

CG Industrial Holdings Sweden AB  
556852-4119

## Annual Report

for the Financial Year 2015-04-01 - 2016-03-31

The Board of Directors and the managing director for CG Drives & Automation Sweden AB hereby submit the following annual financial statement.

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Seat of the Board of Directors: Helsingborg

The company's currency: Swedish Kronor (SEK).

Unless otherwise stated, all amounts are posted in thousands of Swedish Kronor (SEK '000).

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## Directors' Report

### Information about the operations

CG Industrial Holdings AB owns and manages companies that develops, manufactures and markets equipment for control and protection of industrial processes and equipment run by electrical engines. CG Industrial Holdings AB also provides administrative services to group companies.

### Significant events during the financial year and after its closing

During the financial year and after its closing no significant events has occurred that requires disclosure.

### Ownership

The Indian industrial company Crompton Greaves Limited (L99999MH1937PLC002641), listed on the national stock market in India, is the largest parent company, which establishes a group consolidated annual report, in the group. Crompton Greaves Limited owns via CG Internation B.V (34224124) in Holland, the smallest parent company in the group which establishes an annual report. CG International B.V. owns the parent company CG Industrial Holdings Sweden AB (556852-4119). CG Industrial Holdings Sweden AB is the parent company of CG Drives & Automation Sweden AB. CG Industrial Holdings Sweden AB does not establish a group annual report, in accordance with Årsredovisningslagen chapter 7, § 2. The consolidated group annual report can be downloaded on the group web site: [www.cgglobal.com](http://www.cgglobal.com).

Multi-year overview*	2015/16	2014/15	2013/14	2012/13
Profit/loss after financial items (tkr)	-68	-18 754	-25 695	2 726
Balance sheet total (tkr)	395 159	394 627	395 780	526 712
Equity/asset ratio (%)	36,2%	36,2%	40,9%	51,3%
Number of employees	0	0	2	1

### Proposals for profit allocation

The Board of Directors redommends the profit/loss and brought forward profits available for disposition:

Profit/loss carried forward	-127 119
This year's profit/loss	-68
	<b>-127 187</b>
to be distributed so that they are:	
carried over	-127 187
	<b>-127 187</b>

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**Income Statement**

	Not	2015-04-01 -2016-03-31	2014-04-01 -2015-03-31
Other operating income		1 585	1 605
		<b>1 585</b>	<b>1 605</b>
<i>Operating expenses</i>			
Other external costs		-2 213	-2 431
		<b>-2 213</b>	<b>-2 431</b>
<b>Operating profit/loss</b>	1	<b>-628</b>	<b>-826</b>
<i>Profit/loss from financial items</i>			
Other interest income and similar profit/loss items	2	1 863	30
Interest expense and similar profit/loss items	3	-1 303	-17 958
		<b>560</b>	<b>-17 928</b>
<b>Profit/loss after financial items</b>		<b>-68</b>	<b>-18 754</b>
<b>Pre-tax profit/loss</b>		<b>-68</b>	<b>-18 754</b>
Tax on profit for the financial year		-	-
<b>Net profit/loss for the year</b>		<b>-68</b>	<b>-18 754</b>

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**Balance Sheet**

	Note	2016-03-31	2015-03-31
<b>ASSETS</b>			
<i>Non-current assets</i>			
<i>Financial assets</i>			
Shares in subsidiaries	4,5	391 728	391 728
		<b>391 728</b>	<b>391 728</b>
<b>Total non-current assets</b>		<b>391 728</b>	<b>391 728</b>
<i>Current assets</i>			
<i>Current receivables</i>			
Receivables from group companies		2 700	1 387
Current tax assets		0	1 058
Other receivables		0	12
		<b>2 700</b>	<b>2 457</b>
<i>Cash and bank balances</i>			
		731	442
<b>Total current assets</b>		<b>3 431</b>	<b>2 899</b>
<b>TOTAL ASSETS</b>		<b>395 159</b>	<b>394 627</b>

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**Balance Sheet**

	Note	2016-03-31	2015-03-31
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
	6		
<i>Restricted reserves</i>			
Share capital (270 050 000 shares)		270 050	270 050
		<b>270 050</b>	<b>270 050</b>
<i>Non-restricted equity</i>			
Retained earnings or losses		-127 119	-108 365
Profit/loss for the year		-68	-18 754
		<b>-127 187</b>	<b>-127 119</b>
<b>Total equity</b>		<b>142 863</b>	<b>142 931</b>
<b>Non-current liabilities</b>			
	7		
Liabilities to group companies		251 787	248 449
		<b>251 787</b>	<b>248 449</b>
<b>Current liabilities</b>			
Liabilities to group companies		390	3 032
Other liabilities		29	44
Accrued expenses and deferred income	8	90	171
		<b>509</b>	<b>3 247</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>395 159</b>	<b>394 627</b>
		<b>2016-03-31</b>	<b>2015-03-31</b>
<b>MEMORANDUM ITEMS</b>			
Collateral pledged		None	None
Contingent liabilities		None	None

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## Supplementary information

**Accounting policies etc.**

**Accounting and valuation principles**

Årsredovisningslagen (1995:1554) and BFNAR 2012:1 Årsredovisning och koncernredovisning (K3) have been implemented for the annual report.

**Assessments and estimates**

There are no reported significant amounts in the financial statements that are based on the Board's assessments.

**Group**

The Indian industrial company Crompton Greaves Limited (L99999MH1937PLC002641), listed on the national stock market in India, is the largest parent company, which establishes a group consolidated annual report, in the group. Crompton Greaves Limited owns via CG Internation B.V (34224124) in Holland, the smallest parent company in the group which establishes an annual report. CG International B.V. owns the parent company CG Industrial Holdings Sweden AB (556852-4119). CG Industrial Holdings Sweden AB is the parent company of CG Drives & Automation Sweden AB. CG Industrial Holdings Sweden AB does not establish a group annual report, in accordance with Årsredovisningslagen chapter 7, § 2. The consolidated group annual report can be downloaded on the group web site: [www.cgglobal.com](http://www.cgglobal.com).

**Group Financial Report**

CG Industrial Holdings Sweden AB is the parent company of CG Drives & Automation Sweden AB. CG Industrial Holdings Sweden AB does not establish a group annual report, in accordance with Årsredovisningslagen chapter 7, § 2.

**Revenue recognition**

The revenue is recognised at the fair value of what the company has received or will receive. In other words, the company reports revenues at nominal value (amount invoiced) if the company receives payment in the form of liquid funds upon delivery. Deductions are made for discounts.

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**Re-calculation of posts in foreign currency**

Receivables and liabilities in foreign currency has been valued to the exchange rate of the balance sheet date. Exchange rate gains and losses for operating receivables and liabilities are posted as operating income, while exchange rate gains and losses for financial receivables and liabilities are posted as financial posts.

**Taxes**

Total taxes are made up of current tax and deferred tax. Taxes are posted in the income statement, except for when transactions that are posted to equity, where the then occurring tax effect is also posted to equity.

*Current tax*

Current tax consists of income tax for the current year and previous years' income tax, if these have not been regulated. Current tax is calculated from the current tax rate per the balance sheet day.

*Deferred tax*

Deferred tax is an income tax for future years as a result of previous events. This is posted in accordance with the balance sheet method. According to this, deferred tax liability and deferred tax receivables for temporary differences is posted. Temporary differences arise when there is a difference between book value and taxation value for receivables or liabilities or for credits or fiscal losses. Deferred tax receivables and deferred tax liabilities are posted as a net only if they can be regulated through a net payment. Deferred tax liability is calculated according to the current tax rate at the balance sheet date. The effect of changes in current tax rate will effect the income statement in the period during which the tax rate has legally been changed. Deferred tax receivables are reduced by the part which is unlikely to be realized in the conceivable future. Deferred tax receivables are posted as a financial fixed asset and deferred tax liabilities as a provision.

**Receivables, liabilities and provisions**

When nothing else has been specified above, current receivables are valued to the lowest of acquisition value and the amount by which they are expected to be regulated. Non-current receivables and non-current liabilities are valued to accrued acquisition value. Other liabilities and provision are valued to the amount by which they are expected to be regulated. Other receivables are posted at acquisition value, provided nothing else is specified.

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## Notes

### Note 1 Transactions among group entities

The revenues relates to Intercompany recharge of mangement cost. Furthermore there is Interest expense and similar profit/loss item relating Intercompany balances.

### Note 2 Other interest income and similar profi/loss items

	2015/16	2014/15
Other interest income	7	8
Exchange rate differences	1 856	22
<b>Sum</b>	<b>1 863</b>	<b>30</b>

### Note 3 Interest expense and similar profit/loss items

	2015/16	2014/15
Interest expense from group entities	-1 291	-644
Other interest expense	0	-5 527
Exchange rate differences	-4	-11 643
Other financial expenses	-9	-144
<b>Sum</b>	<b>-1 303</b>	<b>-17 958</b>

### Note 4 Shares in subsidiaries

	2016-03-31	2015-03-31
Acquisition value, opening balance	391 728	391 728
<b>Accumulated acqisition value, closing balance</b>	<b>391 728</b>	<b>391 728</b>
<b>Book value, closing balance</b>	<b>391 728</b>	<b>391 728</b>

### Note 5 Specification of shares in subsidiaries

Name	Share of equity	Share of voting power	Number of shares	Book value
CG Drives & Automation Sweden AB	100%	100%	25 631 985	391 728
				<b>391 728</b>

	Reg. No.	Seat of the Board of Directors:	Total equity*	Profit/loss for the year*
CG Drives & Automation Sweden AB	556232-2643	Helsingborg	250 506	3 036

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**Note 6 Change in equity**

	<i>Restricted reserve</i>	<i>Non-restricted equity</i>		
	Share capital	Retained earnings	Profit/loss for the year	Total
<b>Opening balance 2014-04-01</b>	<b>270 050</b>	<b>-82 670</b>	<b>-25 695</b>	<b>161 685</b>
Transfer of previous year's gain/loss	0	-25 695	25 695	0
Profit/loss	0	0	-18 754	-18 754
<b>Closing balance 2015-03-31</b>	<b>270 050</b>	<b>-108 365</b>	<b>-18 754</b>	<b>142 931</b>
Transfer of previous year's gain/loss	0	-18 754	18 754	0
This year's profit/loss	0	0	-68	-68
<b>Closing balance 2016-03-31</b>	<b>270 050</b>	<b>-127 119</b>	<b>-68</b>	<b>142 863</b>

**Note 7 Non-current liabilities**

	2016-03-31	2015-03-31
<b>To be paid between 1 and 5 years</b>		
Liabilities to group entities	251 787	248 449
<b>Sum</b>	<b>251 787</b>	<b>248 449</b>

**Note 8 Accrued expenses and deferred income**

	2016-03-31	2015-03-31
Special employer's contribution	0	131
Other accrued expenses	90	40
<b>Sum</b>	<b>90</b>	<b>171</b>

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**Note 9 Key ratios**

*Operating margin*

Operating result in percent of net turnover

*Adjusted equity*

Equity deducted by deferred tax on untaxed reserves

*Return on equity*

Gain/loss after financial items in percent of average adjusted equity

*Equity/asset ration*


Adjusted equity in percent of total balance

Helsingborg 2/5-2016

  
Mikael Samuelsson  
CEO

Our audit opinion has been given 3/5-2016

Ernst & Young AB

  
Peter Gunnarsson  
Authorized auditor

## Auditor's report

To the annual meeting of the shareholders of CG Industrial Holdings Sweden AB, corporate identity number 556852-4119

### Report on the annual accounts

We have audited the annual accounts of CG Industrial Holdings Sweden AB for the year 2015-04-01--2016-03-31.

#### **Responsibilities of the Board of Directors and the Managing Director for the annual accounts**

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts.

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

#### **Opinions**

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of CG Industrial Holdings Sweden AB as of March 31, 2016 and of its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet.

### Report on other legal and regulatory requirements

In addition to our audit of the annual accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of CG Industrial Holdings Sweden AB for the year 2015-04-01--2016-03-31.

#### **Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

#### **Auditor's responsibility**

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

#### **Opinions**

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Malmö, May 3, 2016

Ernst & Young AB



Peter Gunnarsson  
Authorized Public Accountant