		29.84	-
(d) Investment Properties	5	3.46	3.66
(e) Intangible assets	6	66.00	30.47
(f) Intangible assets under development		61.12	23.14
(g) Financial assets			
(i) Investments			
Other investments	7A	228.23	290.96
(ii) Other financial assets	8A	9.88	7.42
(h) Income tax assets (Net)		23.26	22.35
(i) Deferred tax assets (Net)	20A	1.55	-
(j) Other non - current assets	9A	25.88	12.44
Total non-current assets		699.47	638.58
2 Current assets			
(a) Inventories	10	133.76	109.42
(b) Financial assets			
(i) Other investments	7B	191.33	214.72
(ii) Trade receivables	11	342.30	252.69
(iii) Cash and cash equivalents	12	40.14	30.15
(iv) Bank balances other than (iii) above	13	4.75	3.30
(v) Other financial assets	8B	10.68	72.90
(c) Other current assets	9B	24.26	15.45
Total current assets		747.22	698.63
3 Assets classified as held for sale	14	8.98	8.98
Total Assets		1,455.67	1,346.19
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	15	48.84	48.84
(b) Other equity	16	920.28	916.11
Equity attributable to the owners of the Company		969.12	964.95
Non Controlling Interest		13.71	-
Total Equity		982.83	964.95
LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17A	5.27	-
(ii) Other financial liabilities	18A	4.13	1.20
(b) Provisions	19A	0.51	0.42
(c) Deferred tax liabilities (Net)	20A	22.49	20.16
(d) Other non - current liabilities	22A	14.78	5.75
Total non-current liabilities		47.18	27.53
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17B	5.86	-
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	21	32.40	34.54
- Total outstanding dues of creditor's other than micro enterprises and small enterprises	21	291.67	238.42
(iii) Other financial liabilities	18B	38.75	31.34
(b) Provisions	19B	20.47	22.05
(c) Income tax liabilities (Net)		5.26	5.16
(d) Other current liabilities	22B	31.25	22.20
Total current liabilities		425.66	353.71
Total Equity and Liabilities		1,455.67	1,346.19
Notes forming part of the financial statements	1-43		

As per our report of even date attached

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

Rupen K. Bhatt
Partner

Neetu Kashiramka
Chief Financial Officer

Atindra Basu
Company Secretary & Head Legal

For and on behalf of the Board

Kewal Handa
Director

Nagesh Basavanhalli
Managing Director & CEO

Mumbai, 2nd May 2019

Consolidated Statement of Profit and Loss

for the year ended 31st March 2019

	Note	Year ended 31st March 2019	Year ended 31st March 2018
(₹ in Crore)			
I Revenue from operations	23	2,015.32	1,839.70
II Other income	24	41.80	45.61
III Total Income (I + II)		2,057.12	1,885.31
IV Expenses			
Cost of materials consumed	25	1,286.97	1,120.90
Purchases of stock-in-trade	26	110.97	65.97
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(16.27)	22.99
Excise duty on sale of goods		-	47.60
Employee benefits expense	28	177.94	167.29
Finance costs	29	4.04	0.81
Depreciation and amortisation expense	30	52.17	52.44
Other expenses	31	183.51	159.61
Total expenses		1,799.33	1,637.61
V Profit before exceptional items and tax		257.79	247.70
VI (Less)/Add: Exceptional Items	32	(17.87)	47.46
VII Profit before tax		239.92	295.16
VIII Tax expense	20E		
Current tax		90.25	90.09
Deferred tax (credit) / charge		(12.96)	2.88
Total tax expenses		77.29	92.97
IX Profit for the year from after tax (VII - VIII)		162.63	202.19
X Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans : Gain / (Loss)		2.13	(2.35)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.74)	0.81
Other comprehensive income for the year		1.39	(1.54)
XI Total Comprehensive Income for the year (IX + X)		164.02	200.65
XII Profit for the year attributable to:			
- Owners of the Company		164.71	202.19
- Non Controlling Interest		(2.08)	-
XIII Other Comprehensive income for the year			
- Owners of the Company		1.38	(1.54)
- Non Controlling Interest		0.01	-
XIV Total Comprehensive Income attributable to:			
- Owners of the Company		166.09	200.65
- Non Controlling Interest		(2.07)	-
XV Earnings per equity share of ₹ 2 each :			
Basic & Diluted	35	6.74	8.28
Notes forming part of the financial statements	1-43		

As per our report of even date attached

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

Rupen K. Bhatt
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Company Secretary & Head Legal

For and on behalf of the Board

Kewal Handa
Director

Nagesh Basavanhalli
Managing Director & CEO

Mumbai, 2nd May 2019

Consolidated Statement of changes in equity

for the year ended 31st March 2019

	(₹ in Crore)
A Equity share capital	
Balance as at 31st March 2018	48.84
Balance as at 31st March 2019	48.84

	Reserves and Surplus							Attributable to the Owners	Non Controlling Interest	Total
	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	General Reserve	Statutory reserve	Foreign currency translation reserve	Retained Earnings			
B Other equity										
Balance as at 1 April 2017	1.34	0.14	34.59	345.17	5.49	(0.66)	490.38	876.45	-	876.45
Profit for the year	-	-	-	-	-	-	202.19	202.19	-	202.19
Other comprehensive income	-	-	-	-	-	-	(1.54)	(1.54)	-	(1.54)
Total Comprehensive Income for the year	-	-	-	-	-	-	200.65	200.65	-	200.65
Dividends (including tax on dividends)	-	-	-	-	-	-	(161.65)	(161.65)	-	(161.65)
Deduction during the year	-	-	-	-	-	0.66	-	0.66	-	0.66
Balance as at 31 March 2018	1.34	0.14	34.59	345.17	5.49	-	529.38	916.11	-	916.11
Balance as at 1 April 2018	1.34	0.14	34.59	345.17	5.49	-	529.38	916.11	-	916.11
Acquisitions through business combinations	-	-	-	-	-	-	-	-	15.78	15.78
Profit for the year	-	-	-	-	-	-	164.71	164.71	(2.08)	162.63
Other comprehensive income	-	-	-	-	-	-	1.38	1.38	0.01	1.39
Total Comprehensive Income for the year	-	-	-	-	-	-	166.09	166.09	13.71	179.80
Dividends (including tax on dividends)	-	-	-	-	-	-	(161.92)	(161.92)	-	(161.92)
Balance as at 31 March 2019	1.34	0.14	34.59	345.17	5.49	-	533.55	920.28	13.71	933.99

Notes forming part of the financial statements

1-43

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants**Rupen K. Bhatt**
Partner**Neetu Kashiramka**
Chief Financial Officer**Atindra Basu**
Company Secretary & Head Legal

For and on behalf of the Board

Kewal Handa
Director**Nagesh Basavanhalli**
Managing Director & CEO

Mumbai, 2nd May 2019

Consolidated Statement of cash flows

for the year ended 31st March 2019

	Year ended 31st March 2019	Year ended 31st March 2018
	(₹ in Crore)	
Cash flows from operating activities		
Profit for the year (after tax)	162.63	202.19
Adjustments for:		
Income tax expense	77.29	92.97
Finance costs	4.04	0.81
Foreign currency translation difference	-	0.66
Interest income	(3.09)	(2.56)
Dividend income	(0.01)	(0.01)
Profit on sale of property, plant & equipment (Net)	(0.42)	(0.78)
Profit on sale of property, plant & equipment (exceptional item)	(2.63)	(47.72)
Fair value gain on investments measured at FVTPL	4.26	(27.56)
Profit on sale of investments (Net)	(35.24)	(3.40)
Loss on divestment of subsidiary	-	0.71
Depreciation and amortisation expenses	52.17	52.44
Provision for fixed deposit with IL&FS (exceptional item)	20.50	-
Unrealised foreign exchange loss/(gain)	0.85	(0.32)
Operating profit before working capital changes	280.35	267.43
Adjustment for movements in working capital:		
Trade receivables	(86.97)	18.03
Inventories	(17.38)	19.99
Other assets	(3.11)	12.33
Trade payables	49.54	53.12
Provisions	(3.43)	2.65
Other liabilities	17.86	(2.03)
Cash generated from operations	236.86	371.52
Less: Income taxes paid	(91.52)	(91.90)
Net cash generated from operating activities (A)	145.34	279.62
Cash flows from investing activities		
Payments for purchase of property, plant and equipment and capital work-in-progress	(31.11)	(24.69)
Payments for purchase of intangible assets (incl. Non-compete fees)	(45.56)	(25.78)
Proceeds from disposal of property, plant and equipment	3.59	48.85
(Purchase) / (reinvestment) of financial assets	(1,378.74)	(1,291.83)
Proceeds on sale of financial assets	1,495.84	1,228.01
Inter corporate deposits placed	(100.85)	(65.00)
Inter corporate deposit matured	135.35	31.55
Bank deposits placed	(0.80)	-
Interest received	4.62	2.36
Purchase consideration paid on acquisition of subsidiary	(46.90)	-
Dividend from current investments	0.01	0.01
Loss on divestment of subsidiary	-	(0.71)
Net cash generated/(used in) from investing activities (B)	35.45	(97.23)

Consolidated Statement of cash flows

for the year ended 31st March 2019

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Cash flows from financing activities		
Repayment of Borrowings	(7.87)	-
Dividends paid (including tax)	(161.92)	(161.65)
Interest paid	(4.04)	(0.81)
Net cash used in financing activities (C)	(173.83)	(162.46)
Net increase in cash and cash equivalents (A+B+C)	6.96	19.93
On acquisition through business combination	3.03	-
Cash and cash equivalents at the beginning of the year	30.15	10.22
Cash and cash equivalents at the end of the year	40.14	30.15
Notes forming part of the financial statements	1-43	

As per our report of even date attached

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

Rupen K. Bhatt
Partner

Neetu Kashiramka
Chief Financial Officer

Atindra Basu
Company Secretary & Head Legal

For and on behalf of the Board
Kewal Handa
Director

Nagesh Basavanhalli
Managing Director & CEO

Mumbai, 2nd May 2019

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

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, electric vehicles 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 two direct and one indirect subsidiary.

The Company is public limited company incorporated and domiciled in India. The address of its corporate office is Unit No. 701, 7th Floor, Tower 3, Equinox Business Park, LBS Marg, Kurla (West), Mumbai – 400 070.

The Financial statements for the year ended 31st March 2019 were approved by the Board of Directors and authorised for issue on 2nd May 2019.

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 2019

included in the consolidated 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 off 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 is recognizing revenue as and when it satisfies the performance obligation by transferring promised goods to a customer and customer obtains control of the same;
- 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 2019

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:

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

- 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.

2.8.3 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 availing 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

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

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.

2.11 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:

Goodwill is initially recognised as the excess of consideration paid and acquirer's interest in the net fair value of the identifiable net assets of acquired business. Subsequent to initial measurement, goodwill is measured at cost less accumulated impairment, if any. Goodwill is allocated to the cash-generating unit which is expected to benefit from the business combination.

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.

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

2.12.3 Useful life of intangible assets:

Estimated useful lives of the intangibles 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.
- iv) Process Knowhow is amortised over a period of 7.5 years.
- v) Brand is amortised over a period of 7.5 years.
- vi) Distribution Network is amortised over a period of 5.5 years.

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.

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

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 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.

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

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.

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.

2.22 Business Combinations

The Group accounts for its business combinations under acquisition method of accounting. The acquiree's identifiable assets including goodwill, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. The excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed is recognised as goodwill. Any shortfall is treated as a bargain purchase and recognised as capital reserve. Before recognising gain in respect thereof, the Group determines whether there exists clear evidence of underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional asset or liabilities that are identified in that reassessment.

The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it directly in equity as capital reserve. The interest in non-controlling interest is initially measured at fair value or at the proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by acquisition basis. Subsequent to initial acquisition, the carrying amount of non-controlling interest is the amount of those interest in initial recognition plus the non-controlling interest's share of subsequent changes in equity of subsidiaries.

When the consideration transferred by the Group in business combination includes assets or liabilities resulting in a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments, are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve as the case may be.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

In consolidated financial statements, acquisition of non-controlling interest is accounted as equity transaction. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Business Combination under common control are accounted as per Appendix C in Ind AS 103 - Business combinations, at carrying amount of assets and liabilities acquired and any excess of consideration issued over the net assets acquired is recognised as capital reserve on common control business combination.

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:

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

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 employment 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.

e. Impairment of goodwill

The Group estimates the value in use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGUs represent the weighted average cost of capital based on historical market returns of comparable companies.

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

4 Property, Plant and Equipment

	Land		Buildings		Plant & equipment	Office equipment	Furniture & fixtures	Vehicles	Leasehold Improvements	Total
	Freehold	Leasehold	Freehold	Leasehold						
Cost										
Balance as at 1st April 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
Additions	-	-	1.52	-	19.44	0.24	0.07	0.05	3.39	24.71
Acquisitions through business combinations	-	-	-	-	2.29	0.22	0.12	-	1.45	4.08
Disposals	-	-	(0.01)	-	(7.16)	(0.32)	(1.13)	(0.05)	(2.12)	(10.79)
Balance as at 31st March 2019	3.44	20.07	78.47	0.01	245.67	3.78	6.86	1.47	6.45	366.22
Depreciation										
Balance as at 1st April 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)
Depreciation expense	-	(0.22)	(3.14)	-	(26.86)	(0.56)	(0.69)	(0.19)	(0.87)	(32.53)
Disposals	-	-	0.01	-	7.06	0.28	1.05	0.04	1.80	10.24
Balance as at 31st March 2019	-	(0.90)	(13.98)	-	(106.37)	(2.41)	(1.41)	(0.65)	(1.13)	(126.85)
Carrying amount										
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
Balance as at 31st March 2019	3.44	19.17	64.49	0.01	139.30	1.37	5.45	0.82	5.32	239.37

Carrying amount of Freehold Building includes ₹ 0.09 Crore (previous year ₹ 0.10 Crore) towards cost of ownership flats in Co-operative Housing Societies / Condominium.

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

5 Investment properties

	(₹ in Crore)
	Investment Properties
Cost	
Balance as at 1st April 2017	4.36
Disposals	(0.07)
Balance as at 31st March 2018	4.29
Disposals	-
Balance as at 31st March 2019	4.29
Depreciation	
Balance as at 1st April 2017	(0.50)
Disposals	0.07
Depreciation expense	(0.20)
Balance as at 31st March 2018	(0.63)
Disposals	-
Depreciation expense	(0.20)
Balance as at 31st March 2019	(0.83)
Carrying amount	
Balance as at 31st March 2018	3.66
Balance as at 31st March 2019	3.46
Rental income from investment property for the year ended 31st March 2018	0.45
Rental income from investment property for the year ended 31st March 2019	0.24
Direct operating expenses including repairs and maintenance arising from investment property that generated rental income for the year ended 31st March 2018	0.16
Direct operating expenses including repairs and maintenance arising from investment property that generated rental income for the year ended 31st March 2019	0.09

Fair value of investment property

The Company has obtained valuation of its investment properties from an independent valuer. The fair values were ₹ 13.74 Crore (previous year - ₹ 16.41 Crore) (Level 3).

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

6 Intangible assets

Cost	(₹ in Crore)									
	Technical Knowhow	Product Development	Computer Software	Non-Compete Fees	Process Knowhow	Brand	Assembled Workforce	Distribution Network	Total	
Balance as at 1st April 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	
Additions	0.08	2.21	1.33	5.00	-	-	-	-	8.62	
Acquisitions through business combinations	-	-	0.56	-	27.91	15.63	1.60	0.65	46.35	
Balance as at 31st March 2019	15.03	36.56	13.28	5.00	27.91	15.63	1.60	0.65	115.66	
Amortisation										
Balance as at 1st April 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)	
Amortisation expense	(2.58)	(11.43)	(2.16)	(0.37)	(1.80)	(1.04)	-	(0.06)	(19.44)	
Balance as at 31st March 2019	(12.36)	(24.40)	(9.63)	(0.37)	(1.80)	(1.04)	-	(0.06)	(49.66)	
Carrying Amount										
Balance as at 31st March 2018	5.17	21.38	3.92	-	-	-	-	-	30.47	
Balance as at 31st March 2019	2.67	12.16	3.65	4.63	26.11	14.59	1.60	0.59	66.00	

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

7 Investments

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
Non-current		
7A Other Investments (at fair value)		
Investment in Mutual Funds (Unquoted)	228.17	290.90
Investment in equity shares (Quoted)	0.06	0.06
Investment in equity shares (Unquoted)	@	@
Other Investments (at fair value)	228.23	290.96

@ Represents amount less than ₹ 1 lakh

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
Current (Unquoted)		
7B Other Investments		
Investments in Mutual Funds (at fair value)	191.33	214.72
Aggregate carrying value of unquoted investments - Current	191.33	214.72
Aggregate cost of unquoted investment - Mutual Funds	368.56	449.90

Note:

- The fair value of other investments (Non-current and Current) as at 31st March 2019 and 31st March 2018 have been arrived at on the basis of Net Asset Value (NAV) declared by the Mutual Funds (Level 1).
- Also refer Note 33B.

8 Other financial assets

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
8A Non-current		
Security deposits	7.69	5.32
Margin money deposits with banks	1.84	1.75
Other assets - Employee Advances, etc.	0.35	0.35
Non-current total	9.88	7.42
8B Current		
Export benefit receivables	2.14	3.74
Security deposits	5.83	8.36
Derivative financial instruments	0.18	0.03
Fixed deposits with financial institutions	20.50	55.00
Less: Provision for doubtful deposits	(20.50)	-
	-	55.00
Interest receivable	0.09	1.62
Other assets - Claim receivable, Employee Advances, etc.	2.44	4.15
Current total	10.68	72.90
Total	20.56	80.32

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 2019

9 Other assets

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
9A Non-current		
Capital advances	4.38	2.50
Prepaid expenses	0.86	0.06
Balances with Customs, Port Trust, Central Excise etc.	20.64	9.88
Non-current total	25.88	12.44
9B Current		
Advances to suppliers	14.84	8.47
Allowance for bad and doubtful advances	(0.90)	-
	13.94	8.47
Prepaid expenses	2.13	2.01
Balances with Customs, Port Trust, Central Excise, GST etc.	8.19	4.97
Current total	24.26	15.45
Total	50.14	27.89

10 Inventories

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
Inventories (lower of cost and net realisable value)		
Raw Materials	61.85	53.75
Work-in-progress	7.99	5.46
Finished goods	35.35	29.14
Stock-in-trade	21.33	13.80
Stores and spares	3.96	3.98
Loose tools	3.28	3.29
Total	133.76	109.42

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
1. Raw Materials include in transit	5.47	5.41
Stock-in-trade include in transit	1.87	0.49

- The mode of valuation of inventories has been stated in Note 2.13.
- 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 ₹ 18.13 Crore (previous year ₹16.88 Crore) and ₹ 8.28 Crore (previous year ₹ 7.72 Crore) respectively.

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

11 Trade receivables

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
Trade Receivables considered good - Secured*	195.03	173.59
Trade Receivables considered good - Unsecured	147.27	79.10
Trade Receivables - credit impaired	24.37	23.99
Allowance for doubtful debts (expected credit loss allowance)	(24.37)	(23.99)
	342.30	252.69

a. Also refer Note 33

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

b. 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.

c. 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 ₹ 18.13 Crore (previous year ₹ 16.88 Crore) and ₹ 8.28 Crore (previous year ₹ 7.72 Crore) respectively.

12 Cash and cash equivalents

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
Cash on hand	@	0.01
Cheques, drafts on hand	4.05	8.51
Fixed deposits with maturity less than 3 months	10.00	-
Balances with banks		
In current accounts	26.09	21.63
	40.14	30.15

@ Represents amount less than ₹ 1 lakh

13 Bank balances other than cash and cash equivalents

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
Term deposits with maturity exceeding 3 months and less than 12 months	0.80	-
Unpaid dividend accounts	3.95	3.30
	4.75	3.30

14 Assets classified as held for sale

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
Leasehold land and buildings thereon	12.59	12.59
Less: Impairment	(3.61)	(3.61)
	8.98	8.98

The recoverable value was estimated based on the fair value less cost of disposal of the asset.

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

15 Equity share capital

	As at 31st March 2019	As at 31st March 2018
(₹ in Crore)		
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 31st March 2018	24,42,06,795	48.84
As at 31st March 2019	24,42,06,795	48.84

	As at 31st March 2019		As at 31st March 2018	
	Number of shares held in the Company	Percentage of shares held	Number of shares held in the Company	Percentage of shares held
(₹ in Crore)				
15B Shares in the Company held by each shareholder holding more than 5% shares				
Fully paid equity shares				
DBH International Private Limited	9,87,46,790	40.44%	9,84,69,662	40.32%
Bharat Starch Products Private Limited	1,37,75,865	5.64%	1,37,75,865	5.64%
Karun Carpets Private Limited	1,42,09,060	5.82%	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.

	Year ended 31st March 2019	Year ended 31st March 2018
(₹ in Crore)		
15D Dividends		
Interim dividend was declared by the Board of Directors in the meeting held on 4th February 2019, ₹ 4.00 per share.	97.68	
Interim dividend was declared by the Board of Directors in the meeting held on 5th February 2018, ₹ 4.00 per share.		97.68
Final dividend for the year ended 31st March 2018, ₹ 1.50 per share (Proposed by Board of Directors in the meeting held on 3rd May 2018 and was approved by Shareholders in the meeting held on 13th August 2018)	36.63	
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
Dividend distribution tax on above	27.61	27.34

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

16 Other equity

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
Reserves and surplus		
Capital reserve ¹	1.34	1.34
Capital reserve on consolidation ²	0.14	0.14
Securities premium ³	34.59	34.59
General reserve ⁴	345.17	345.17
Statutory reserve ⁵	5.49	5.49
Retained Earnings*	533.55	529.38
	920.28	916.11

1. This is not available for distribution of dividend but can be utilised for issuing bonus shares.
2. The capital reserve is generated on consolidation due to the difference between the assets received being higher than the consideration paid.
3. 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.
4. 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.
5. The reserve is created as per the requirements under section 45-IC of Reserve Bank of India Act, 1934.

*Refer Statement of changes in equity

17 Borrowings

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
17A Non-current		
Secured -at amortized cost		
Term Loan		
- from government (refer note (i))	1.46	-
- from other parties (refer note (ii))	3.81	-
Non-current total	5.27	-
17B Current		
Unsecured -at amortized cost		
Loans repayable on demand from banks (refer note (iii))	5.86	-
Current total	5.86	-
Total	11.13	-

- i) On 15th July 2016, Ampere Vehicles Private Limited ("Ampere") the Company's subsidiary has entered into an agreement with Technology Development Board in relation to the development of Charger, DC-DC converter and motors. The Company accrues interest at 5% per annum, payment commencing from 1st August 2020. The repayment of principal will be repaid in nine half-yearly installments, to be paid from 1st August 2019. The loan is secured by assets purchased out of the funds Technology Development Board and patents registered under the project. Further secured by personal pledge of shares by the Managing Director.
- ii) Ampere Vehicles Private Limited ("Ampere") the Company's subsidiary has a loan facility from Caspian Impact investments Pvt Ltd with interest rate of 15%. Repayment of principal on monthly basis after a moratorium period of 3 months; and interest on monthly basis. Hypothecated by way of second ranking charge over all assets, so as to provide a security cover of at least 1.50 times of outstanding credit facility.
- iii) Ampere Vehicles Private Limited ("Ampere") the Company's subsidiary has working capital loans from Yes Bank, with exclusive charge on all current assets, property plant and equipment and intangibles (except for those charged with TDB, for which second charge is created). Interest rate 12M MCLR + 3.1%

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

18 Other financial liabilities

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
18A Non-current		
Employee benefits payable	4.13	1.20
Non-current total	4.13	1.20
18B Current		
Employee benefits payable	19.29	17.02
Unpaid dividends*	3.95	3.30
Deposits from dealers	6.88	6.53
Capital creditors	7.23	3.86
Derivative financial instruments	0.69	0.09
Others	0.71	0.54
Current total	38.75	31.34
Total	42.88	32.54

*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)

19 Provisions

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
19A Non-current		
Provision for employee benefits		
Ex-gratia	0.51	0.42
Non-current total	0.51	0.42
19B Current		
Provision for employee benefits		
Compensated absences	9.41	8.97
Gratuity & Ex-gratia	1.07	3.58
Provisions for warranty	9.99	9.50
Current total	20.47	22.05
Total	20.98	22.47

Movement in provision for warranties

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Opening balance	9.50	8.96
Acquisitions through business combinations	1.12	-
Provision recognised during the year	13.90	10.42
Amount utilised during the year	(14.53)	(9.88)
Closing balance	9.99	9.50

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.

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

20 Deferred tax

	As at 31st March 2019	As at 31st March 2018
(₹ in Crore)		
20A Analysis of deferred tax liabilities presented in the balance sheet:		
Deferred tax assets (net)	1.55	16.43
Deferred tax liabilities (net)	(22.49)	(36.59)
Deferred tax liabilities (net)	(20.94)	(20.16)

	Opening Balance	Acquisitions through business combinations	Recognised in profit or loss	Closing Balance
(₹ in Crore)				
20B Movement in deferred taxes during the year ended 31st March 2019				
Deferred tax asset/(liability) in relation to:				
Depreciation	(28.86)	(14.88)	3.99	(39.75)
Provision for post retirement benefits and other employee benefits	3.35	0.18	0.25	3.78
Allowance for doubtful debts and advances	8.38	0.71	(0.82)	8.27
Fair value of financial instruments	(7.73)	-	3.27	(4.46)
Other temporary differences	4.70	0.25	6.27	11.22
	(20.16)	(13.74)	12.96	(20.94)

	Opening Balance	Recognised in profit or loss	Closing Balance
(₹ in Crore)			
20C 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)

	As at 31st March 2019	As at 31st March 2018
(₹ in Crore)		
20D 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)	27.08	34.29
	27.08	34.29

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

20 Deferred tax (Contd.)

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
20E The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	239.92	295.16
Income tax expenses calculated at 34.944% (previous year 34.608%)	83.84	102.14
Differences due to:		
Tax on income at different rates	(1.74)	(5.48)
Deduction u/s 35(2AB) - R&D expenses	(3.91)	(4.81)
Effect of concessions (Long term capital loss set off)	(4.04)	(0.31)
Effect on deferred tax balances due to change in income tax rate	-	0.17
Others	3.14	1.26
Total tax expense	77.29	92.97

21 Trade payables

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
Trade payables		
Due to micro enterprises and small enterprises*	32.40	34.54
Other than micro enterprises and small enterprises	291.67	238.42
	324.07	272.96

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 2019	As at 31st March 2018
Principal amount and interest due:		
Principal amount	32.40	34.54
Interest due	@	@
Interest paid by buyer in terms of section 16 of MSMED Act	-	-
Amount paid beyond the appointed day	24.91	18.83
Interest due and payable to supplier, for payment already made under MSMED Act	0.37	0.33
Amount of Interest accrued and remaining unpaid at the end of accounting year	0.71	0.54
Amount of further interest remaining due and payable even in succeeding years	0.07	-

@ Represents amount less than ₹ 1 lakh

22 Other liabilities

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
22A Non-current		
Advances from customers	14.78	5.75
Non-current total	14.78	5.75
22B Current		
Advances from customers	10.97	6.78
Statutory dues	19.18	14.04
Other payables	1.10	1.38
Current total	31.25	22.20
Total	46.03	27.95

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

23 Revenue from operations

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Sale of products		
(i) Finished goods	1,860.89	1,731.76
(ii) Stock-in trade	148.01	95.68
	2,008.90	1,827.44
Service income	3.19	9.46
Other operating revenue		
(i) Export incentive	2.95	2.44
(ii) Others	0.28	0.36
	2,015.32	1,839.70

The company manufactures engines and its applications like power generating sets, pumps, farm equipment etc.

It derives its revenue from sale of such engines, power generating sets, farm equipment. It also earns revenue from servicing of power generating sets. The Company also trades in the spares of the engines and other products like construction equipment and electric vehicles.

Effective 1st April 2018, the Company has adopted Ind AS 115 'Revenue from contracts with customers'.

Accordingly, the Company is recognizing the revenue as and when it satisfies the performance obligation by transferring promised good or service to a customer and customer obtains the control of the same.

In case of exports the revenue is recognized based on the Bills of Lading received from the shipping companies who assume control of goods on behalf of the customers.

The products which are sold to OEMs and direct end customers, the prices are pre-determined as per negotiations and long term supply contracts. The products which are sold through dealer network have the dealer prices as determined and circulated by the Company.

The company also offers cash discounts and volume discounts and the same are netted off against the gross revenue. The volume discounts are accrued on a regular basis based on off take of each dealer / customer.

The revenue is recognised on satisfaction of performance obligation and transferring control to the customer and hence the same is recognised at point in time. The Company dis-aggregates revenue on the basis of its segments viz. engines and others as well as geographical operations viz. domestic and overseas (refer Note No. 34A & 34D). The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

The company also gives the performance assurance warranties for its products, undertaking to repair / replace the items if they fail within stipulated time or usage. The provision for such warranties is made based on the historical data and is accounted separately under other expenses.

Effective April 1, 2018, the Company has adopted Ind AS 115, 'Revenue from Contracts with Customers'. The application of Ind AS 115 did not have any material impact on the opening retained earnings and the financial results of the Company.

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

24 Other income

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Interest income earned on financial assets not designated as at FVTPL		
Deposits	2.97	2.41
Other financial assets	0.12	0.15
Dividend income		
From other investments	0.01	0.01
Fair value (loss) / gain		
Investments measured at FVTPL	(4.26)	27.56
Profit on sale of investments (Net)	35.24	3.40
Profit on sale of assets (Net)	0.42	0.78
Exchange fluctuation - gain (Net)	-	1.09
Scrap sales	2.69	2.51
Miscellaneous income	4.61	7.70
	41.80	45.61

25 Cost of materials consumed

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Raw materials consumed		
Opening stock	53.75	50.93
Acquisitions through business combinations	6.01	-
Purchases	1,289.06	1,123.72
Less : Closing stock	61.85	53.75
	1,286.97	1,120.90

26 Purchases of stock-in-trade

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Traded goods	110.97	65.97

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

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Opening 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
Closing inventories		
Finished goods	35.35	29.14
Work-in-progress	7.99	5.46
Stock-in-trade	21.33	13.80
	64.67	48.40
Total	(16.27)	22.99

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

28 Employee benefits expense

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Salaries and wages	161.36	145.70
Contribution to provident funds and other funds	14.88	15.58
Staff welfare expenses	11.27	11.52
	187.51	172.80
Less: Capitalised towards product development	9.57	5.51
	177.94	167.29

Employee benefit plans

28A Defined contribution plans

The amount recognised as an expense during the year ended 31st March 2019 towards Provident Fund (including admin charges), ESIC contribution and Superannuation & National Pension Scheme is ₹ 7.24 Crore (previous year ₹ 7.29 Crore), ₹ 0.17 Crore (previous year ₹ 0.35 Crore) and ₹ 4.99 Crore (previous year ₹ 4.34 Crore) respectively.

28B The Company, based on legal opinion, is of the view that the Ruling issued on February 28, 2019 by the Honourable Supreme Court, clarifying the definition of basic wages under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is applicable from the date of the said Ruling. Accordingly, the Company has given effect to the said Ruling on a prospective basis. The impact determined on a prospective basis is insignificant.

28C 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 11th January 2019 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.

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

28 Employee benefits expense (Contd.)

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

	Valuation as at			
	31st March 2019		31st March 2018	
Discount rate(s)	7.45%		7.65%	
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 2019	Year ended 31st March 2018
Service cost:		
Current service cost	2.54	1.97
Past service cost and gain from settlements	-	1.15
Interest on net defined benefit asset	0.19	(0.23)
Components of defined benefit costs recognised in profit or loss during the year	2.73	2.89
Opening amount recognised in other comprehensive income :	(0.17)	(2.52)
Re-measurement during the year due to:		
Changes in financial assumptions	0.30	(1.30)
Changes in demographic assumptions	-	(0.59)
Experience adjustments	(1.44)	3.55
Actual return on plan assets less interest on plan assets	(0.99)	0.69
Closing amount recognised in other comprehensive income :	(2.30)	(0.17)
Components of defined benefit (Income) /cost recognised in other comprehensive income during the year	(2.13)	2.35

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)	
	As at 31st March 2019	As at 31st March 2018
Present value of funded defined benefit obligation	34.42	35.88
Fair value of plan assets	34.29	33.22
Funded status	0.13	2.66
Net (asset)/ liability arising from defined benefit obligation	0.13	2.66

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

28 Employee benefits expense (Contd.)

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

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Opening defined benefit obligation	35.88	33.25
Current service cost	2.47	1.97
Past service cost	-	1.15
Interest on defined benefit obligation	2.45	2.05
Re-measurement due to:		
Actuarial losses/(gains) arising from changes in financial assumptions	0.30	(1.30)
Actuarial gains arising from changes in demographic assumptions	-	(0.59)
Actuarial (gains)/losses arising from experience changes	(1.45)	3.55
Benefits paid	(5.23)	(4.20)
Closing defined benefit obligation	34.42	35.88

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

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Opening fair value of plan assets	33.22	35.83
Interest income	2.28	2.28
Re-measurement gain/(loss):		
Return on plan assets (excluding amounts included in net interest expense)	0.98	(0.69)
Contributions from the employer	3.44	-
Benefits paid	(5.63)	(4.20)
Closing fair value of plan assets	34.29	33.22

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 2019	31st March 2018
Cash and cash equivalents	0.15	0.18
Non quoted value :		
Insurer managed fund	34.14	33.04
Total	34.29	33.22

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.

	Year ended 31st March 2019		Year ended 31st March 2018	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	(0.74)	0.73	(0.77)	0.76
Impact of decrease in 50 bps on DBO	0.77	(0.72)	0.80	(0.74)

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

28 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 2019 is 11.24 years, (as at 31st March 2018: 10.59 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 :

Maturity Profile	(₹ in Crore)	
	2018-2019	2017-2018
Expected benefits for year 1 to 3	17.49	19.05
Expected benefits for year 4 and 5	9.71	9.52
Expected benefits for year 6 and above	23.49	25.03

29 Finance costs

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Interest expenses	3.91	0.80
Other borrowing costs	0.13	0.01
	4.04	0.81

30 Depreciation and amortisation expense

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Depreciation of property, plant and equipment (Note 4)	32.53	35.52
Depreciation of Investment property (Note 5)	0.20	0.20
Amortisation of Intangible assets (Note 6)	19.44	16.72
	52.17	52.44

31 Other expenses

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Stores and spares consumed	7.30	7.12
Power, fuel and electricity	13.41	12.71
Contracting expenses	26.98	22.49
Repairs and maintenance:		
Buildings	0.64	0.54
Plant & equipment	3.94	3.93
Others	1.78	1.73
Brokerage and commission	2.55	1.74
Rent	9.71	10.05
Lease rentals	2.67	2.36

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

31 Other expenses (Contd.)

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Insurance	2.23	1.66
Bad debts/ Advances written-off (i)	4.19	2.68
Less: Allowance for doubtful Debts/advances (ii)	(4.19)	(2.65)
Bad debts/ Advances written-off (i)-(ii)	-	0.03
Allowance for doubtful debts/advances	1.99	(0.11)
Rates and taxes	1.08	1.51
Advertisement and sales promotion expenses	11.99	9.77
Travelling	13.90	13.00
Carriage and freight	26.41	18.15
Printing & stationery	0.69	0.61
Warranty expenses	13.90	10.42
Legal, professional and consultancy charges	11.00	12.19
Exchange fluctuation - loss (Net)	0.64	-
Miscellaneous expenses	30.70	29.71
	183.51	159.61

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
31A Miscellaneous expenses include:		
Auditors' remuneration and expenses		
Statutory audit fees	0.56	0.46
Limited review	0.17	0.15
Others		
Fees for certification	0.09	0.05
Reimbursement of out-of-pocket expenses	0.02	0.02
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	@	@
@ Represents amount less than ₹ 1 lakh		
31B Expenditure incurred on corporate social responsibility activities		
(1) Gross amount required to be spent by the Company during the year	4.56	4.03
(2) Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	2.18	0.58

32 Exceptional items

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
(i) Profit on sale of immovable property	2.63	47.72
(ii) Provision for Fixed deposit with IL&FS	(20.50)	-
(iii) Employee separation cost	-	(0.81)
(iv) Reversal of provision for Employee pension scheme	-	1.26
(v) Loss on divestment of subsidiary	-	(0.71)
	(17.87)	47.46

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

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 2019	As at 31st March 2018
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
Mutual fund	419.50	505.62
Investment in equity shares	0.06	0.06
Derivative financial instruments	0.18	0.03
Measured at amortised cost @		
Cash and bank balances	44.89	33.45
Trade receivable	342.30	252.69
Security Deposits	13.52	13.68
Margin money	1.84	1.75
Fixed deposit with financial institution	-	55.00
Others	5.02	9.86
Financial liabilities		
Measured at Fair value through profit or loss (FVTPL)		
Derivative financial instruments	0.69	0.09
Measured at amortised cost @		
Trade payable	324.07	272.96
Unpaid dividends	3.95	3.30
Deposits from dealers	6.88	6.53
Capital creditors	7.23	3.86
Employee benefits payable	23.42	18.22
Borrowings & Interest accrued	11.13	-

@ 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 86 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, 58% 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..

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

33 Risk management (Contd.)

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 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
USD	12.52	15.41	0.78	8.80
EUR	0.42	1.73	-	-

- (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.

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

Financial asset/Financial liabilities	Fair values		Fair value hierarchy	Valuation technique and key input
	As at 31st March 2019	As at 31st March 2018		
Financial assets				
Mutual fund	419.50	505.62	Level 1	
Investment in equity shares (Quoted)	0.06	0.06	Level 1	
Investment in equity shares (Unquoted)	@	@	Level 3	
Derivative financial instruments	0.18	0.03	Level 2	Discounted Cash Flows used by Banks for Mark to Market
Financial Liabilities				
Derivative financial instruments	0.69	0.09	Level 2	Discounted Cash Flows used by Banks for Mark to Market

@ Represents amount less than ₹ 1 lakh

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

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:

- Engines include application of engines in farm equipment and gensets.
- Others include products traded by International Business and After Market Business and sale of electrical vehicles.

Operating segments:

- The risk-return profile of the Company's business is determined predominantly by the nature of its products and services.
- 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		Segment profit	
	Year ended 31st March 2019	Year ended 31st March 2018	Year ended 31st March 2019	Year ended 31st March 2018
Engines	1,866.38	1,766.46	311.70	284.91
Others	148.94	73.24	(1.81)	1.27
Total for continuing operations	2,015.32	1,839.70	309.89	286.18
Other Income (including exceptional items)			16.89	83.99
Central administration costs			(82.82)	(74.20)
Finance costs			(4.04)	(0.81)
Profit before tax continuing operations			239.92	295.16

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	Year ended 31st March 2019	Year ended 31st March 2018
Engines	718.96	640.89
Others	171.98	27.29
Total segment assets	890.94	668.18
Assets classified as held for sale	8.98	8.98
Unallocated	555.75	669.03
Total Assets	1,455.67	1,346.19

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

34 Segment information (Contd.)

Segment liabilities	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Engines	346.51	291.02
Others	41.88	14.80
Total segment liabilities	388.39	305.82
Unallocated	84.45	75.42
Total liabilities	472.84	381.24

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 2019	Year ended 31st March 2018	Year ended 31st March 2019	Year ended 31st March 2018
Engines	43.98	47.52	23.58	35.47
Others	3.26	0.02	80.49	0.19
Unallocable	4.93	4.90	9.53	2.79
	52.17	52.44	113.60	38.45

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 2019	Year ended 31st March 2018	Year ended 31st March 2019	Year ended 31st March 2018
Domestic	1,945.22	1,772.04	436.55	317.85
Overseas	70.10	67.66	-	-
	2,015.32	1,839.70	436.55	317.85

* Non-current assets excludes investment in subsidiaries, other investments, other financial assets and income tax assets (net).

35 Earnings per share

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Profit for the year attributable to the owners of the Company	164.71	202.19
Weighted average number of equity shares for the purpose of basic and diluted earnings per share	24,42,06,795	24,42,06,795
Basic and Diluted earnings per share	6.74	8.28

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

36 Related party transactions

List of related parties :

36A Promoter and the promoter group companies, where company has transactions during the year

Mr Karan Thapar, Chairman
Bharat Starch Products Private Limited
DBH International Private Limited
Karun Carpets Private Limited
EICL Limited
Premium Transmission Private Limited

36B Key Management Personnel :

Mr Nagesh A Basavanhalli Managing Director & CEO
Ms Neetu Kashiramka Chief Financial Officer

36C Transactions with related parties

The following transactions occurred with the related parties:

	Year ended 31st March 2019	Year ended 31st March 2018
	(₹ in Crore)	
Sales and purchases of goods and services		
Sale of goods		
Promoter group company		
Premium Transmission Private Limited	0.02	-
Promoter group company		
Premium Transmission Private Limited	-	0.05
Other transactions		
Commision and sitting fees paid		
Mr Karan Thapar	1.35	1.46
Lease rent expenses paid to Promoter group company		
Premium Transmission Private Limited	0.07	0.03
EICL Limited	0.34	0.14
Dividend paid		
DBH International Private Limited	54.27	54.16
Bharat Starch Products Limited	7.58	7.58
Karun Carpets Private Limited	7.40	6.77

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

	Amounts owed by related parties as at		Amounts owed to related parties as at	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Promoter group companies	0.01	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).

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

36 Related party transactions (Contd.)

36D 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 2019	Year ended 31st March 2018
Short-term employee benefits	6.41	5.31
Post-employment benefits	0.20	0.20
	6.61	5.51

Notes :

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

37 Contingent liabilities

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
a) Sales Tax liability that may arise in respect of matters in appeal	51.57	6.70
b) Sales Tax Liability that may arise on account of uncollected 'C' Forms	0.56	1.29
c) Excise Duty liability that may arise in respect of matters in appeal	25.37	24.24
d) Claims made against the Company, not acknowledged as debts	28.56	48.91
e) Bonds executed in favour of Collector of Customs / Central Excise	-	3.21
f) Wage demand not acknowledged by the Company in respect of matter in appeal	3.29	2.60

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

38 Commitments

	(₹ in Crore)	
	As at 31st March 2019	As at 31st March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	37.49	58.41

39 Operating lease arrangements

39A 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 2019	Year ended 31st March 2018
Minimum lease payments	3.15	2.51
	3.15	2.51

- (b) Non-cancellable operating lease commitments

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
Not later than 1 year	3.95	-
Later than 1 year and not later than 5 years	16.59	-
	20.54	-

- 39B 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.

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

40 Expenditure on research and development

	(₹ in Crore)	
	Year ended 31st March 2019	Year ended 31st March 2018
a) Revenue expenditure charged to Statement of profit and loss (Under Note Nos. 25, 28 & 31)	19.18	22.04
b) Capital Expenditure	3.18	6.38
	22.36	28.42

41 Acquisition of subsidiary:

During the year the Company acquired 69,46,414 shares having face value of ₹ 10 each for ₹ 72.47 Crore in Ampere Vehicles Private Limited ("Ampere"). With this the Company has 67.34% shareholding. The acquisition cost includes control premium of ₹ 5 Crore. The results of Ampere operations have been consolidated by the Group from the consumation date 23rd October 2018 on a line by line basis.

	(₹ in Crore)
(a) The fair values of assets and liabilities recognised as a result of the acquisition are as follows:	
Tangible assets	2.41
Intangible assets	3.05
Intangible assets - acquired on acquisition	44.51
Inventories	6.96
Trade receivables	3.17
Other financial assets	8.69
Provisions	(1.94)
Trade payables	(1.70)
Other Current Liabilities	(1.38)
Cash and cash equivalents	28.02
Borrowings	(20.49)
Deferred Tax Liabilities (Net)	(13.46)
Fair value of net asset/(liabilities) acquired	57.84

	(₹ in Crore)
(b) Calculation of Goodwill:	
Fair Value of retainer interest	71.90
Non-controlling Interest	15.78
Less: Fair Value of net assets and liabilities acquired	(57.84)
Goodwill on acquisition	29.84

On acquisition date, the non-controlling interest has been measured at its proportionate share of identifiable assets and liabilities acquired.

(c) Impact of acquisitions on the results of the Group:

Revenue and Profit for the year ended 31st March 2019 includes ₹ 27.55 Crore and loss of ₹ 3.51 Crore respectively pertaining to acquisitions made during the year.

(d) Acquisition cost charged to Profit & Loss:

Acquisition costs of ₹ 0.57 Crore were charged to Consolidated Statement of profit and loss for the year ended March 31, 2019 in relation to the acquisition of Ampere under the head Legal expenses.

Consolidated Notes to the Financial Statements

for the year ended 31st March 2019

42 Recent accounting pronouncements - standards issued but not yet effective:

On 30th March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendments Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Company is currently evaluating the implication of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 notified amendments to the following accounting standards. The amendments would be effective from 1st April 2019

1. Ind AS 12 – Income taxes – Appendix C on uncertainty over income tax treatments
2. Ind AS 23 – Borrowing costs
3. Ind AS 109 – Financial instruments
4. Ind AS 19 – Employee benefits

The Company is in the process of evaluating the impact of such amendments.

43 The figures for the corresponding previous period have been regrouped wherever necessary, to make them comparable with the figures of the current period.

Neetu Kashiramka
Chief Financial Officer

Atindra Basu
Company Secretary & Head Legal

For and on behalf of the Board
Kewal Handa
Director

Nagesh Basavanhalli
Managing Director & CEO

Mumbai, 2nd May 2019

Information on Subsidiary Companies

Name of the Entity	Financial Year ended 31st March 2019							
	Net Assets		Share of Profit or Loss		Share of Comprehensive Income		Share of Total Comprehensive Income	
	As % of Consolidated net assets	₹ Crore	As % of Consolidated profit or loss	₹ Crore	As % of Consolidated profit or loss	₹ Crore	As % of Consolidated profit or loss	₹ Crore
a) Indian								
Greaves Cotton Limited	101.45%	969.26	104.11%	169.31	97.84%	1.36	104.05%	170.67
Greaves Leasing Finance Limited	0.48%	4.62	0.17%	0.27	0.00%	-	0.16%	0.27
Dee Greaves Limited	0.01%	0.08	-0.01%	(0.01)	0.00%	-	-0.01%	(0.01)
Ampere Vehicles Private Limited	-0.51%	(4.84)	-2.99%	(4.86)	1.44%	0.02	-2.95%	(4.84)
Minority Interest in all subsidiaries Associates (Investment as per the equity methods)	-1.43%	(13.71)	-1.28%	(2.08)	0.72%	0.01	-1.26%	(2.07)

For and on behalf of the Board

Kewal Handa

Director

Neetu Kashiramka

Chief Financial Officer

Atindra Basu

Company Secretary & Head Legal

Nagesh Basavanhalli

Managing Director & CEO

Mumbai, 2nd May 2019

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