CONSOLIDATED FINANCIALS

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Crompton Greaves Limited** (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries constitute the 'Group'), and its associates comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (the 'consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (the 'Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates as at 31st March, 2016, and their consolidated loss, consolidated changes in the equity and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of ₹6123.14 crore as at 31st March, 2016, total revenues of ₹1479.79 crore and net cash outflows amounting to ₹64.84 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 the subsidiaries and our report in terms Section 143(11)(3) 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, 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 Section143(3) of the Act, we report, to the extent applicable, that:
   - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
   - (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
   - (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
   - (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
   - (e) on the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group Companies is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act;
   - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'A'; and
   - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
     1) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. (Refer Note 40 of the consolidated financial statements);
     2) the Group did not have any long-term contracts including derivative contracts for which there were any foreseeable losses; and
     3) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

SHARP & TANNAN
CHARTERED ACCOUNTANTS
Firm's Registration No.109982W
by the hand of

Milind P. Phadke
PARTNER
Membership No. 033013

Mumbai, 27th May, 2016

We have audited the internal financial controls over financial reporting of **Crompton Greaves Limited** (the 'Holding Company') and its subsidiary companies which are incorporated in India as of 31st March, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's Board of Directors 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 (the 'Guidance Note') 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 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 (the 'Act').

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

SHARP & TANNAN
CHARTERED ACCOUNTANTS
Firm's Registration No.109982W
by the hand of

Milind P. Phadke
PARTNER
Membership No. 033013

Mumbai, 27th May, 2016

₹ crore

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

	Note No.	As at 31-03-2016		As at 31-03-2015		As at 1-04-2014	
ASSETS							
1. NON-CURRENT ASSETS:							
(a) Property, plant and equipment	5	1500.74		2871.11		3375.05	
(b) Capital work-in-progress	5	14.23		51.45		71.97	
(c) Investment property	6	-		5.56		5.64	
(d) Goodwill	7	468.41		470.68		575.50	
(e) Other intangible assets	7	640.00		785.07		985.33	
(f) Intangible assets under development	7	53.98		52.76		126.83	
(g) Financial assets							
(i) Investments	8	207.24		275.12		278.00	
(ii) Loans	9	9.44		14.35		1.04	
(iii) Others	10	-		7.03		5.32	
(h) Deferred tax assets	11	89.87		199.39		226.40	
(i) Other non-current assets	12	21.56		7.38		40.83	
			3005.47		4739.90		5691.91
2. CURRENT ASSETS:							
(a) Inventories	13	585.01		1300.07		1671.39	
(b) Financial assets							
(i) Investments	14	0.95		160.99		20.98	
(ii) Trade receivables	15	2088.16		3087.98		3327.94	
(iii) Cash and cash equivalents	16	792.41		677.59		768.74	
(iv) Bank balances other than (iii) above	17	4.48		5.16		45.18	
(v) Loans	18	14.44		55.42		52.42	
(vi) Others	19	230.60		1.60		1.03	
(c) Current tax assets (net)		38.31		34.45		-	
(d) Other current assets	20	568.63		1215.76		751.58	
			4322.99		6539.02		6639.26
3. Assets classified as held for sale and discontinued operations	46		3690.88		680.89		-
TOTAL ASSETS			11019.34		11959.81		12331.17
EQUITY AND LIABILITIES							
EQUITY:							
(a) Equity share capital	21	125.35		125.35		125.35	
(b) Other equity		4471.81		4182.45		4275.15	
			4597.16		4307.80		4400.50
LIABILITIES:							
1. NON-CURRENT LIABILITIES:							
(a) Financial liabilities							
(i) Borrowings	22	599.02		1277.23		1642.42	
(ii) Other financial liabilities	23	1.25		2.74		46.32	
			600.27		1279.97		1688.74
(b) Provisions	24		52.77		77.15		84.02
(c) Deferred tax liabilities	11		342.71		637.12		722.30
(d) Other non-current liabilities	25		6.34		49.37		18.70
2. CURRENT LIABILITIES:							
(a) Financial Liabilities							
(i) Borrowings	26	637.00		657.29		560.77	
(ii) Trade payables	27	1357.86		2055.37		2783.67	
(iii) Other financial liabilities	28	365.93		444.12		479.14	
			2360.79		3156.78		3823.58
(b) Other current liabilities	29		401.06		890.49		1262.13
(c) Provisions	30		80.43		321.06		304.51
(d) Current tax liabilities (net)			-		-		26.69
3. Liabilities associated with group of assets classified as held for sale and discontinued operations	46		2577.81		1240.07		-
TOTAL EQUITY AND LIABILITIES			11019.34		11959.81		12331.17
CONTINGENT LIABILITIES AND COMMITMENTS	40						
SIGNIFICANT ACCOUNTING POLICIES	3						

The accompanying notes form an integral part of consolidated financial statements

As per our report attached

SHARP & TANNAN
CHARTERED ACCOUNTANTS
Firm's Registration No. 109982W
by the hand of

Milind P. Phadke
PARTNER
Membership No. 033013
Mumbai, 27th May, 2016

Madhav Acharya
EXECUTIVE DIRECTOR - FINANCE & CFO
DIN: 02787445

Manoj Koul
COMPANY SECRETARY

Mumbai, 27th May, 2016

K.N. Neelkant
CEO & MANAGING DIRECTOR
DIN: 05122610

Gautam Thapar
CHAIRMAN
DIN: 00012289

₹ crore

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note No.	2015-16		2014-15	
CONTINUING OPERATIONS					
INCOME:					
Revenue from operations	31	5605.16		5800.15	
Other income	32	111.62		93.38	
TOTAL INCOME			5716.78		5893.53
EXPENSES:					
Cost of materials consumed	33	3438.53		3511.72	
Purchases of stock-in-trade	34	119.40		214.96	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	35	(4.24)		(20.52)	
Employee benefits expense	36	654.94		668.90	
Finance costs	37	81.36		104.74	
Depreciation and amortisation expense	38	255.75		244.71	
Other expenses	39	1029.45		915.89	
TOTAL EXPENSES			5575.19		5640.40
PROFIT BEFORE SHARE OF PROFIT FROM ASSOCIATE AND JOINT VENTURE, EXCHANGE GAIN / (LOSS), EXCEPTIONAL ITEMS AND TAX			141.59		253.13
Share of profit from associate and joint venture			1.20		1.44
Exchange gain / (loss)			57.02		(47.42)
Exceptional items (net)			(111.26)		149.69
PROFIT BEFORE TAX			88.55		356.84
TAX EXPENSE:					
Current tax	11	100.74		41.99	
Deferred tax (credit)	11	(86.35)		(52.37)	
			14.39		(10.38)
PROFIT FROM CONTINUING OPERATIONS			74.16		367.22
LOSS FROM DISCONTINUED OPERATIONS BEFORE TAX	46	(343.02)		(181.80)	
Tax expense of discontinued operations	11	127.99		163.30	
LOSS FROM DISCONTINUED OPERATIONS AFTER TAX			(471.01)		(345.10)
PROFIT / (LOSS) FOR THE YEAR			(396.85)		22.12
Attributable to:					
Equity holders of the parent			(395.52)		23.45
Non-controlling interests			1.33		1.33
			(396.85)		22.12
OTHER COMPREHENSIVE INCOME:					
A (i) Items that will not be reclassified to profit or loss		(45.83)		(30.27)	
(ii) Income tax relating to items that will not be reclassified to profit or loss		-		-	
B (i) Items that will be reclassified to profit or loss		79.54		5.81	
(ii) Income tax relating to items that will be reclassified to profit or loss		-		-	
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR			33.71		(24.46)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR			(363.14)		(2.34)
Attributable to:					
Equity holders of the parent			(361.81)		(1.01)
Non-controlling interests			1.33		1.33
Earnings per share for continuing operations (₹) (Face value of equity share of ₹ 2 each)	50		1.20		5.88
Earnings per share for discontinued operations (₹) (Face value of equity share of ₹ 2 each)	50		(7.51)		(5.51)
Earnings per share (basic and diluted) (₹) (Face value of equity share of ₹ 2 each)	50		(6.31)		0.37
SIGNIFICANT ACCOUNTING POLICIES	3				

The accompanying notes form an integral part of consolidated financial statements

As per our report attached

SHARP & TANNAN	Madhav Acharya	K.N. Neelkant
CHARTERED ACCOUNTANTS	**EXECUTIVE DIRECTOR - FINANCE & CFO**	**CEO & MANAGING DIRECTOR**
Firm's Registration No. 109982W	DIN: 02787445	DIN: 05122610
by the hand of		
Milind P. Phadke	Manoj Koul	Gautam Thapar
PARTNER	**COMPANY SECRETARY**	**CHAIRMAN**
Membership No. 033013		DIN: 00012289
Mumbai, 27th May, 2016	Mumbai, 27th May, 2016	

₹ crore

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

		2015-16	2014-15
[A] CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax from continuing operations		**88.55**	356.84
Adjustments for:			
Impairment of goodwill		**40.31**	-
Depreciation and amortisation expense		**255.75**	244.71
Allowance for doubtful debts and advances		**11.24**	44.16
Finance costs		**81.36**	104.74
Interest income		**(25.29)**	(22.02)
Income from investments (net)		**(0.01)**	-
Profit on sale of investments (net)		**(23.04)**	(4.54)
Unrealised exchange (gain) / loss (net)		**(151.75)**	102.69
Unrealised exchange gain on consolidation (net)		**234.57**	(61.69)
(Profit) / loss on sale of fixed assets (net)		**(278.96)**	(158.71)
		144.18	249.34
Operating profit before working capital changes		**232.73**	606.18
Adjustments for:			
(Increase) / Decrease in trade and other receivables		**(373.56)**	(729.82)
(Increase) / Decrease in inventories		**4.45**	231.63
Increase / (Decrease) in trade and other payables		**651.82**	(606.79)
Increase / (Decrease) in provisions		**27.89**	8.33
		310.60	(1096.65)
Cash (used in) / from operations		**543.33**	(490.47)
Direct taxes paid (net of refunds)		**(104.60)**	(246.77)
Non-controlling in loss		**1.33**	1.33
Net cash (used in) / from operating activities		**440.06**	(735.91)
Net cash (used in) / from discontinued operations		**(500.85)**	63.57
Net cash (used in) / from continuing and discontinued operations	**[A]**	**(60.79)**	(672.34)
[B] CASH FLOWS FROM INVESTING ACTIVITIES			
Add: Inflows from investing activities			
Sale of property, plant and equipment		**496.51**	343.64
Unrealised exchange gain on consolidation (net)		**-**	395.82
Proceeds from sale of investments in joint venture		**40.11**	-
Sale of current investments		**169.15**	-
Interest received		**24.21**	31.92
Income received from investments (net)		**0.01**	-
		729.99	771.38
***Less:* Outflows from investing activities**			
Purchase of property, plant and equipment and intangible assets		**(175.03)**	(208.58)
Unrealised exchange gain on consolidation (net)		**(124.98)**	-
Purchase of investments (net)		**-**	(135.39)
Acquisition of subsidiaries and associates		**-**	(1.05)
Change in investment in associate companies (net)		**-**	(1.44)
		(300.01)	(346.46)
Net Cash (used in) / from investing activities		**429.98**	424.92
Net Cash (used in) / from discontinued activities		**1.99**	3.60
Net Cash (used in) / from continuing and discontinued activities	**[B]**	**431.97**	**428.52**

₹ crore

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

		2015-16	2014-15
[C] CASH FLOWS FROM FINANCING ACTIVITIES			
Add: Inflows from financing activities			
Proceeds from long-term borrowings		**182.50**	282.51
Proceeds from short-term borrowings		**489.16**	96.52
Unrealised exchange loss on consolidation (net)		**100.39**	-
Changes in non-controlling interest		**-**	10.00
		772.05	389.03
***Less:* Outflows from financing activities**			
Repayments of short-term borrowings		**(136.65)**	-
Repayments of long-term borrowings		**(447.77)**	(370.81)
Unrealised exchange loss on consolidation (net)		**-**	(325.91)
Dividend paid		**(0.33)**	(75.17)
Additional tax on dividend		**-**	(14.30)
Interest paid		**(84.43)**	(143.00)
Changes in non-controlling interest		**(1.33)**	-
		(670.51)	(929.19)
Cash (used in) / from financing activities		**101.54**	(540.16)
Net cash (used in) / from discontinued activities		**(323.96)**	697.34
Net cash (used in) / from continuing and discontinued activities	**[C]**	**(222.42)**	157.18
NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES (A+B+C)		**148.76**	(86.64)
Cash and cash equivalents at beginning of the year		**682.10**	768.74
Cash and cash equivalents at end of the year		**830.86**	682.10
Cash and cash equivalent from continuing operations		**792.41**	677.59
Cash and cash equivalent from discontinued operations		**38.45**	4.51
Cash and cash equivalent from continuing and discontinued operations		**830.86**	682.10

Notes:

1 The consolidated cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 Statement of Cash Flows.

2 Additions to property, plant and equipment and intangible assets include movement of capital work-in-progress and intangible assets under development respectively during the year.

As per our report attached

SHARP & TANNAN
CHARTERED ACCOUNTANTS
Firm's Registration No. 109982W
by the hand of

Madhav Acharya
EXECUTIVE DIRECTOR - FINANCE & CFO
DIN: 02787445

K.N. Neelkant
CEO & MANAGING DIRECTOR
DIN: 05122610

Milind P. Phadke
PARTNER
Membership No. 033013
Mumbai, 27th May, 2016

Manoj Koul
COMPANY SECRETARY
Mumbai, 27th May, 2016

Gautam Thapar
CHAIRMAN
DIN: 00012289

₹ crore

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2016

(A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2016

Balance as at 1-04-2015	Changes in equity share capital during the year	Balance as at 31-03-2016
125.35	**-**	**125.35**

For the year ended 31st March, 2015

Balance as at 1-04-2014	Changes in equity share capital during the year	Balance as at 31-03-2015
125.35	-	125.35

(B) OTHER EQUITY

For the year ended 31st March, 2016

Particulars	Retained Earnings	Hedge Reserve	Foreign Currency Translation Reserve	FVOCI Reserve	Capital Reserve	Capital Reserve on Consolidation	Capital Redemption Reserve	Securities Premium Reserve	Statutory Reserve	Government Grant	Total	Non-Controlling interest	Total Equity
Balance as at 1st April, 2015	**3720.48**	**(0.60)**	**193.64**	**(17.31)**	**19.12**	**157.26**	**12.95**	**18.30**	**67.05**	**1.59**	**4172.48**	**9.97**	**4182.45**
Loss for the year	**(395.52)**	-	-	-	-	-	-	-	-	-	**(395.52)**	**(1.33)**	**(396.85)**
Other comprehensive income / (loss) for the year													
- Remeasurement gains / (loss) on defined benefit plans	**(17.45)**	-	-	-	-	-	-	-	-	-	**(17.45)**	-	**(17.45)**
- Fair value loss on FVOCI financial asset	-	-	-	**(28.38)**	-	-	-	-	-	-	**(28.38)**	-	**(28.38)**
- Foreign currency translation differences	-	-	**83.68**	-	-	-	-	-	-	-	**83.68**	-	**83.68**
- Effective portion of cash flow hedge	-	**(4.14)**	-	-	-	-	-	-	-	-	**(4.14)**	-	**(4.14)**
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred on demerger	-	-	-	-	**652.53**	-	-	-	-	-	**652.53**	-	**652.53**
Addition to Government grant during the year	-	-	-	-	-	-	-	-	-	**0.41**	**0.41**	-	**0.41**
Translation adjustments	-	-	-	-	-	-	-	-	-	-	-	**(0.44)**	**(0.44)**
Balance as at 31st March, 2016	**3307.51**	**(4.74)**	**277.32**	**(45.69)**	**671.65**	**157.26**	**12.95**	**18.30**	**67.05**	**2.00**	**4463.61**	**8.20**	**4471.81**

For the year ended 31st March 2015

Particulars	Retained Earnings	Hedge Reserve	Foreign Currency Translation Reserve	FVOCI Reserve	Capital Reserve	Capital Reserve on Consolidation	Capital Redemption Reserve	Securities Premium Reserve	Statutory Reserve	Government Grant	Total	Non-Controlling interest	Total Equity
Balance as at 1st April, 2014	3801.10	(3.11)	190.34	-	19.12	158.10	12.95	18.30	65.46	0.10	4262.36	12.79	4275.15
Profit for the year	23.45	-	-	-	-	-	-	-	-	-	23.45	(1.33)	22.12
Other comprehensive income / (loss) for the year													
- Remeasurement gains / (loss) on defined benefit plans	(12.96)	-	-	-	-	-	-	-	-	-	(12.96)	-	(12.96)
- Fair value loss on FVOCI financial asset	-	-	-	(17.31)	-	-	-	-	-	-	(17.31)	-	(17.31)
- Foreign currency translation differences	-	-	3.30	-	-	-	-	-	-	-	3.30	-	3.30
- Effective portion of cash flow hedge	-	2.51	-	-	-	-	-	-	-	-	2.51	-	2.51
Dividends	(89.52)	-	-	-	-	-	-	-	-	-	(89.52)	(0.04)	(89.56)
Transferred to statutory reserve	(1.59)	-	-	-	-	-	-	-	1.59	-	-	-	-
Transferred on amalgamation of subsidiary	-	-	-	-	-	(0.84)	-	-	-	-	(0.84)	-	(0.84)
Addition to Government grant during the year	-	-	-	-	-	-	-	-	-	1.49	1.49	-	1.49
Translation adjustments	-	-	-	-	-	-	-	-	-	-	-	(1.45)	(1.45)
Balance as at 31st March, 2015	**3720.48**	**(0.60)**	**193.64**	**(17.31)**	**19.12**	**157.26**	**12.95**	**18.30**	**67.05**	**1.59**	**4172.48**	**9.97**	**4182.45**

As per our report attached

SHARP & TANNAN
CHARTERED ACCOUNTANTS
Firm's Registration No. 109982W
by the hand of

Milind P. Phadke
PARTNER
Membership No. 033013
Mumbai, 27th May, 2016

Madhav Acharya
EXECUTIVE DIRECTOR - FINANCE & CFO
DIN: 02787445

Manoj Koul
COMPANY SECRETARY

Mumbai, 27th May, 2016

K.N. Neelkant
CEO & MANAGING DIRECTOR
DIN: 05122610

Gautam Thapar
CHAIRMAN
DIN: 00012289

1. CORPORATE INFORMATION

Crompton Greaves Limited (the 'Company' or 'Parent') is a limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at 6th Floor, CG house, Dr. Annie Besant Road, Worli, Mumbai - 400 018, India.

The Company and its subsidiaries (the 'Group') is a global enterprise providing end-to-end solutions to utilities, industries and consumers for management and application of efficient and sustainable electrical energy. It offers products, services and solutions in four main business segments, viz., Power Systems, Consumer Products, Industrial Systems and Automation Systems.

The consolidated financial statements of the Group for the year ended 31st March, 2016 were authorised for issue in accordance with a resolution of the directors on 27th May, 2016.

2. BASIS OF PREPARATION AND CONSOLIDATION

2.1 Basis of preparation:

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as per the said roadmap, the Company is required to apply Ind AS starting from financial year beginning on or after 1st April, 2016. However, the Company has vide its Board meeting dated 2nd February, 2016 decided for voluntary adoption of Ind AS from the financial year beginning 1st April, 2015. Accordingly, the financial statements of the Group have been prepared in accordance with the Ind AS.

For all periods up to and including the year ended 31st March, 2015, the Group prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2016 are the first the Group has prepared in accordance with Ind AS (Refer Note 53 for information on how the Group has adopted Ind AS).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

2.2 Basis of consolidation:

The consolidated financial statements comprise the financial statements of the Group and its associates as at 31st March, 2016. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee,
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in statement of profit or loss. Any investment retained is recognised at fair value.

2. BASIS OF PREPARATION AND CONSOLIDATION (Contd.)

The financial statements of the Parent and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like, items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra-group transactions and unrealised profits resulting there from and are presented to the extent possible, in the same manner as the Group's independent financial statements. The statement of profit and loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The financial statements of the Parent and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Parent i.e., year ended 31st March, 2016, except as stated in Note 41.

Profit or loss and each component of other comprehensive income (the 'OCI') are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment:

Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Internally manufactured property, plant and equipment are capitalised at factory cost, including excise duty, wherever applicable.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Capital expenditure on tangible assets for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in case retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on the property, plant and equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on *pro-rata* basis with reference to the month of addition / deletion. In case of following category of property, plant and equipment, the depreciation has been provided based on the technical evaluation of the remaining useful life which is different from the one specified in Schedule II to the Companies Act, 2013. The range of useful lives of the property, plant and equipment are as follows:

- Plant and machinery - 1 to 21 years (Maximum)
- Furniture and fixtures - 1 to 15 years (Maximum)
- Office equipments - 1 to 15 years
- Buildings - 3 to 60 years
- Vehicles - 1 to 8 years
- Leasehold Land - 24 to 999 years

Leased assets

Leasehold lands are amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

In other cases, buildings constructed on leasehold lands are amortised over the primary lease period of the lands.

Foreign companies

Depreciation on property, plant and equipment has been provided at the rates required / permissible by the GAAPs of the respective countries. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Vehicles acquired on finance leases are depreciated over the period of lease agreement or the useful life, whichever is shorter.

3.2 Investment properties:

Investment properties comprise portions of freehold land and office buildings that are held for long-term rental yields and/or for capital appreciation. Investment properties are initially recognised at cost. Subsequently investment property comprising of building is carried at cost less accumulated depreciation and accumulated impairment losses.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation on building is provided over the estimated useful lives as specified in Schedule II to the Companies Act, 2013. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each financial year end. The effects of any revision are included in the statement of profit and loss when the changes arise.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

3.3 Impairment of non-financial assets:

As at each balance sheet date, the Group assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Group determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset , at the higher of the fair value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

Goodwill is tested for impairment annually as at 31st March and when circumstances indicate that the carrying value may be impaired.

3.4 Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably.

The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are amortised as follows:

(1)	Specialised software	:	Over a period of five to six years;
(2)	Technical know-how	:	Over a period of five years (from the date of its availability for use);
(3)	Technology	:	Over a period of five years (from the date of its availability for use);
(4)	Commercial rights	:	Over a period of ten years
(5)	Brand name and customer lists	:	Over a period of ten years
(6)	Other intangible assets	:	Over a period of three to fifteen years; and
(7)	Concession rights	:	Over a period of ten years
(8)	Trade Mark	:	Over a period of ten years

Intangible assets with indefinite useful lives, if any are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Research and development cost

- Research cost:

  Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.

- Development cost:

  Development expenditure on new product is capitalised as intangible asset, if all of the following criteria can be demonstrated.

  (i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

  (ii) The Group has intention to complete the development of intangible asset and use or sell it;

  (iii) The Group has ability to use or sell the intangible asset;

  (iv) The manner in which the probable future economic benefit will be generated including the existence of a market for output of the intangible asset or the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;

  (v) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

  (vi) The Group has ability to measure the expenditure attributable to the intangible asset during the development reliably.

  Subsequent to initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Development costs on the Intangible assets, fulfilling the criteria are amortised over a period of expected future benefits which is three to ten years, otherwise are expensed in the period in which they are incurred. Amortisation of the asset begins when development is complete and the asset is available for use. During the period of development the asset is tested for impairment annually.

3.5 Inventories:

Inventories are carried in the balance sheet as follows:

(a)	Raw materials, packing materials, construction materials, stores and spares	:	At lower of cost, on weighted average basis and net realisable value
(b)	Work-in-progress – Manufacturing	:	At lower of cost of material, plus appropriate production overheads and net realisable value.
(c)	Finished goods – Manufacturing	:	At lower of cost of materials plus appropriate production overheads, including excise duty paid / payable on such goods and net realisable value.
(d)	Finished goods – Trading	:	At lower of cost, on weighted average basis and net realisable value

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realisable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

3.6 Cash and cash equivalents:

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.7 Foreign currency transactions and foreign operations:

The Group's consolidated financial statements are presented in INR, which is also the parent Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (i.e. translation differences on items whose gain or loss is recognised in other comprehensive income or the statement of profit and loss is also recognised in other comprehensive income or the statement of profit and loss respectively).

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at average rate during the year. The exchange differences arising on translation for consolidation are recognised in Other Comprehensive Income. On disposal of a foreign operation, the component of Other Comprehensive Income relating to that particular foreign operation is recognised in profit or loss. On disposal or partial disposal of the foreign subsidiary, the foreign exchange differences recognised in other comprehensive income is reclassified to Statement of profit and loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the Closing rate of exchange at the reporting date.

3.8 Service concession arrangements:

The Group constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time.

These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix A to Ind AS 11 – Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Group receives a right (i.e. a franchisee) to charge users of the public service. The financial asset model is used when the Group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Group performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The Group manages concession arrangements which include constructing power distribution assets for distribution of electricity. The Group maintains and services the infrastructure during the concession period. These concession arrangements set out rights and obligations related to the infrastructure and the service to be provided.

The right to consideration gives rise to an intangible asset and financial receivable and accordingly, both the intangible asset and financial receivable models are applied. Income from the concession arrangements earned under the intangible asset model consists of the (i) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users. The intangible asset is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Group, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession.

Financial receivable is recorded at a fair value of guaranteed residual value to be received at the end of the concession period. This receivable is subsequently measured at amortised cost.

Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

3.9 Revenue recognition:

Sale of goods

Revenue from sale of goods is recognised, when all significant risks and rewards are transferred to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It also includes excise duty and price variations based on the contractual agreements and excludes value added tax / sales tax. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Rendering of services

Revenue from sale of services is recognised as per the terms of the contract with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. Percentage of completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

Revenue from construction contracts

Revenue from construction contracts is recognised by applying percentage of completion method after providing for foreseeable losses, if any. Percentage of completion is determined as a proportion of the cost incurred upto the reporting date to the total estimated cost to complete. Foreseeable losses, if any, on the contracts is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of cost and related incidental income which is not included in contract revenue is taken into consideration. Contract is reflected at cost that are expected to be recoverable till such time the outcome of the contract cannot be ascertained reliably and at realisable value thereafter. Claims are accounted as income in the year of acceptance by customer.

Power distribution

Revenue from power distribution business is accounted on the basis of billings to the customers and includes unbilled revenues accrued upto the end of accounting year. Customers are billed as per the tariff rates issued by Electricity Regulatory Commission. Interest is accounted on accrual basis on overdue bills.

Dividend income

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Lease income

Lease agreements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals are recognised on straight-line basis as per the terms of the agreements in the statement of profit or loss.

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit or loss.

3.10 Employee benefits:

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contribution.

The Group makes contribution towards provident fund which is administered by the trustees. The Rules of the Company's Provident Fund administered by a trust, require that if the Board of the Trustees are unable to pay interest at the rate declared by the Government under Para 60 of the Employees Provident Fund Scheme, 1972 for the reason that the return on investment is less for any other reason, then the deficiency shall be made good by the Group making interest shortfall a defined benefit plan. Accordingly, the Group obtains actuarial valuation and based on the valuation if there is no deficiency as at the balance sheet date, then, the liability is restricted towards monthly contributions only.

Employee benefits including contributions towards social security and retirement benefit schemes are accounted for based on the regulatory framework in the respective countries and employment rules / contracts applicable to the specific companies.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognised in the statement of profit and loss in the period of plan amendment.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit or loss.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements,
- Net interest expense or income.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits

Termination benefits are recognised as an expense in the period in which they are incurred.

3.11 Borrowing costs:

Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset 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 (generally over twelve months) to get ready for its intended use or sale.

All other borrowing costs are recognised as expense in the period in which they are incurred.

3.12 Segment accounting:

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements

The Operating segments have been identified on the basis of the nature of products / services.

1. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
2. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.
3. Income which relates to the Group as a whole and not allocable to segments is included in unallocable income.
4. Segment result includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Group.
5. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

Inter-Segment transfer pricing:

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

3.13 Leases:

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis.

3.14 Earnings per share:

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period.

3.15 Taxes on income:

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in the statement of profit or loss.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the respective companies have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

3.16 Provisions, Contingent liabilities, Contingent assets and Commitments:

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Liquidated damages

Provision for liquidated damages is recognised on contracts for which delivery dates are exceeded and computed in reasonable manner.

Environmental obligations

Provision for environmental obligations represents liabilities towards the costs expected to be incurred to treat contaminated soil / effluents at its manufacturing locations, wherever required by local laws.

Other Litigation claims

Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Group recognises impairment on the assets with the contract.

3.17 Government grants:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognised as income in the statement of profit and loss over the period and in proportion in which depreciation is charged.

Revenue grants are recognised in the statement of profit and loss in the same period as the related cost which they are intended to compensate are accounted for.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of profit and loss over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments.

3.18 Exceptional items:

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

3.19 Business combinations and goodwill:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the fair value on acquisition date of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised either in profit and loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Common control business combinations include transactions, such as transfer of subsidiaries or businesses, between entities within a Group.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

3.20 Investment in associates and joint ventures:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associate are accounted for using the equity method.

Under the equity method, the investment in an associate or joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate or a joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or a joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or a joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit and loss of an associate and a joint venture is shown on the face of the statement of profit and loss outside operating profit and represents profit and loss after tax of the associate.

The financial statements of the associate are prepared for the same reporting period as of the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or a joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate or a joint venture' in the statement of profit or loss.

3.21 Current and non-current classification:

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period,

  Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period,

  Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets / liabilities are classified as non-current.

All other liabilities are classified as non-current.

3.22 Fair value measurement:

The Group measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability,

  Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.23 Non-current assets held for sale and discontinued operations:

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit and loss after tax from discontinued operations in the statement of profit or loss.

Assets and liabilities classified as held for distribution are presented separately from other assets and liabilities in the balance sheet.

A disposal group qualifies as discontinued operation if it is a component of the Group that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations,

  Or
- is a subsidiary acquired exclusively with a view to resale.

An entity shall not depreciate (or amortise) a non- current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale.

3.24 Financial instruments:

(i) Financial assets:

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit and loss under the fair value option.

- **Business model test:** The objective of the Group's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit and loss under the fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit or loss, except for those equity investments for which the Group has elected to present value changes in 'other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either
  (a) the Group has transferred substantially all the risks and rewards of the asset, or
  (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

(ii) Financial liabilities:

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(iv) Derivative financial instruments and hedge accounting:

The Group enters into derivative contracts to hedge foreign currency/price risk on unexecuted firm commitments and highly probable forecast transactions. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and presented as a separate component of equity which is later reclassified to statement of profit and loss when the hedge item affects profit and loss.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss as other expenses.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other operating income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

Service concession arrangements:

Management has assessed applicability of Appendix A of Ind AS 11: Service Concession Arrangements to power distribution arrangements entered into by the Group. In assessing the applicability, management has exercised significant judgment in relation to the underlying ownership of the assets, terms of the power distribution arrangements entered with the grantor, ability to determine prices, fair value of construction service, assessment of right to guaranteed cash etc. Based on detailed evaluation, management has determined that this arrangement meet the criteria for recognition as service concession arrangements.

Discontinued operations:

<u>Consumer products segment</u>

In pursuant to the demerger of the Consumer products business unit, the Board considered the consumer product business unit to meet the criteria to be classified as held for distribution at that date for the following reasons:

- The actions to complete the distribution were initiated and expected to be completed within one year from the date of commitment to demerger the business i.e. 19th February, 2015,
- Consumer product represents a separate major line of business of operations,
- The shareholders approved the distribution in August 2015,
- The Scheme of demerger was approved by the Honourable High court of judicature at Bombay, 20th November, 2015 (the Appointed date).

<u>Power distribution business</u>

In Pursuant to the certain unresolved disputes arising out of the Distribution Franchisee Agreement (DFA) of the Group with Maharashtra State Electricity Distribution Company Limited (MSEDCL) at Jalgoan in Maharashtra, MSEDCL has exercised its step in rights and taken over the Distribution Franchisee in Jalgoan from the Group with effect from 12th August, 2015. The operations were terminated with immediate effect and the final claim settlement between the Group and MSEDCL is in progress. The Group have classified the Power distribution business as held for disposal from 12th August, 2015 for the following reasons:

- Power distribution business represents a separate major line of operations
- The operations were abandoned with immediate effect from 12th August, 2015 and hence the carrying amount will not be recovered principally through continuing use.

<u>Sale of transmission and distribution (T&D) business outside India</u>

Pursuant to the Group's plan to dispose of the T&D business, the Group has classified the operations of T&D business as discontinued operation during the year w.e.f. 9th March, 2016 based on:

- Receiving the binding letter of offer from First Reserve International Limited, a US Private Equity fund.
- Expectation to complete the transaction within a period of one year along with required approvals

Lease of equipment not in legal form of lease

Significant judgment is required to apply lease accounting rules under Appendix C to Ind AS 17: Determining whether an Arrangement contains a Lease. In assessing the applicability to arrangements entered into by the Group, management has exercised judgment to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix C to Ind AS 17.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Contd.)

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration are the probability of meeting each performance target and the discount factor.

Development costs

The Group capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

5. PROPERTY, PLANT AND EQUIPMENT

₹ crore

	Freehold land	Leasehold land	Buildings	Plant and machinery	Plant and machinery leasehold	Furniture and fittings	Office equipments	Vehicles	Total	Capital work-in-progress
Cost:										
As at 1-04-2014	815.64	274.82	1876.04	2129.20	35.31	127.50	127.95	45.78	5432.24	71.97
Additions	-	20.98	26.58	106.33	-	6.16	6.28	4.32	170.65	12.65
Disposals / transfers	123.63	49.98	22.74	39.73	-	5.49	3.99	4.40	249.96	27.71
Less: translation adjustments	68.49	(0.47)	141.96	128.88	7.46	9.87	12.08	5.03	373.30	5.08
Transferred to discontinued operations	3.62	1.96	43.89	120.81	-	6.97	4.85	1.31	183.41	0.38
As at 31-03-2015	**619.90**	**244.33**	**1694.03**	**1946.11**	**27.85**	**111.33**	**113.31**	**39.36**	**4796.22**	**51.45**
Additions	-	56.60	10.09	29.85	-	2.27	2.80	1.29	102.90	2.32
Disposals / transfers	78.03	91.74	28.93	32.64	-	8.11	6.29	2.30	248.04	4.60
Less: translation adjustments	(5.41)	-	(30.74)	(44.49)	-	(5.60)	(2.47)	(0.77)	(89.48)	9.00
Transferred to discontinued operations	305.75	-	950.56	979.16	-	29.68	48.94	20.42	2334.51	25.94
As at 31-03-2016	**241.53**	**209.19**	**755.37**	**1008.65**	**27.85**	**81.41**	**63.35**	**18.70**	**2406.05**	**14.23**
Accumulated Depreciation:										
As at 1-04-2014	-	0.13	453.35	1355.30	21.39	94.82	100.47	31.73	2057.19	
Transferred on amalgamation	-	-	-	-	-	-	-	-	-	
Depreciation charge for the year	-	1.72	79.91	103.21	2.47	7.76	7.69	2.52	205.28	
Disposals / transfers	-	-	2.61	33.97	-	4.72	3.66	3.21	48.17	
Less: translation adjustments	-	-	59.29	98.02	4.14	9.39	11.03	3.59	185.46	
Transferred to discontinued operations	-	0.37	13.26	80.40	-	5.33	3.71	0.66	103.73	
As at 31-03-2015	**-**	**1.48**	**458.10**	**1246.12**	**19.72**	**83.14**	**89.76**	**26.79**	**1925.11**	
Depreciation charge for the year	-	2.40	27.30	47.92	2.40	4.90	3.83	1.37	90.12	
Disposals / transfers	-	0.16	5.55	18.84	-	5.40	4.76	1.32	36.03	
Less: translation adjustments	-	-	(10.74)	(60.08)	-	2.08	(8.82)	(0.46)	(78.02)	
Transferred to discontinued operations	-	-	407.36	663.11	-	20.33	44.44	16.67	1151.91	
As at 31-03-2016	**-**	**3.72**	**83.23**	**672.17**	**22.12**	**60.23**	**53.21**	**10.63**	**905.31**	
Net book value										
As at 1-04-2014	815.64	274.69	1422.69	773.90	13.92	32.68	27.48	14.05	3375.05	71.97
At 31-03-2015	619.90	242.85	1235.93	699.99	8.13	28.19	23.55	12.57	2871.11	51.45
At 31-03-2016	**241.53**	**205.47**	**672.14**	**336.48**	**5.73**	**21.18**	**10.14**	**8.07**	**1500.74**	**14.23**

6. INVESTMENT PROPERTY

Cost:	
As at 1-04-2014	7.08
Additions	-
Disposals / transfers	-
As at 31-03-2015	7.08
Additions	-
Disposals / transfers	7.08
As at 31-03-2016	**-**
Accumulated Depreciation:	
As at 1-04-2014	1.44
Depreciation charge for the year	0.08
Disposals / transfers	-
As at 31-03-2015	1.52
Depreciation charge for the year	0.03
Disposals / transfers	1.55
As at 31-03-2016	-
Net book value	
As at 1-04-2014	5.64
As at 31-03-2015	5.56
As at 31-03-2016	**-**
Fair value	
As at 1-04-2014	13.36
As at 31-03-2015	10.91
As at 31-03-2016	**NA**

	2015-16	2014-15
Rental income derived from investment properties	**0.95**	2.24
Direct operating expenses (including repairs and maintenance) generating rental income	**-**	0.21
Profit arising from investment properties	**0.95**	2.03

The Group's investment properties consists of commercial properties in India

As at 31st March, 2015, the fair values of the properties was ₹ 10.91 crore. These valuation are based on valuation performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in Level 2 fair value hierarchy (Refer Note 47 for definition of Level 2 fair value measurement).

₹ crore

7. OTHER INTANGIBLE ASSETS

	Brand names and customer lists	Computer software	Trade marks	Technical know-how	Commercial rights	Research and development	Technology	Concession rights	Total	Goodwill	Intangible assets under development
Cost:											
As at 1-04-2014	754.99	241.00	148.73	63.85	43.52	316.05	306.78	24.10	1899.02	575.50	126.83
Additions	0.48	22.51	-	15.73	-	94.95	-	4.04	137.71	-	5.38
Disposals / transfers	-	1.19	-	-	-	1.84	-	-	3.03	-	79.26
Less: translation adjustments	127.77	22.53	27.34	1.73	-	54.86	56.39	-	290.62	104.82	-
Transferred to discontinued operations	-	1.01	-	4.32	-	1.52	-	-	6.85	-	0.19
As at 31-03-2015	**627.70**	**238.78**	**121.39**	**73.53**	**43.52**	**352.78**	**250.39**	**28.14**	**1736.23**	**470.68**	**52.76**
Additions	-	10.13	-	-	-	42.56	-	-	52.69	-	28.86
Disposals / transfers	-	-	-	-	-	12.84	-	-	12.84	-	7.13
Impairment of goodwill	-	-	-	-	-	-	-	-	-	40.31	-
Impairment of Intangible asset under development	-	-	-	-	-	-	-	-	-	-	5.87
Less: translation adjustments	(11.60)	(31.93)	(14.96)	-	-	(113.09)	(8.26)	-	(179.84)	(53.95)	11.09
Transferred to discontinued operations	26.36	187.05	-	11.53	-	131.21	183.33	28.14	567.62	15.90	3.55
As at 31-03-2016	**612.94**	**93.79**	**136.35**	**62.00**	**43.52**	**364.38**	**75.32**	**-**	**1388.30**	**468.41**	**53.98**
Accumulated amortisation:											
As at 1 April 2014	196.98	177.79	25.52	28.41	23.28	190.95	270.76	-	913.69	-	
Amortisation charge for the year	57.68	22.12	12.14	13.20	6.35	39.39	13.41	3.93	168.22	-	
Disposals / transfers	-	1.10	-	-	-	0.55	-	-	1.65	-	
Less: translation adjustments	33.18	15.30	4.58	0.41	-	23.15	49.77	-	126.39	-	
Transferred to discontinued operations	-	0.67	-	1.50	-	0.54	-	-	2.71	-	
As at 31-03-2015	**221.48**	**182.84**	**33.08**	**39.70**	**29.63**	**206.10**	**234.40**	**3.93**	**951.16**	**-**	
Amortisation charge for the year	57.84	9.71	13.06	8.20	9.08	47.41	14.43	-	159.73	-	
Disposals / transfers	-	-	-	-	-	12.83	-	-	12.83	-	
Less: translation adjustments	7.81	(38.67)	(4.00)	-	-	(58.39)	(6.93)	-	(100.18)	-	
Transferred to discontinued operations	26.35	161.49	-	2.94	-	71.91	183.32	3.93	449.94	-	
As at 31-03-2016	**245.16**	**69.73**	**50.14**	**44.96**	**38.71**	**227.16**	**72.44**	**-**	**748.30**	**-**	
Net book value											
As at 1-04-2014	558.01	63.21	123.21	35.44	20.24	125.10	36.02	24.10	985.33	575.50	126.83
As at 31-03-2015	406.22	55.94	88.31	33.83	13.89	146.68	15.99	24.21	785.07	470.68	52.76
As at 31-03-2016	**367.78**	**24.06**	**86.21**	**17.04**	**4.81**	**137.22**	**2.88**	**-**	**640.00**	**468.41**	**53.98**

Impairment testing of goodwill

For the purpose of impairment testing, goodwill relating to continuing business segments has been allocated to the cash generating units (CGUs) as follows:

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
CGUs /Segments			
Power Systems	-	16.89	19.50
Industrial Systems	**136.79**	121.79	149.22
Automation Systems	**371.93**	332.00	406.78
Total goodwill	**508.72**	470.68	575.50
Less: Impairment related to Automation Systems	**40.31**	-	-
Net goodwill	**468.41**	470.68	575.50

Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including business plan, operating results, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value in use and fair value less cost to sell. For the purpose of impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which goodwill is monitored for internal management purposes, and which is not higher than the Group's operating segment.

The Group generally uses discounted cash flow based methods to determine the recoverable amount. These discounted cash flow calculations use five-year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.. The discount rate calculation is derived from Weighted Average Cost of Capital (WACC) of the Company. Terminal value growth rates take into consideration external macroeconomic sources of data and industry specific trends.

The following table presents the key assumptions used to determine value in use / fair value less costs to sell for impairment test purposes.

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
Terminal value growth rate	**1%**	1%	1%
Pre tax discount rate	**11.70%**	10.62%	9.18%

Based on the above, no impairment was identified for Power systems and Industrial systems as of 1st April, 2014, 31st March, 2015 and 31st March, 2016 as the recoverable value of the respective CGUs exceeded the carrying value. Further no impairment was identified for Automation systems as of 1st April, 2014 and 31st March, 2015. The impairment of ₹40.31 crore identified in Automation systems as at 31st March, 2016 is due to economic down turn, slow growth etc. An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the CGU's recoverable amount would fall below its carrying amount.

₹ crore

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
8. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS			
Quoted investments			
Investment in Government or trust securities	**0.44**	0.44	0.44
Unquoted investments			
Investment in Government or trust securities	**-**	4.34	3.37
Investment in equity instruments			
Associate companies	**-**	-	247.56
Joint ventures	**-**	35.16	18.52
Investments in equity instruments			
Carried at fair value through other comprehensive income	**198.62**	227.00	-
Carried at fair value through profit and loss	**0.01**	0.01	0.01
Investments in debentures or bonds			
Others	**8.05**	8.05	8.05
Other non-current investments			
Others	**0.12**	0.12	0.05
	207.24	275.12	278.00
Note:			
Quoted investments			
Book value	**0.44**	0.44	0.44
Market value	**0.44**	0.44	0.44
Unquoted investments			
Book value	**206.80**	274.68	277.56

8(a) INVESTMENT IN ASSOCIATES

A General information

The Group had 23.14% of share holding in equity share capital of Avantha Power & Infrastructure Limited. Avantha Power & Infrastructure Limited ceased to be an associate from 1st April, 2014. The carrying amount of ₹ 244.36 crore which was accounted for under equity method has been transferred from investment in associate to investment in others at fair value.

The Group has 49.00% of share holding in equity share capital of Saudi Power Transformers Co. Ltd. (SPTC). SPTC principal place of business is Kingdom of Saudi Arabia.

The Group has 49.00% of share holding in equity share capital of Pauwels Middle East Trading & Contracting Pvt. Co. LLC (PME). PME principal place of business is United Arab Emirates.

B Summarised financial information of the associates

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
Current assets	**63.50**	25.85	222.83
Non-current assets	**171.47**	174.80	2572.05
Current liabilities	**153.74**	91.26	1027.95
Non-current liabilities	**125.06**	132.93	232.88
Equity	**(43.83)**	(23.54)	1534.05
Group's share of net assets	**(21.47)**	(11.53)	356.78
Carrying amount of interest in associates	**-**	-	247.56

The above amount of equity includes accumulated losses of the associates of ₹ 43.83 crore (31-03-2015 : ₹ 23.54 crore) on which the Group has recognised its share to the extent of cost of its investments.

	2015-16	2014-15
Revenue	**34.91**	4.27
Pre-tax profit/(loss)	**(18.64)**	(30.48)
Income tax expense	**0.01**	0.05
Post-tax profit/(loss)	**(18.65)**	(30.53)
Other comprehensive income	**-**	-
Total comprehensive (loss)/income	**(18.65)**	(30.53)
Group's share of total comprehensive (loss)/income recognised in the profit or loss	**-**	(3.40)
Dividends received from associate	**-**	-

₹ crore

8(a) INVESTMENT IN ASSOCIATES (Contd.)

C Contingent liabilities as at the reporting date

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
Capital Commitments	**0.51**	3.00	16.61
Group's share of capital commitments	**0.25**	1.47	8.14
Contingent liabilities incurred by the Group in relation to its interest in associates	**6.00**	6.00	-
Group's share of contingent liabilities	**2.94**	2.94	-

8(b) INVESTMENT IN JOINT VENTURE

A General information

The Group has 51.00% of share holding in equity share capital of PT Crompton Prima Switchgear Indonesia (PT Prima). PT Prima's principal place of business is Indonesia. As at 31st March, 2016 the investment has been treated as asset held for sale.

The Group has 50.00% of share holding in equity share capital of CG Lucy Switchgear Limited (CG Lucy). CG Lucy's principal place of business is India. During the year, investments in CG Lucy was sold.

B Summarised financial information of the joint venture

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
Current assets	-	61.93	60.87
Non-current assets	-	40.04	12.76
Current liabilities	-	30.24	35.41
Non-current liabilities	-	1.89	1.19
Equity	-	69.84	37.03
Group's share of net assets	-	35.16	18.52
Carrying amount of interest in joint venture	-	35.16	18.52

	2015-16	2014-15
Revenue	**53.52**	164.80
Pre-tax profit / (loss)	**1.88**	14.43
Income tax expense	**(0.57)**	6.14
Post-tax profit / (loss)	**2.44**	8.29
Other comprehensive income	**-**	-
Total comprehensive income	**2.44**	8.29
Group's share of total comprehensive income	**1.20**	4.84
Dividends received from joint venture	**-**	-

C Contingent liabilities as at the reporting date

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
Capital commitments	-	0.85	3.55
Group's share of capital commitments	-	0.42	1.77
Contingent liabilities incurred by the Group in relation to its interest in joint venture	-	2.26	1.30
Group's share of contingent liabilities	-	1.13	0.65

₹ crore

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
9. NON-CURRENT FINANCIAL ASSETS - LOANS			
Unsecured, considered good, unless otherwise stated			
Deposits	**9.44**	14.35	1.04
	9.44	14.35	1.04

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
10. NON-CURRENT FINANCIAL ASSETS-OTHERS			
Service concession receivable	-	7.03	5.32
	-	7.03	5.32

11. TAXATION

Income tax related to items charged or credited directly to profit or loss during the year:

	2015-16	2014-15
Statement of profit or loss		
Current income tax (continuing operations)	**100.74**	41.99
Current income tax (discontinued operations)	**90.07**	158.70
Deferred tax expense / (benefit):		
Relating to origination and reversal of temporary differences (continuing operations)	**(86.35)**	(52.37)
Relating to origination and reversal of temporary differences (discontinued operations)	**37.92**	4.60
Total	**142.38**	152.92

Income Tax expense

	2015-16	2014-15
Reconciliation		
Profit / (loss) before tax from continuing operations	**88.55**	356.84
Profit / (loss) before tax from discontinued operations	**(343.02)**	(181.80)
Accounting profit / (loss) before income tax	**(254.47)**	175.04
Applicable tax rate	**34.608%**	33.99%
Computed tax expense	**(88.06)**	59.50
Exceptional items not considered for tax purpose	**123.75**	-
Income not considered for tax purpose	**(101.61)**	(16.05)
Expense not allowed for tax purpose	**41.52**	44.67
Additional allowances for tax purpose	**(54.35)**	(67.27)
Additional allowances for capital gain	**(85.24)**	(82.80)
Current year losses / brought forward losses on which deferred tax not recognised	**342.52**	216.19
Tax paid at lower rate	**2.11**	2.01
Other temporary differences	**(38.26)**	(3.33)
Income tax expense charged to the statement of profit and loss	**142.38**	152.92
Income tax attributable to continued operations	**14.39**	(10.38)
Income tax attributable to discontinued operations	**127.99**	163.30
Total	**142.38**	152.92

₹ crore

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

11. TAXATION (Contd.)

Deferred tax relates to the following:

	Balance sheet			Recognised in statement of profit or loss	
	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014	2015-16	2014-15
Expenses allowable on payment basis	**2.48**	47.61	49.92	**(7.74)**	3.20
Unused tax losses / depreciation	**78.44**	167.86	210.39	**(21.75)**	(20.45)
Other items giving rise to temporary differences	**52.74**	(249.39)	(312.01)	**75.39**	24.63
Accelerated depreciation for tax purposes	**(202.44)**	(170.41)	(166.22)	**(46.73)**	(4.21)
Finance lease	**1.71**	1.37	1.37	**0.32**	0.00
Service concession arrangements	**0.45**	0.42	-	**0.03**	0.42
Fair valuation of property, plant and equipment (PP&E)	**(210.84)**	(261.82)	(303.76)	**50.94**	41.94
Impairment of loan	**3.88**	3.88	3.81	**-**	0.07
Provision for loss allowance	**20.74**	22.75	20.60	**(2.03)**	2.17
Deferred tax asset / (liability)	**(252.84)**	(437.73)	(495.90)		
Net (income) / expense				**48.43**	47.77

Reconciliation of deferred tax assets / (liabilities) net:

	As at 31-03-2016	As at 31-03-2015
Opening balance as of 1st April	**(437.73)**	(495.90)
Tax income / (expense) during the period recognised in profit or loss	**86.35**	52.37
Tax income / (expense) during the period recognised in profit or loss from discontinued operations	**(37.92)**	(4.60)
Deferred tax acquired in amalgamation	**-**	(0.18)
Deferred tax transferred on discontinued operations	**114.42**	-
Translation adjustment	**22.04**	10.58
Closing balance	**(252.84)**	(437.73)

Deferred tax assets have not been recognised in respect of losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
12. NON-CURRENT ASSETS-OTHERS			
Unsecured, considered good, unless otherwise stated			
Deposits	**-**	-	3.77
Capital advances	**0.95**	7.38	37.06
Others	**20.61**	-	-
	21.56	7.38	40.83

	As at 31-03-2016		As at 31-03-2015		As at 1-04-2014	
13. INVENTORIES						
Raw materials	**245.87**		443.76		523.60	
Add: Goods-in-transit	**9.61**		35.04		64.25	
		255.48		478.80		587.85
Work-in-progress - manufacturing		**261.60**		660.47		873.15
Finished goods - manufacturing		**62.18**		155.30		140.79
Stock-in-trade		**2.66**		2.02		63.07
Stores, spares and packing materials		**3.00**		3.09		5.75
Loose tools		**0.09**		0.39		0.78
		585.01		1300.07		1671.39

₹ crore

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
14. CURRENT FINANCIAL ASSETS-INVESTMENTS			
Quoted investments			
Investments in equity instruments			
Carried at fair value through profit and loss	**0.95**	0.94	0.86
Investments in mutual funds			
Carried at fair value through profit and loss	-	159.68	19.86
Unquoted investments			
Investment in Government or trust securities	-	0.37	0.26
	0.95	160.99	20.98
Notes:			
Quoted investments			
Book value	**0.95**	160.62	20.72
Market value	**0.95**	160.62	20.72
Unquoted investments			
Book value	-	0.37	0.26
Market value	-	0.37	0.26

	As at 31-03-2016		As at 31-03-2015		As at 1-04-2014	
15. TRADE RECEIVABLES						
Unsecured						
Debts overdue for six months						
Considered good	**395.79**		383.85		235.31	
Considered doubtful	**139.39**		189.30		180.41	
	535.18		573.15		415.72	
Less: Allowance for doubtful debts	**139.39**		189.30		180.41	
		395.79		383.85		235.31
Other debts						
Considered good		**1681.22**		2686.00		3064.07
Other Receivables						
Insurance receivables	**3.38**		4.06		4.39	
Other financial receivables	**1.37**		0.43		0.36	
		4.75		4.49		4.75
Derivative instruments		**6.40**		13.64		23.81
		2088.16		3087.98		3327.94

	As at 31-03-2016		As at 31-03-2015		As at 1-04-2014	
16. CASH AND CASH EQUIVALENTS						
Cash and cash equivalents:						
Balances with banks:						
On current accounts	**532.79**		560.42		683.44	
On deposit accounts (Refer notes below)	**259.46**		85.61		84.74	
		792.25		646.03		768.18
Cash on hand		**0.16**		31.56		0.56
		792.41		677.59		768.74

Notes:

(a) ₹ 175.00 crore with banks held as margin money or security against the borrowings, guarantees and other commitments.

(b) Deposits of ₹ 175.00 crore (Previous year ₹ 2.00 crore) are under lien with erstwhile bank held under protest.

	As at 31-03-2016		As at 31-03-2015		As at 1-04-2014	
17. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS						
Other balances:						
Earmarked balances with banks for:						
Unpaid dividends	**1.65**		1.98		1.94	
Unpaid matured fixed deposits and interest accrued thereon	**-**		-		0.01	
Others	**-**		3.03		40.19	
		1.65		5.01		42.14
Fixed deposits with banks		**2.83**		0.15		3.04
		4.48		5.16		45.18

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

	As at 31-03-2016		As at 31-03-2015		As at 1-04-2014	
18. CURRENT FINANCIAL ASSETS - LOANS						
Unsecured, considered good, unless otherwise stated						
Advances recoverable in cash or in kind or for value to be received:						
Considered good	**3.85**		28.80		21.95	
Considered doubtful	**-**		-		1.41	
	3.85		28.80		23.36	
Less: Allowance for bad and doubtful advances	**-**		-		1.41	
		3.85		28.80		21.95
Security deposits:						
Considered good	**10.59**		26.62		30.47	
Considered doubtful	**0.05**		-		-	
	10.64		26.62		30.47	
Less: Allowance for bad and doubtful advances	**0.05**		-		-	
		10.59		26.62		30.47
		14.44		55.42		52.42

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
19. CURRENT FINANCIAL ASSETS - OTHERS			
Bank deposits	**230.60**	1.60	1.03
	230.60	1.60	1.03

Note:

(a) ₹ 227.00 crore with banks held as margin money or security against the borrowings, guarantees and other commitments.

(b) Deposits of ₹ 203.60 crore (Previous year ₹ 1.60 crore) are under lien with bank out of which ₹ 200.00 crore is with erstwhile bank held under protest.

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
20. OTHER CURRENT ASSETS			
Advance to suppliers	**162.66**	348.06	85.59
Advance to other related party	**96.56**	-	-
Prepaid expenses	**33.22**	10.99	11.44
Due from customers (construction and project related activity)	**42.11**	413.28	255.96
Statutory and other receivables	**234.08**	443.43	398.59
	568.63	1215.76	751.58

₹ crore

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
21. SHARE CAPITAL			
Authorised:			
2,03,80,00,000 Equity Shares of ₹ 2 each	**407.60**	407.60	361.00
(2,03,80,00,000 and 1,80,50,00,000 equity shares of ₹ 2 each as at 31-03-2015 and 1-04-2014 respectively)			
Issued:			
62,67,88,442 Equity Shares of ₹ 2 each (62,67,88,442 Equity Shares of ₹ 2 each as at 31-03-2015 and 1-04-2014)	**125.35**	125.35	125.35
Subscribed and paid-up:			
62,67,46,142 Equity Shares of ₹ 2 each (62,67,46,142 Equity Shares of ₹ 2 each as at 31-03-2015 and 1-04-2014)	**125.35**	125.35	125.35
Forfeited shares:			
Amount paid-up on 42,300 Equity Shares of ₹ 2 each (Amount paid-up ₹ 32,175)	**0.00**	0.00	0.00
	125.35	125.35	125.35

Notes:

(a) Reconciliation of the number of the shares outstanding at the beginning and at the end of the year:

Authorised share capital	As at 31-03-2016		As at 31-03-2015	
	No. of Shares	**₹ crore**	No. of Shares	₹ crore
Balance at the beginning of the year	**2038000000**	**407.60**	1805000000	361.00
Amalgamation of wholly-owned subsidiaries with the Company (Refer note below)	-	-	233000000	46.60
Balance at the end of the year	**2038000000**	**407.60**	2038000000	407.60

During the previous year, the Company's authorised share capital increased from ₹ 361.00 crore to ₹ 407.60 crore comprising of 2,03,80,00,000 number of equity shares of ₹ 2 each on amalgamation of CG Energy Management Limited and CG-ZIV Power Automation Solutions Limited, wholly-owned subsidiaries, with the Company on 1st April, 2014.

Issued share capital	As at 31-03-2016		As at 31-03-2015	
	No. of Shares	**₹ crore**	No. of Shares	₹ crore
Balance at the beginning of the year	**626788442**	**125.35**	626788442	125.35
Less: Shares bought back	-	-	-	-
Balance at the end of the year	**626788442**	**125.35**	626788442	125.35

Subscribed and paid-up	As at 31-03-2016		As at 31-03-2015	
	No. of Shares	**₹ crore**	No. of Shares	₹ crore
Balance at the beginning of the year	**626746142**	**125.35**	626746142	125.35
Less: Shares bought back	-	-	-	-
Balance at the end of the year	**626746142**	**125.35**	626746142	125.35

The Company has not issued any equity shares during the current and in the previous year.

(b) Terms / rights attached to equity shares:

The Company has one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

21. SHARE CAPITAL (Contd.)

(c) Details shareholders holding more than 5 % shares in the Company:

		As at 31-03-2016		As at 31-03-2015		As at 1-04-2014	
		%	**No. of Shares**	%	No. of Shares	%	No. of Shares
1	Avantha Holdings Limited	**34.37**	**215442496**	34.37	215442496	40.84	255937034
2	Reliance Capital Trustee Co. Ltd A/c Reliance Equity Opportunities Fund	**7.43**	**46569874**	-	-	-	-
3	HDFC Trustee Company Limited - HDFC Equity Fund	**9.22**	**57809500**	9.22	57809500	9.30	58269500
4	Life Insurance Corporation of India	**5.24**	**32820195**	4.80	30071908	5.24	32842674

(d) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

(e) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
	No. of Shares	No. of Shares	No. of Shares
Shares issued as fully paid-up bonus shares	**-**	-	274924944

(f) Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
	No. of Shares	No. of Shares	No. of Shares
Shares bought back	**14745394**	14745394	14745394

(g) Aggregate number of shares issued as GDRs

	As at 31-03-2016		As at 31-03-2015		As at 1-04-2014	
	%	**No. of Shares**	%	No. of Shares	%	No. of Shares
The Bank of New York	**0.14**	**882329**	0.16	973844	0.22	1383534

(h) Dividend paid and proposed

	2015-16	2014-15
Declared and paid during the year:		
Final dividend for 31-03-2016: ₹ Nil per share (31-03-2015: ₹ 0.40 per share)	-	25.07
Interim dividend for 31-03-2016: ₹ Nil per share (31-03-2015: ₹ 0.80 per share)	-	50.14
Dividends on ordinary shares:		
Final dividend for 31-03-2016: ₹ Nil per share (31-03-2015: ₹ Nil per share)	-	-

(i) Nature and purpose of reserves:

(1) Capital redemption reserve:

Capital Redemption reserve was created for buy back of shares. A company may issue fully paid-up bonus shares to its members out of the capital redemption reserve account.

(2) Security premium account:

Security premium account is created when shares are issued at premium. A company may issue fully paid-up bonus shares to its members out of the security premium reserve account, and company can use this reserve for buy-back of shares.

(3) Capital Reserve:

The Group had paid certain deferred sales tax liabilities in accordance with the scheme formulated by the State Government of Maharashtra for such optional prepayments. The resultant surplus of ₹ 19.12 crore, representing the excess of the recorded liability over the amount paid was credited to Capital Reserve.

During the financial year ended 31st March, 2016, the capital reserve of ₹ 652.53 crore is recognised due to demerger of consumer products segment pursuant to the transfer of all assets and liabilities to the resulting company i.e. Crompton Greaves Consumer Electricals Limited (Refer Note 46).

(4) Statutory reserve:

Statutory reserve represents profits set aside as per the local statutory requirement of overseas subsidiaries and the same is not available for distribution.

(5) Capital reserve on consolidation:

Capital reserve on consolidation is on account of subsidiaries acquired.

(6) Government grant:

Grants are recognized as non-repayable when the requirements established for receiving them are met and are recognized directly in equity, net of corresponding tax effect.

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
22. NON-CURRENT FINANCIAL LIABILITIES-BORROWINGS			
Secured loans			
Term loans from banks	**544.65**	1094.86	1554.79
From financial Institutions	**50.18**	21.97	20.76
Bonds	**-**	49.29	51.60
Unsecured loans			
Term loans from banks	**-**	100.71	-
Interest-free sales tax deferral loans from State Government	**-**	0.54	0.54
Finance lease obligations	**4.19**	9.86	14.73
	599.02	1277.23	1642.42

(a) Secured term loans from banks:

(i) Long term loan of ₹ Nil (as at 31-03-2015 ₹ 41.66 crore) is secured by way of fixed and floating charge on all assets of CG Power USA Inc located in Missouri and New Jersey. This loan is repayable in ten equal half yearly installments from drawdown on June, 2011.

(ii) Long term loan of ₹ 362.15 crore (as at 31-03-2015 ₹ 656.56 crore) is secured by pledge over 100% shares of ZIV group, mortgage of fixed assets located at Spain and guaranteed by the parent Company. This loan is repayable in unequal annual and half yearly installments from January 2014.

(iii) Long term loan of ₹ Nil (as at 31-03-2015 ₹ 134.28 crore) availed by CG Middle East FZE is secured by way of corporate guarantee given by Parent Company. This loan is repayable by way of bullet payment at the end of 24 months from the drawdown in August 2014.

(iv) During the year, CG International BV availed loan of ₹ 182.50 crore (as at 31-03-2015 ₹ Nil) from ICICI Bank UK PLC with Interest rate of EURIBOR +165 bpps per annum . The loan is payable in full within two years from utilization date i.e 15th March 2016.

(v) Long term loan of ₹ 12.68 crore (as at 31-03-2015 ₹ 13.16 crore) is secured by way of fixed and floating charge on all assets of CG Power Systems Ireland Limited. This loan is repayable in eighty equal quarterly installments from the drawdown in February 2003. *

(vi) Long term loan of ₹ 213.78 crore (as at 31-03-2015 ₹ 190.33 crore) is secured by way of fixed and floating charge on all assets of CG Electric Systems Hungary Zrt. Repayment of the loan will commence from December 2022 and will be repayable in four equal annual installments. *

(vii) Long term loan of ₹ Nil (as at 31-03-2015 ₹ 10.74 crore) is secured by way of fixed and floating charge on all assets of CG Electric Systems Hungary Zrt and is also guaranteed by the parent company. This loan will be payable by a single installment on September 2016. *

(viii) Long term loan of ₹ 12.06 crore (as at 31-03-2015 ₹ 19.32 crore) is secured by way of fixed and floating charge on all assets of CG Power Systems Belgium N.V and CG Holdings Belgium N.V. Repayment of the loan has commenced from 2015-16 and will be repayable in four unequal annual installments. *

(ix) Long term loan of ₹ 21.20 crore (as at 31-03-2015 ₹ 28.26 crore) is secured by first priority on all accounts receivables of the CG Power USA Inc. located at Missouri and a lien senior in priority to all liens other than liens granted in favor of leased equipments.

(x) Axis Bank facility up to ₹ 74.40 crore (as at 31-03-2015 ₹ Nil) to meet long term working capital requirement of the Group. Interest is paid quarterly at a rate of three month LIBOR plus 2.15% (2.78% at March 31, 2015). Principal is due from 24 month from the date of disbursement. Balance is due in October 2017. *

(b) Secured term loans from financial institutions consist of the following:

Soft loans of ₹ 50.18 crore (as at 31-03-2015 ₹ 21.97 crore) from Government / Ministry of Spain which are repayable in periodical installments from the year 2012 to 2022.

(c) Secured Borrowings by way of bonds consist of the following:

(i) BUILD Missouri revenue bonds, Series 2010 ₹ 4.66 crore (as at 31-03-2015 ₹ 4.39 crore) with interest payable semi-annual at a fixed rate and principal payments ranging from ₹ 0.16 crore to ₹ 0.32 crore through maturity on December, 2024. *

(ii) Industrial development revenue bonds, Series 2008 ₹ Nil (as at 31-03-2015 ₹ 38.12 crore) with interest payable monthly at the weekly adjusted LIBOR rate and annual principal payment ranging from ₹ 0.87 crore to ₹ 2.61 crore through maturity in December 2028. *

(iii) Industrial development revenue bonds, Series 1999 ₹ Nil (as at 31-03-2015 ₹ 6.78 crore) with interest payable monthly at the weekly adjusted LIBOR rate and annual principal payments ranging from ₹ 0.56 crore to ₹ 1.39 crore through maturity in December 2019. *

(d) Unsecurred term loans from banks consist of the following:-

Long term loan of ₹ Nil (as at 31-03-2015 ₹ 100.71 crore) is payable by way of single installment on August 2016. *

(e) Finance lease obligations are repayable in equated monthly installments.

(f) The Company has opted for the deferral scheme of sales tax, which is payable as per the scheme framed by State Government

*** Borrowings pertaining to discontinued operations are included under the head 'Liabilities associated with group of assets classified as held for sale and discontinued operations'.**

₹ crore

22. NON-CURRENT FINANCIAL LIABILITIES-BORROWINGS (Contd.)

(g) Finance lease:

The minimum lease rentals as at 31st March, 2016 and the present value as at 31st March, 2016 of minimum lease payments in respect of assets acquired under finance leases are as follows:

	As at 31-03-2016		As at 31-03-2015		As at 1-04-2014	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	**4.33**	**3.76**	5.86	3.99	6.08	4.45
After one year but not more than five years	**4.43**	**4.19**	11.06	9.86	17.43	14.73
More than five years	**-**	-	-	-	-	-
Total minimum lease payments	**8.76**	**7.95**	16.92	13.85	23.51	19.18
Less: amounts representing finance charges	**0.81**	-	3.07	-	4.33	-
Present value of minimum lease payments	**7.95**	**7.95**	13.85	13.85	19.18	19.18

23. NON-CURRENT - OTHER FINANCIAL LIABILITIES

	As at 31-03-2016		As at 31-03-2015		As at 1-04-2014	
Deposits payable	**1.25**		2.74		6.67	
Others	**-**		-		39.65	
		1.25		2.74		46.32
		1.25		2.74		46.32

24. NON-CURRENT PROVISIONS

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
Employee benefits	**40.69**	65.47	73.11
Warranties	**12.08**	11.68	10.91
	52.77	77.15	84.02

25. OTHER NON-CURRENT LIABILITIES

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
Others	**6.34**	49.37	18.70
	6.34	49.37	18.70

26. CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
Secured loans			
Term loans			
From banks	**114.02**	369.11	338.91
Working capital demand loan			
From banks	**127.27**	51.34	57.34
Unsecured loans			
Working capital loan from bank:			
Demand loan	**300.00**	202.12	164.52
Factoring loan	**95.71**	34.72	-
	637.00	657.29	560.77

Note :

Secured by hypothecation of inventories, book debts and trade receivables, both present and future.

₹ crore

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
27. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES			
Acceptances	**98.38**	208.42	346.66
Due to others	**1259.48**	1824.58	2399.60
Due to related parties:			
Associates / joint venture	**-**	22.37	37.41
	1357.86	2055.37	2783.67

	As at 31-03-2016		As at 31-03-2015		As at 1-04-2014	
28. CURRENT-OTHER FINANCIAL LIABILITIES						
Financial Liabilities at amortised cost:						
Current maturities of long- term debts:						
From banks	**230.46**		146.72		194.28	
From financial institutions	**2.89**		2.08		1.70	
From bonds	**-**		4.92		4.61	
		233.35		153.72		200.59
Interest free sales tax deferral loans from State Government		**0.12**		-		0.35
Current maturities of finance lease obligations		**3.76**		3.99		4.45
Interest accrued but not due on borrowings		**1.62**		4.69		7.23
Investor Education and Protection Fund: (Refer note below)						
Unclaimed dividend		**1.65**		1.98		1.94
Due to directors		**5.84**		9.57		12.85
Other payables:						
Due to erstwhile shareholders	**0.11**		5.29		44.74	
Security deposits	**7.43**		32.56		23.45	
Employee dues	**31.71**		151.31		154.14	
Others	**80.34**		81.01		29.40	
		119.59		270.17		251.73
		365.93		444.12		479.14

Note:

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

	As at 31-03-2016		As at 31-03-2015		As at 1-04-2014	
29. OTHER CURRENT LIABILITIES						
Advances from customers		**293.77**		635.50		945.64
Due to customers		**48.63**		120.43		126.13
Other payables:						
Statutory dues	**14.45**		81.86		79.57	
Others	**44.21**		52.70		110.79	
		58.66		134.56		190.36
		401.06		890.49		1262.13

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
30. SHORT-TERM PROVISIONS			
Employee benefits	**19.80**	4.85	4.77
Other provisions (Refer note below)	**60.63**	316.21	299.74
	80.43	321.06	304.51

₹ crore

Note:

(a) Disclosures as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent Liabilities and Contingent Assets:

(1) Movement in provisions:

Nature of provisions	Warranties		Sales tax / VAT		Excise duty / Customs duty / Service tax	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Carrying amount at the beginning of the year *	**140.68**	95.21	**11.07**	22.59	**4.53**	11.32
Amount transferred due to discontinued operations / demerger	**98.77**	12.33	**2.13**	-	**-**	-
Additional provision made during the year #	**17.62**	116.06	**3.00**	-	**-**	-
Addition due to amalgamation of subsidiary	**-**	0.54	**-**	-	**-**	-
Amounts used during the year	**3.52**	30.23	**-**	-	**-**	-
Unused amounts reversed during the year #	**12.71**	13.61	**0.01**	11.52	**1.03**	6.79
Translation adjustment	**0.20**	(14.96)	**-**	-	**-**	-
Carrying amount at the end of the year*	**43.50**	140.68	**11.93**	11.07	**3.50**	4.53

Nature of provisions	Liquidated damages		Other litigation claims		Environmental obligations	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Carrying amount at the beginning of the year *	**47.43**	63.20	**96.71**	70.38	**15.82**	19.38
Amount transferred due to discontinued operations / demerger	**39.24**	-	**89.61**	-	**15.82**	-
Additional provision made during the year #	**3.34**	16.27	**-**	47.04	**-**	-
Addition due to amalgamation of subsidiary	**-**	-	**-**	-	**-**	-
Amounts used during the year	**1.11**	5.98	**-**	-	**-**	-
Unused amounts reversed during the year #	**1.08**	19.99	**2.86**	5.98	**-**	-
Translation adjustment	**0.20**	(6.07)	**-**	(14.73)	**-**	(3.56)
Carrying amount at the end of the year *	**9.54**	47.43	**4.24**	96.71	**-**	15.82

Nature of provisions	Onerous contracts		Total	
	2015-16	2014-15	2015-16	2014-15
Carrying amount at the beginning of the year *	**11.65**	16.82	**327.89**	298.90
Amount transferred due to discontinued operations / demerger	**11.65**	-	**257.22**	12.33
Additional provision made during the year #	**-**	12.07	**23.96**	191.44
Addition due to amalgamation of subsidiary	**-**	-	**-**	0.54
Amounts used during the year	**-**	0.13	**4.63**	36.34
Unused amounts reversed during the year #	**-**	15.34	**17.69**	73.23
Translation adjustment	**-**	(1.77)	**0.40**	(41.09)
Carrying amount at the end of the year *	**-**	11.65	**72.71**	327.89

Additional provision made during the year and reversal of unused amount are included in the respective head of accounts.

* Carrying amounts comprise of non-current and current provisions.

(2) Nature of ovisionspr

(a) Product warranties: The Company gives warranties on certain products and services in the nature of repairs / replacement, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of rectification / replacement. The timing of outflows is expected to be within a period of two years.

(b) Provision for sales tax /VAT represents liability on account of non-collection of declaration forms and other legal matters which are in appeal under the Act / Rules.

(c) Provision for excise duty / customs duty / service tax represents the differential duty liability that is expected to materialise in respect of matters in appeal.

(d) Provision for liquidated damages has been made on contracts for which delivery dates are exceeded and computed in reasonable and prudent manner.

(e) Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

(f) Provision for environmental obligations represents liabilities towards the costs expected to be incurred to treat contaminated soil / effluents at its manufacturing locations, wherever required by local law.

(g) Provision for onerous contracts have been made on contracts when it is probable that the estimated cost will exceed the total contract revenue.

₹ crore

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	2015-16		2014-15	
31. REVENUE FROM OPERATIONS				
Sale of products	**5301.58**		5148.40	
Sale of services	**89.79**		102.42	
Construction contracts	**213.79**		549.33	
		5605.16		**5800.15**

	2015-16	2014-15
CONTRACTS IN PROGRESS		
Contract revenue recognised for the financial year	**213.79**	549.33
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date	**2696.15**	2494.51
Amount of customer advances outstanding for contracts in progress as at the reporting date	**53.86**	139.90
Retention amount due from customer for contract in progress as at the reporting date	**146.41**	158.14

	2015-16	2014-15
32. OTHER INCOME		
Interest income	**25.29**	22.02
Dividend income	**0.01**	-
Gain on sale of investments (net)	**9.11**	4.54
Fair value gain on financial instruments at fair value through profit or loss	**0.02**	0.08
Exchange gain (net)	**1.29**	3.47
Other non-operating income:		
Income from lease of premises / business service centers	**5.90**	17.15
Government grant	**5.20**	8.41
Miscellaneous income	**64.80**	37.71
	111.62	93.38

	2015-16		2014-15	
33. COST OF MATERIALS CONSUMED				
Opening stock	**264.69**		267.66	
Add: Purchases	**3214.74**		3298.51	
Less: Closing stock	**255.48**		264.69	
	3223.95		3301.48	
Less: Scrap sales	**52.49**		67.21	
		3171.46		3234.27
Add: Sub-contracting charges		**267.07**		277.45
		3438.53		3511.72

Note:

Opening stock and closing stock excludes stock related to discontinued operations.

	2015-16	2014-15
34. PURCHASES OF STOCK-IN-TRADE		
Purchases of stock-in-trade	**119.40**	214.96
	119.40	214.96

₹ crore

	2015-16		2014-15	
35. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE				
Changes in inventories of finished goods and work-in-progress:				
Closing stock:				
Finished goods	**62.18**		121.09	
Work-in-progress	**261.60**		199.09	
	323.78		320.18	
Opening stock:				
Finished goods	**121.09**		70.08	
Work-in-progress	**199.09**		231.52	
	320.18		301.60	
		(3.60)		(18.58)
Changes in inventories of stock-in-trade:				
Closing stock				
Stock-in-trade	**2.66**		2.02	
Opening stock				
Stock-in-trade	**2.02**		0.08	
		(0.64)		(1.94)
		(4.24)		(20.52)

Note:

Opening stock and closing stock excludes stock related to discontinued operations.

	2015-16	2014-15
36. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	**550.56**	565.57
Contribution to provident and other funds	**66.31**	71.40
Post retirement medical benefits	**2.54**	2.55
Staff welfare expenses	**35.53**	29.38
	654.94	668.90

	2015-16	2014-15
37. FINANCE COSTS		
Interest on loans	**80.47**	103.59
Interest on finance lease	**0.89**	1.15
	81.36	104.74

	2015-16	2014-15
38. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and amortisation expense	**255.75**	244.71
	255.75	244.71

₹ crore

39. OTHER EXPENSES	2015-16	2014-15
Consumption of stores and spares	**28.97**	31.98
Power and fuel	**47.80**	46.50
Rent	**23.30**	20.37
Repairs to buildings	**10.23**	9.37
Repairs to machinery	**18.99**	23.11
Insurance	**9.90**	44.91
Rates and taxes	**22.78**	5.56
Freight and forwarding	**109.51**	107.63
Packing materials	**58.94**	62.39
After sales services including warranties	**36.74**	36.18
Sales promotion	**40.11**	38.47
Legal and professional charges	**74.60**	37.71
Excise duty on sales	**333.04**	294.79
Miscellaneous expenses	**214.54**	156.92
	1029.45	915.89

₹ crore

40. CONTINGENT LIABILITIES AND COMMITMENTS	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
A. Contingent Liabilities: (to the extent not provided for)			
(a) Claims against the Company not acknowledged as debts	**5.68**	18.31	9.18
(b) Sales tax / VAT liability that may arise in respect of matters in appeal	**47.55**	31.17	18.08
(c) Excise duty/ customs duty / service tax liability that may arise in respect of matters in appeal	**6.69**	8.74	4.56
(d) Income tax liability that may arise in respect of matters in appeal preferred by the department	**8.43**	7.63	5.21
B. Commitments:			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**14.45**	20.62	98.65
C. Proposed dividend and tax	**-**	-	29.13

Notes:

(a) The Group does not expect any reimbursement in respect of the above contingent liabilities.

(b) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above, pending resolution of the arbitration / appellate proceedings.

41. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 24 RELATED PARTY DISCLOSURES

(a) In terms of Indian Standard (Ind AS) 24 Related Party Disclosures, Indian Accounting Standard (Ind AS) 110 Consolidated Financial Statements and (Ind AS) 28 Investments in Associates and Joint Ventures in Consolidated Financial Statements specified by the Companies (Accounting Standards) Rules, 2015 (as amended), the Consolidated Financial Statements present the Consolidated Financial Statements of Crompton Greaves Limited (the Parent Company) with its subsidiaries and associates as under:

₹ crore

Sr. No.	Name of the Related Party	Country of Incorporation	% Equity Interest As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
(i)	**Subsidiaries:**				
1	CG Energy Management Limited (amalgamated with the Company w.e.f. 25th March, 2015)	India	-	-	100.00
2	CG-ZIV Power Automation Solutions Limited (amalgamated with the Company w.e.f. 25th March, 2015)	India	-	-	100.00
3	CG Power Solutions Limited	India	100.00	100.00	100.00
4	Crompton Greaves Consumer Products Limited (incorporated on 19th September, 2014)	India	100.00	100.00	-
5	Crompton Greaves Consumer Electricals Limited (incorporated on 25th February, 2015 and demerged w.e.f. 23rd March, 2016)	India	-	100.00	-
6	CG International B.V.	The Netherlands	100.00	100.00	100.00
7	CG-PPI Adhesive Products Limited	India	81.42	81.42	81.42
8	CG Holdings Belgium N.V.	Belgium	100.00	100.00	100.00
9	CG Power Systems Belgium N.V.	Belgium	100.00	100.00	100.00
10	CG Power Systems Ireland Limited	Ireland	100.00	100.00	100.00
11	CG Sales Networks France SA	France	99.40	99.40	99.40
12	CG Power Systems Canada Inc.	Canada	100.00	100.00	100.00
13	PT. CG Power Systems Indonesia	Indonesia	95.00	95.00	95.00
14	CG Holdings Hungary Kft.	Hungary	100.00	100.00	100.00
15	CG Electric Systems Hungary Zrt.	Hungary	100.00	100.00	100.00
16	CG Power Holdings Ireland Limited (liquidated w.e.f. 11th April, 2014)	Ireland	-	-	100.00
17	Microsol Limited	Ireland	100.00	100.00	100.00
18	CG Automation Systems UK Limited	United Kingdom	100.00	100.00	100.00
19	CG Service Systems France SAS	France	100.00	100.00	100.00
20	CG Power USA Inc (formerly M.S.E. Power Systems, Inc.)	USA	100.00	100.00	100.00
21	CG Power Solutions UK Limited (formerly Power Technology Solutions Limited)	United Kingdom	100.00	100.00	100.00
22	CG Power County LLC	USA	100.00	100.00	100.00
23	CG Power Systems Brazil Ltda	Brazil	100.00	100.00	100.00
24	CG Power Solutions Saudi Arabia Limited	Saudi Arabia	51.00	51.00	51.00
25	Crompton Greaves Holdings Mauritius Limited (liquidated w.e.f. 14th December, 2015)	Mauritius	-	100.00	100.00
26	CG International Holdings Singapore Pte. Limited	Singapore	100.00	100.00	100.00
27	CG Industrial Holdings Sweden AB	Sweden	100.00	100.00	100.00
28	CG Drives and Automation Sweden AB	Sweden	100.00	100.00	100.00
29	CG Drives and Automation Netherlands B.V.	The Netherlands	100.00	100.00	100.00
30	CG Drives and Automations Germany GmbH	Germany	100.00	100.00	100.00
31	Emotron Latin America Inc. (liquidated w.e.f. 14th April, 2014)	USA	-	-	100.00
32	ZIV Aplicaciones y Tecnologia S.L.	Spain	100.00	100.00	100.00
33	ZIV Metering Solutions S.L.	Spain	100.00	100.00	100.00
34	ZIV Grid Automation S.L.	Spain	100.00	100.00	100.00
35	ZIV Communications S.A.	Spain	100.00	100.00	100.00
36	ZIV USA Inc. (liquidated w.e.f. 22nd April, 2014)	USA	-	-	100.00
37	ZIV Do Brazil Ltda	Brazil	100.00	100.00	100.00
38	ZIV I+D Smart Energy Networks	Spain	100.00	100.00	100.00
39	CG Middle East FZE	UAE	100.00	100.00	100.00
40	ZIV France, SASU (incorporated on 3rd November, 2015)	France	100.00	-	-
41	Crompton Greaves Sales Network Malaysia Sdn.Bhd.	Malaysia	100.00	100.00	100.00

₹ crore

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

41 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 24 RELATED PARTY DISCLOSURES (Contd.)

Sr. No.	Name of the Related Party	Country of Incorporation	% Equity Interest As at 31-03-2016	% Equity Interest As at 31-03-2015	% Equity Interest As at 1-04-2014
(ii)	**Associates:**				
1	Pauwels Middle East Trading & Contracting (Pvt) Co. LLC	Sharjah	49.00	49.00	49.00
2	Saudi Power Transformers Co. Ltd.	Saudi Arabia	49.00	49.00	49.00
3	K.K. El fi Co. Ltd.	Japan	49.00	49.00	49.00
(iii)	**Joint Ventures:**				
1	CG Lucy Switchgear Limited (ceased w.e.f. 8th October, 2015)	India	-	50.00	50.00
2	PT Crompton Prima Switchgear Indonesia (incorporated on 12th May, 2014)	Indonesia	51.00	51.00	-

Note:

The % of voting rights that Parent Company holds in all its subsidiaries is equal to the % of corresponding shareholding except in case of Serial No. 13 PT CG Power Systems Indonesia. The Parent Company holds 95% of shareholding of PT CG Power Systems Indonesia through its subsidiary CG Power Systems Belgium N.V. and balance 5% is held by other partner. However, the parent Company through its subsidiary CG Power Systems Belgium N.V., has 100% voting rights since 5% shares held by other partner has no voting rights.

In the case of CG Power Solutions Saudi Arabia Limited and Saudi Power Transformers Co. Ltd., the financial statements as at 31st December, 2015 have been considered. There were no material adjustments required for any significant events or transactions for the three months upto 31st March, 2016.

For the purposes of consolidation, the financial statements of the foreign subsidiaries and associates as at 31st March, 2016, have been restated to comply with the Generally Accepted Accounting Principles in India.

(iv) Key Management Personnel:

1 Gautam Thapar - Chairman and Promoter Director
2 Laurent Demortier - CEO & Managing Director (resigned w.e.f. 3rd February, 2016)
3 K. N. Neelkant - CEO & Managing Director (appointed w.e.f. 3rd February, 2016)
4 Madhav Acharya - Executive Director - Finance & CFO
5 Minal Bhosale - Company Secretary (resigned w.e.f. 31st May, 2015)
6 Manoj Koul - Company Secretary (appointed w.e.f. 3rd August, 2015)

(v) Other Related Parties in which directors are interested:

1 Ballarpur Industries Limited
2 Solaris ChemTech Industries Limited
3 BILT Graphic Paper Products Limited
4 Avantha Holdings Limited
5 Avantha Business Solutions Limited (formerly Salient Business Solutions Limited)
6 Avantha Realty Limited
7 Sabah Forest Industries Sdn. Bhd.
8 Malanpur Captive Power Limited
9 Corella Investments Limited
10 Lustre International Limited
11 Ambuja Cements Limited
12 Asahi India Glass Limited
13 Avantha Foundation
14 Thermax Limited
15 Infosys Limited
16 Varun Prakashan Private Limited
17 Korba West Power Company Limited
18 KEC International Limited
19 Jhabua Power Limited
20 Avantha Power & Infrastructure Limited

₹ crore

41. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 24 RELATED PARTY DISCLOSURES (Contd.)

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

Sr. No.	Nature of transaction / relationship	2015-16	2014-15
1	**Purchase of goods and services**		
	Joint Venture		
	CG Lucy Switchgear Limited	**39.82**	157.52
	Other Related Parties		
	Ballarpur Industries Limited	**-**	0.03
	Ambuja Cements Limited	**-**	1.03
	BILT Graphic Paper Products Limited	**0.05**	0.03
	Total	**39.87**	158.61
2	**Sales of goods and services**		
	Joint Venture		
	CG Lucy Switchgear Limited	**4.45**	10.81
	Other Related Parties		
	Ballarpur Industries Limited	**0.01**	0.15
	Solaris ChemTech Industries Limited	**-**	0.03
	BILT Graphic Paper Products Limited	**0.10**	0.51
	Korba West Power Company Limited	**0.02**	5.12
	Asahi India Glass Limited	**0.01**	2.18
	Thermax Limited	**2.38**	2.02
	KEC International Limited	**-**	1.18
	Infosys Limited	**-**	1.96
	Sabah Forest Industries Sdn. Bhd.	**-**	0.56
	Crompton Greaves Consumer Electericals Limited	**0.61**	-
	Jhabua Power Limited	**1.09**	2.86
	Total	**8.67**	27.38
3	**Interest expense**		
	Joint venture		
	CG Lucy Switchgear Limited	**0.08**	0.86
	Total	**0.08**	0.86
4	**Rental income**		
	Other Related Parties		
	BILT Graphic Paper Products Limited	**0.74**	1.79
	Thermax Limited	**0.04**	0.01
	Total	**0.78**	1.80
5	**Other income**		
	Other Related Party		
	Crompton Greaves Consumer Electricals Limited	**1.69**	-
	Total	**1.69**	-
6	**Payment of salaries, commission and perquisites**		
	Key Management Personnel		
	Gautam Thapar	**3.59**	3.96
	Laurent Demortier	**18.61**	6.56
	K. N. Neelkant	**0.41**	-
	Madhav Acharya	**3.26**	3.09
	Minal Bhosale	**0.11**	0.56
	Manoj Koul	**0.31**	-
	Total	**26.29**	14.17
7	**Dividend paid**		
	Other Related Parties		
	Avantha Holdings Limited	**-**	18.86
	Avantha Realty Limited	**-**	0.00
	Corella Investments Limited	**-**	0.29
	Lustre International Limited	**-**	0.17
	Varun Prakashan Private Limited	**-**	0.00
	Total	**-**	19.32

₹ crore

41 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 24 RELATED PARTY DISCLOSURES (Contd.)

(b) The following transactions were carried out with the related parties in the ordinary course of business: (Contd.)

Sr. No.	Nature of transaction / relationship	2015-16	2014-15
8	**Rent paid**		
	Other Related Parties		
	Avantha Realty Limited	**2.04**	2.04
	Jhabua Power Limited	**0.41**	-
	Total	**2.45**	2.04
9	**Other expenses**		
	Other Related Parties		
	Avantha Holdings Limited	**55.97**	70.24
	Avantha Business Solutions Limited	**0.13**	0.94
	Avantha Foundation	**6.00**	4.78
	Avantha Realty Limited	**1.15**	0.58
	Jhabua Power Limited	**0.07**	-
	Total	**63.32**	76.54

(c) Amount due to / from related parties

Sr. No.	Nature of transaction / relationship	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
1	**Accounts payable**			
	Joint Venture			
	CG Lucy Switchgear Limited	**-**	28.27	35.15
	Associate			
	Saudi Power Transformers Company Limited	**-**	1.84	0.72
	Pauwels Middle East Trading & Contracting (Pvt.) Co. LLC	**-**	-	1.54
	Other Related Parties			
	Ballarpur Industries Limited	**-**	0.00	0.00
	Avantha Holdings Limited	**-**	-	0.09
	Ambuja Cement Limited	**-**	0.00	0.00
	Avantha Business Solutions Limited	**0.02**	0.17	0.20
	Jhabua Power Limited	**0.50**	-	-
	Crompton Greaves Consumer Electricals Limited	**0.01**	-	-
	Total	**0.53**	30.28	37.70
2	**Accounts receivable**			
	Joint Venture			
	CG Lucy Switchgear Limited	**-**	3.26	2.60
	Other Related Parties			
	Ballarpur Industries Limited	**0.23**	0.30	0.38
	Solaris ChemTech Industries Limited	**0.11**	0.11	0.17
	BILT Graphic Paper Products Limited	**3.55**	2.55	1.99
	Avantha Power Limited	**-**	0.00	-
	Avantha Holdings Limited	**-**	-	0.00
	Infosys Limited	**-**	1.27	-
	Asahi India Glass Limited	**-**	0.00	-
	Thermax Limited	**1.21**	1.09	-
	Ambuja Cement Limited	**-**	0.05	-
	Korba West Power Company Limited	**0.25**	-	10.48
	Sabah Forest Industries Sdn. Bhd.	**-**	0.03	0.17
	Jhabua Power Limited	**8.18**	13.75	8.34
	Crompton Greaves Consumer Electricals Limited	**7.93**	-	-
	Total	**21.46**	22.41	24.13

₹ crore

41 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 24 RELATED PARTY DISCLOSURES (Contd.)

(c) Amount due to / from related parties (Contd.)

Sr. No.	Nature of transaction / relationship	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
3	**Loans and advances receivables**			
	Other Related Party			
	Avantha Holdings Limited	**96.56**	-	-
	Total	**96.56**	-	-
4	**Loans and advances payable**			
	Other Related Parties			
	Solaris ChemTech Industries Limited	**0.10**	0.10	0.13
	Jhabua Power Limited	**0.75**	0.84	-
	Avantha Realty Limited	**4.86**	1.61	-
	Korba West Power Company Limited	**-**	-	3.54
	Crompton Greaves Consumer Electricals Limited	**13.76**	-	-
	Total	**19.47**	2.55	3.67
5	**Due to Key Management Personnel**			
	Gautam Thapar	**3.59**	3.96	5.21
	Laurent Demortier	**-**	3.64	5.46
	Total	**3.59**	7.60	10.67

(d) Compensation of key management personnel of the Group

Nature of transaction / relationship	2015-16	2014-15
Short-term employee benefits	**19.83**	13.90
Post-retirement pension and medical benefits	**0.28**	0.27
Termination benefits	**6.18**	-
Total compensation paid to key management personnel	**26.29**	14.17

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

42. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 112 DISCLOSURE OF INTEREST IN OTHER ENTITIES

Material non-controlling interest for continuing operations

Name of Subsidiary	Principle place of business / Country of incorporation	Proportion of interest held by Non-controlling entities as at 31-03-2016 %	Proportion of interest held by Non-controlling entities as at 31-03-2015 %	Proportion of interest held by Non-controlling entities as at 1-04-2014 %
CG-PPI Adhesive Products Limited	India	**18.58**	18.58	18.58

The proportion of voting rights held by non controlling interest does not differ from the proportion of ownership interest.

Summarised Statement of Profit and Loss:

	CG-PPI Adhesive Products Limited	
	2015-16	2014-15
Revenue	**19.98**	14.59
Cost of material consumed	**(9.29)**	(7.60)
Other expenses	**(8.39)**	(5.12)
Finance costs	**(0.12)**	(0.08)
Pre-tax profit / (loss) from continuing operations	**2.18**	1.79
Income tax expense	**0.81**	0.47
Post-tax profit / (loss) from continuing operations (A)	**1.37**	1.32
Other comprehensive income (B)	**-**	-
Total comprehensive income (A+B) = C	**1.37**	**1.32**
Attributable to non-controlling interest	**0.26**	0.25
Dividend paid to non-controlling interest	**0.09**	0.04

The loss related to non-controlling interest for discontinued operations is ₹ 1.59 crore (Previous year loss ₹ 1.58 crore)

Summarised Balance sheet:

	CG-PPI Adhesive Products Limited		
	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
Current assets	**17.44**	16.38	13.84
Non-current assets	**3.66**	3.24	2.65
Current liabilities	**(5.88)**	(5.36)	(2.96)
Non-current liabilities	**(0.13)**	(0.17)	(0.17)
Total equity	**15.09**	14.09	13.36
Attributable to:			
Equity holders of parent	**12.29**	11.47	10.88
Non-controlling interest	**2.80**	2.62	2.48

Summarised cash flow information:

	CG-PPI Adhesive Products Limited		
	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
Operating	**(0.05)**	1.71	0.18
Investing	**(0.25)**	0.10	0.48
Financing	**0.24**	(0.29)	(0.47)
Net increase / (decrease) in cash and cash equivalents	**(0.06)**	**1.52**	**0.19**

There were no additional acquisition or disposal of interest in subsidiaries

		2015-16	2014-15
43. EXPENSES CAPITALISED DURING THE YEAR			
(a)	Raw material consumed	**4.17**	5.55
(b)	Employee benefits	**6.26**	16.83
(c)	Other expenses	**15.95**	24.96

44. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS

(a) Defined contribution plans:

Amount of ₹ 62.67 crore (Previous year ₹ 70.60 crore) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans:

	2015-16	2014-15
Benefits (Contribution to):		
Provident fund	**11.05**	12.56
Superannuation fund	**4.29**	4.83
Employee state insurance scheme	**0.27**	0.34
Labour welfare scheme	**0.03**	0.03
Family pension	**47.03**	52.84
Total	**62.67**	70.60

(b) Defined benefit plans:

Gratuity

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 to 30 days' salary for each completed year of service subject to a maximum of ₹ 0.10 crore. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

The Group makes annual contributions to the Crompton Greaves Limited Gratuity Trust, which is funded defined benefit plan for qualifying employees.

Post-retirement medical benefit

Post-retirement medical benefit includes hospitalization cover & benefits on Cessation of Employment for the Policy. This cover is applicable only to employee and spouse as per the limits specified for the last grade while in employment. This coverage does not form part of essential terms and condition of employment, and is a benefit extended by the Group as a part of its social benefit policies. The policies of Medical, Health and Hospitalization insurance are subject to change based on contemporary market trends and practices.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

		Gratuity		Post Retirement Medical Benefits	
		2015-16	2014-15	2015-16	2014-15
		(Funded)	(Funded)	(Nonfunded)	(Nonfunded)
I	**Change in present value of defined benefit obligation during the year**				
1	Present Value of defined benefit obligation at the beginning of the year	**58.29**	55.96	**23.00**	20.51
2	Interest cost	**4.10**	5.29	**1.63**	1.93
3	Current service cost	**3.64**	3.38	**0.91**	0.83
4	Past service cost	**-**	-	**-**	-
5	Liability transfer from other Group	**-**	0.08	**-**	-
6	Liability transferred out / divestment	**(15.43)**	-	**(5.53)**	-
7	Benefits paid directly by employer	**(2.45)**	(13.03)	**(1.64)**	-
8	Benefits paid	**(6.67)**	(0.03)	**-**	(6.48)
9	Actuarial changes arising from changes in demographic assumptions	**-**	-	**-**	-
10	Actuarial changes arising from changes in financial assumptions	**(7.19)**	1.44	**(0.96)**	(1.48)
11	Actuarial changes arising from changes in experience adjustments	**18.93**	5.20	**5.71**	7.69
12	Present Value of defined benefit obligation at the end of the year	**53.22**	58.29	**23.12**	23.00

₹ crore

44. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS (Contd.)

		Gratuity		Post Retirement Medical Benefits	
		2015-16	2014-15	2015-16	2014-15
		(Funded)	(Funded)	(Nonfunded)	(Nonfunded)
II	**Change in fair value of plan assets during the year**				
1	Fair value of plan assets at the beginning of the year	**58.13**	55.97	**NA**	NA
2	Interest Income	**4.09**	5.26	**NA**	NA
3	Contributions paid by the employer	**-**	10.43	**NA**	NA
4	Benefits paid from the fund	**(6.67)**	(13.06)	**NA**	NA
5	Assets transferred out / divestments	**(15.43)**	0.00	**NA**	NA
6	Return on plan assets excluding interest income	**(3.00)**	(0.47)	**NA**	NA
7	Fair value of plan assets at the end of the year	**37.12**	58.13	**NA**	NA
III	**Net asset / (liability) recognised in the balance sheet**				
1	Present Value of defined benefit obligation at the end of the year	**(53.22)**	(58.29)	**(23.12)**	(23.00)
2	Fair value of plan assets at the end of the year	**37.12**	58.13	**-**	-
3	Amount recognised in the balance sheet	**(16.10)**	(0.16)	**(23.12)**	(23.00)
4	Net (liability) / asset- current	**(16.10)**	(0.16)	**(1.64)**	(1.47)
	Net (liability) / asset- non-current	**-**	-	**(21.48)**	(21.53)
IV	**Expenses recognised in the statement of profit and loss for the year**				
1	Current service cost	**3.64**	3.38	**0.91**	0.83
2	Interest cost on benefit obligation (net)	**0.01**	0.01	**1.63**	1.93
3	Total expenses included in employee benefits expense	**3.65**	3.39	**2.54**	2.76
V	**Recognised in other comprehensive income for the year**				
1	Actuarial changes arising from changes in demographic assumptions	**-**	-	**-**	-
2	Actuarial changes arising from changes in financial assumptions	**(7.19)**	1.44	**(0.96)**	(1.48)
3	Actuarial changes arising from changes in experience adjustments	**18.93**	5.20	**5.71**	7.69
4	Return on plan assets excluding interest income	**3.00**	0.47	**NA**	NA
5	Recognised in other comprehensive income	**14.74**	7.11	**4.75**	6.21
VI	**Maturity profile of defined benefit obligation**				
1	Within the next 12 months (next annual reporting period)	**8.06**	8.17	**1.64**	1.52
2	Between 2 and 5 years	**30.15**	29.47	**6.84**	6.66
3	Between 6 and 10 years	**32.13**	33.88	**9.65**	9.55
VII	**Quantitative sensitivity analysis for significant assumption is as below:**				
1	Increase / (decrease) on present value of defined benefits obligation at the end of the year				
	(i) One percentage point increase in discount rate	**(2.51)**	(3.14)	**(2.19)**	(2.36)
	(ii) One percentage point decrease in discount rate	**2.80**	3.14	**2.69**	2.93
	(i) One percentage point increase in rate of salary Increase	**2.89**	3.61	**NA**	NA
	(ii) One percentage point decrease in rate of salary Increase	**(2.63)**	(3.24)	**NA**	NA
	(i) One percentage point increase in employee turnover rate	**0.86**	0.65	**NA**	NA
	(ii) One percentage point decrease in employee turnover rate	**(0.95)**	(0.72)	**NA**	NA
	(i) One percentage point increase in Medical Inflation rate	**NA**	NA	**2.72**	2.96
	(ii) One percentage point decrease in Medical Inflation rate	**NA**	NA	**(2.22)**	(2.39)

2 **Sensitivity Analysis Method**

Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

₹ crore

44. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS (Contd.)

		Gratuity			Post Retirement Medical Benefits		
		As at 31-03-2016 (Funded)	As at 31-03-2015 (Funded)	As at 1-04-2014 (Funded)	As at 31-03-2016 (Nonfunded)	As at 31-03-2015 (Nonfunded)	As at 1-04-2014 (Nonfunded)
VIII	**The major categories of plan assets as a percentage of total**						
	Insurer managed funds	**100%**	100%	100%	**NA**	NA	NA
IX	**Actuarial assumptions**						
1	Discount rate	**8.21% p.a.**	7.92% p.a	9.41% p.a.	**8.30% p.a.**	7.92% p.a.	9.41% p.a.
2	Salary escalation	**6.00% p.a. for the next 1 year, 4.00% p.a. for the next 2 years, starting from the 2nd year, 3.50% p.a. thereafter, starting from the 4th year**	6.00% p.a. for the next 1 year, 4.00% p.a. for the next 2 years, starting from the 2nd year, 3.50% p.a. thereafter, starting from the 4th year	6.00% p.a.	**NA**	NA	NA
3	Mortality rate during employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
4	Mortality post retirement rate	**NA**	NA	NA	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
5	Rate of Employee Turnover	**4.00% p.a.**	4.00% p.a.	4.00% p.a.	**NA**	NA	NA
6	Future Benefit Cost Inflation	**0% p.a.**	0% p.a.	NA	**NA**	NA	NA
7	Medical premium inflation rate	**NA**	NA	NA	**2.00 % p.a.**	2.00% p.a.	4.00% p.a.

	2015-16	2014-15
Expected contribution to the defined benefit plan for the next annual reporting period	**7.78**	4.08

Pension Obligation:

The Group operates post retirement pension plan for its eligible employees, a defined benefit retirement plan with assets held in a separately administered funds. The scheme provides retirement benefits on the basis of members' final salary.

The Group also provides other post-employment termination benefits, which is separation pay. The separation pay benefit is paid to employees in the case of voluntary resignation, subject to a minimum number of years of service. This benefit has been accounted for using the same methodology as for the defined benefit pension plan.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

		2015-16	2014-15
I	**The movement in the present value of defined benefit obligation:**		
1	Present value of defined benefit obligation at the beginning of the year	**210.95**	206.53
2	Current service cost	**8.49**	7.50
3	Interest cost	**6.27**	9.30
4	Benefits paid	**(7.36)**	(13.20)
5	Actuarial changes arising from changes in demographic assumptions	**-**	-
6	Actuarial changes arising from changes in financial assumptions	**(5.14)**	11.69
7	Actuarial changes arising from changes in experience adjustments	**(9.19)**	10.40
8	Past service cost / (gain)	**0.36**	-
9	Settlement payment	**(0.33)**	(5.24)
10	Employee contributions	**0.95**	0.99
11	Translation difference	**13.47**	(17.02)
12	Present value of defined benefit obligation at the end of the year	**218.47**	210.95

₹ crore

44. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS (Contd.)

		2015-16	2014-15
II	**The movement in fair value of plan assets:**		
1	Fair value of plan assets at the beginning of the year	**200.77**	202.10
2	Interest income	**5.27**	8.37
3	Return on plan assets excluding interest income	**(11.47)**	18.80
4	Employer contributions	**16.39**	12.85
5	Benefit paid	**(7.36)**	(13.20)
6	Settlement payments	**(0.33)**	(5.24)
7	Translation difference	**13.91**	(22.91)
8	Fair value of plan assets at the end of the year	**217.18**	200.77
III	**Net (asset) / liability recognised in the balance sheet:**		
1	Present value of defined benefit obligation at the end of the year	**218.47**	210.95
2	Fair value of plan assets at the end of the year	**217.18**	200.77
3	Net pension liability / (asset)	**1.29**	10.18
4	Past service cost not yet recognized	**-**	9.74
5	Net pension liability / (asset) recognised in the balance sheet	**1.29**	0.44
IV	**Expenses recognised in the statement of profit and loss for the year:**		
1	Current service cost	**8.49**	7.50
2	Interest cost on benefit obligation (net)	**1.00**	0.93
3	Past service cost	**0.36**	-
4	Amortization of past service cost - not vested	**-**	0.02
5	Total expenses included in employee benefits expense	**9.85**	8.45
V	**Recognised in other comprehensive income for the year:**		
1	Actuarial changes arising from changes in demographic assumptions	**-**	-
2	Actuarial changes arising from changes in financial assumptions	**(5.14)**	11.69
3	Actuarial changes arising from changes in experience adjustments	**(9.19)**	10.40
4	Return on plan assets excluding interest income	**11.47**	(18.80)
5	Recognised in other comprehensive income	**(2.86)**	3.29

		As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
VI	**The major categories of plan assets as a percentage of total plan assets:**			
1	Insurer managed funds	**17.81%**	7.00%	7.00%
2	Equity instruments	**10.35%**	47.00%	47.00%
3	Debt instruments	**23.30%**	45.00%	45.00%
4	Annuity Buy in	**47.49%**	-	-
5	Cash	**1.05%**	1.00%	1.00%
	Total	**100.00%**	100.00%	100.00%
VII	**Actuarial assumptions:**			
1	Discount rate	**1.90% - 8.75% p.a.**	1.80% - 7.50% p.a.	3.95% - 8.60% p.a.
2	Future salary and pension increases	**1.70% - 7.50% p.a.**	1.90% - 7.50% p.a.	3.00% - 7.50% p.a.

Above defined benefit plans for pension obligation forms part of discontinued operations as at 31st March, 2016

₹ crore

44. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS (Contd.)

Provident Fund:

The Group makes contribution towards provident fund which is administered by the trustees. The Rules of the Group's Provident Fund administered by a trust, require that if the Board of the Trustees are unable to pay interest at the rate declared by the Government under Para 60 of the Employees Provident Fund Scheme, 1972 for the reason that the return on investment is less for any other reason, then the deficiency shall be made good by the Group making interest shortfall a defined benefit plan. Accordingly, the Group has obtained actuary valuation and based on the below provided assumption there is no deficiency as at the balance sheet date. Hence, the liability is restricted towards monthly contributions only.

Particulars	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
Plan assets at period end, at fair value	**307.12**	364.08	358.81
Present value of defined obligation at period end	**278.45**	335.08	333.82

Assumptions used in determining the present value of obligation

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014
Rate of Discounting	**8.21% p.a.**	7.92% p.a.	9.41% p.a.
Mortality Rate	**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Attrition Rate	**4.00% p.a.**	4.00% p.a.	4.00% p.a.
Guaranteed rate of interest	**8.80% p.a.**	8.75% p.a.	8.75% p.a.
Whilst In service withdrawal	**5.00% p.a.**	5.00% p.a.	5.00% p.a.

45. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 108 OPERATING SEGMENTS

Operating Segments:

Power Systems	:	Transformer, Switchgear, Turnkey Projects and Power SCADA (Supervisory control and data acquisition systems)
Industrial Systems	:	Electric Motors, Alternators, Drives, Traction Electronics and SCADA
Automation Systems	:	Protection & Control Systems, Protection Relays & Panels, Control devices, Smart Meters & Communication devices.

Identifications of Segments:

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of products / services and have been identified as per the quantitative criteria specified in the Ind AS.

Segment revenue and results:

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

Segment assets and liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets / liabilities

Inter segment transfer:

Inter segment prices are normally negotiated amongst segments with reference to the costs, market price and business risks. Profit or loss on inter segment transfers are eliminated at the Group level.

₹ crore

45. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 108 OPERATING SEGMENTS (Contd.)

Summary of the Segmental Information as at and for the year ended 31st March, 2016 is as follows:

Particulars	Power Systems	Industrial Systems	Automation Systems	Others	Eliminations / Unallocable Expenditure / Assets*	Total 2015-16
Revenue						
External sales	2629.59	2107.16	854.81	13.60	-	5605.16
Less: Excise duty	134.92	189.39	6.68	2.05	-	333.04
Net revenue	2494.67	1917.77	848.13	11.55	-	5272.12
Inter segment sales	0.03	11.64	15.63	-	(27.30)	-
Total revenue	2494.70	1929.41	863.76	11.55	(27.30)	5272.12
Segment results	187.66	138.87	(6.13)	(1.00)		319.40
Less: Finance costs (net)						56.07
Less: Other unallocable expenditure net of unallocable income						121.74
Profit from ordinary activities after finance cost but before share of profit from associate and joint venture, exchange gain / (loss) and exceptional items						141.59
Share of profit from associate and joint venture						1.20
Exchange gain / (loss)						57.02
Exceptional items (net)						(111.26)
Tax expense						14.39
Profit after tax from continuing operations						74.16
Loss after tax from discontinued operations						(471.01)
Loss for the year						(396.85)
Capital Employed:						
Segment assets	5861.61	1384.78	1477.37	294.01	1911.70	10929.47
Segment liabilities	2990.34	439.45	231.41	12.52	932.50	4606.22
Net Assets	2871.27	945.33	1245.96	281.49	979.20	6323.25
Capital expenditure#	37.43	20.75	49.31	0.65	66.89	175.03
Depreciation and amortisation#	65.18	72.99	93.74	0.34	23.50	255.75
Non-cash expenses other than depreciation#	7.54	8.43	2.88	0.29	-	19.14

Summary of the Segmental Information as at and for the year ended 31st March, 2015 is as follows:

Particulars	Power Systems	Consumer Products	Industrial Systems	Automation Systems	Others	Eliminations / Unallocable Expenditure / Assets*	Total 2014-15
Revenue							
External sales	2921.20	-	1973.98	891.82	13.15	-	5800.15
Less: Excise duty	135.98	-	152.37	5.08	1.36	-	294.79
Net revenue	2785.22	-	1821.61	886.74	11.79	-	5505.36
Inter segment sales	0.91	-	12.02	12.80	-	(25.73)	-
Total revenue	2786.13	-	1833.63	899.54	11.79	(25.73)	5505.36
Segment results	401.83	-	110.32	7.35	1.13	-	520.63
Less: Finance costs (net)							82.72
Less: Other unallocable expenditure net of unallocable income							184.78
Profit from ordinary activities after finance cost but before share of profit from associate and joint venture, exchange gain / (loss) and exceptional items							253.13
Share of profit from associate and joint venture							1.44
Exchange gain / (loss)							(47.42)
Exceptional items (net)							149.69
Tax expense							(10.38)
Profit after tax from continuing operations							367.22
Loss after tax from discontinued operations							(345.10)
Profit for the year							22.12
Capital Employed:							
Segment assets	5889.75	680.89	1295.24	1713.03	260.74	1920.77	11760.42
Segment liabilities	2815.52	1240.07	328.84	296.77	45.82	195.64	4922.66
Net Assets	3074.23	(559.18)	966.40	1416.26	214.92	1725.13	6837.76
Capital expenditure#	101.51	-	25.59	58.79	0.85	21.84	208.58
Depreciation and amortisation#	55.83	-	72.42	89.46	0.34	26.66	244.71
Non-cash expenses other than depreciation#	18.53	-	4.84	0.69	0.42	-	24.48

* Unallocable assets comprise assets and liabilities which cannot be allocated to the segments. Tax credit assets / liabilities are not considered in capital employed.

The disclosure is pertains to continuing business segments.

₹ crore

45. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 108 OPERATING SEGMENTS (Contd.)

Summary of the Segmental Information as at and for the year ended 1st April, 2014 is as follows:

	Power Systems	Consumer Products	Industrial Systems	Automation Systems	Others	Eliminations / Unallocable Expenditure / Assets*	Total 1-04-2014
Capital Employed:							
Segment assets	6351.89	628.01	1424.19	1659.15	206.78	1834.75	12104.77
Segment liabilities	3388.38	506.85	371.14	223.00	31.10	279.32	4799.79
Net Assets	2963.51	121.16	1053.05	1436.15	175.68	1555.43	7304.98

Segment revenue by location of customers:

	2015-16	2014-15
Sales and service revenue:		
Domestic	**3479.44**	3624.81
Overseas	**2125.72**	2175.34
Total	**5605.16**	5800.15

Cost incurred on acquisition of tangible and intangible assets:

	2015-16	2014-15
Domestic	**111.98**	75.90
Overseas	**63.05**	132.68
Total	**175.03**	208.58

The carrying amount of non-current operating assets by location of assets:

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
Domestic	**1416.98**	1652.47	1997.11
Overseas	**1281.94**	2591.54	3184.04
Total	**2698.92**	4244.01	5181.15

Continent-wise sales:

	2015-16	2014-15
Asia	**4052.54**	4126.81
Africa	**195.44**	290.86
North America	**242.74**	147.91
South America	**198.38**	213.15
Europe	**903.33**	1015.61
Australia	**12.73**	5.81
	5605.16	5800.15

Reconciliation of Segment Assets

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
Assets from reportable segments	**10929.47**	11760.42	12104.77
Deferred tax assets	**89.87**	199.39	226.40
Total	**11019.34**	11959.81	12331.17

Reconciliation of Segment Liabilities

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
Liabilities from reportable segments	**4606.22**	4922.66	4799.79
Long-term borrowings	**599.02**	1277.23	1642.42
Deferred tax liabilities	**342.71**	637.12	722.30
Short-term borrowings	**637.00**	657.29	560.77
Current maturities of long-term debt	**237.23**	157.71	205.39
Total	**6422.18**	7652.01	7930.67

₹ crore

46. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 105 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Sale of Transmission and Distribution (T&D) business outside India

During the year, the Company entered into binding transactions agreement with First Reserve for sale of company's transmission and distribution (T&D) businesses at Indonesia, Hungary, Ireland, France, North America and Belgium at an enterprise value of Euro 115 million. First Reserve is a leading global private equity and infrastructure investor exclusively focused on energy, Also during the year, the Company has sold it's Power Systems Business in Canada to PT Holdings Corporation in a structured deal for an enterprise value of Canadian $20 million subject to post-closing adjustment. The operation of the entity has been transferred to PT Holdings Corporation w.e.f. 17th November, 2015. Moreover, during the year, the Company has closed down its systems business at Brazil and is in the process of winding up its systems business at North America and the United Kingdom. The disposal of T&D business is expected to be completed within one year.

Consumer Products

On 19th February, 2015 the Group announced the decision of its Board for the vertical demerger of Consumer Products Business unit of Crompton Greaves Limited into its wholly owned subsidiary, Crompton Greaves Consumer Electricals Limited ('CGCEL') with effect from 1st October, 2015. The Business of Consumer Products consists of Fans, Appliances, Luminaires, Light Sources and Pumps. For the year ended 31st March, 2015, the Consumer Products segment was shown as discontinued operations.

The decision to demerge the Consumer Products business unit was done with the intent of creation of two industry leading independent entities and unlocking shareholder value.

The Discontinued operations have been disclosed as 'Consumer Products' segment separately.

Power Distribution

On 1st June 2011, the Group had entered into Power Distribution Franchise Agreement ('DFA') with Maharashtra State Electricity Distribution Company Limited ('MSEDCL') for distribution of power in Jalgaon region of Maharashtra, India.

As per the terms of the arrangements, the Group had obtained the right ('franchise') to distribute the electricity for the period of 10 years to the public at large.

MSEDCL shall supply/ sale electricity to the Group at rate prescribed under regulatory guidelines (MERC directives on load shedding). The Group shall distribute and supply the electricity at the tariff determined by the regulatory authorities.

The Group shall conduct normal maintenance activities of network and other assets to maintain uninterrupted service. The Group is a private operator and MSEDCL is a Government body. The Group undertakes obligation of public service granted by MSEDCL. Thus, the arrangement is a public-to-private service concession. The electricity distribution service is totally regulated by the MSEDCL or other Government regulatory authorities.

MSEDCL had given right to the Group to use its distribution assets which will always belong to MSEDCL. During the tenure of the arrangement, if the Group incurs any capital expenditure, the same shall vest with MSEDCL at the end of the contract. MSEDCL shall reimburse the Group for the capital expenditure incurred at the then value calculated based on pre-determined depreciation rate. Thus, MSEDCL controls significant residual interest in the concession assets. Accordingly, the Group had a contractual right to receive cash from MSEDCL for the capital expenditure incurred.

Therefore, the arrangement is a Service concession arrangements under Appendix A to Ind AS 11. The Group had a contractual right to receive the residual value of the capital expenditure done under the arrangement and accordingly, will recognise financial asset. Further, the Group had right to charge the consumers for the services and therefore, there was an intangible asset.

The revenues and losses in respect of Service concession arrangements recognised during the year are as follows:

Particulars	2015-16	2014-15
Revenue from operations	**160.53**	412.08
Other Income	**6.70**	5.17
Total (A)	**167.23**	417.25
Expenses related to Power distribution business		
Material Cost	**183.33**	432.44
Other expense	**7.43**	14.69
Employee benefits expenses	**2.50**	6.44
Amortisation of intangible assets	**1.11**	3.92
Finance Cost	**-**	(14.45)
Total (B)	**194.37**	443.04
Loss before tax recognised during the period (C)= (A)-(B)	**(27.14)**	(25.79)

Consequent to the certain unresolved disputes arising out of the Distribution Franchisee Agreement (DFA) of the Group with Maharashtra State Electricity Distribution Company Limited (MSEDCL) at Jalgoan in Maharashtra, MSEDCL had exercised its step in rights and taken over the Distribution Franchisee in Jalgoan from the Group with effect from 12th August, 2015. Accordingly, the Group has classified Power Distribution Segment as discontinued operations.

The Group and MSEDCL have raised demand on each other and the matter is under dispute. The Group and MSEDCL are in process of constituting the Permanant Dispute Resolution Body (PDRB). The financial impact of the dispute will be known after the final outcome from PDRB.

₹ crore

46. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 105 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Contd.)

Statement of profit and loss of the discontinued operations:

	2015-16				2014-15			
	Overseas T&D	Consumer Products	Power Distribution	Total	Overseas T&D	Consumer Products	Power Distribution	Total
Revenue from operations	4105.45	1775.24	160.53	6041.22	4901.08	3232.65	412.08	8545.81
Expenses (net of other income)	4602.01	1594.56	187.67	6384.24	5451.35	2838.39	437.87	8727.61
Profit/(loss) before tax from a discontinued operations	(496.56)	180.68	(27.14)	(343.02)	(550.27)	394.26	(25.79)	(181.80)
Tax income / (expense)	(68.01)	(59.95)	(0.03)	(127.99)	(37.01)	(126.71)	0.42	(163.30)
Profit/(loss) after tax from a discontinued operations	(564.57)	120.73	(27.17)	(471.01)	(587.28)	267.55	(25.37)	(345.10)

The major classes of assets and liabilities of the discontinued operation are as under

	As at 31-03-2016	As at 31-03-2016	As at 30-09-2015	As at 31-03-2015
	Overseas T&D	Power Distribution	Consumer Products	Consumer Products
Assets				
Property, plant and equipment	1087.07	-	80.37	79.68
Capital work-in-progress	-	-	-	0.38
Other Intangible assets	105.41	23.64	3.50	4.15
Goodwill	17.86	-	-	-
Intangible assets under development	-	-	0.18	0.19
Non-current financial assets-loans	4.34	7.32	10.73	1.97
Inventories	748.77	0.10	159.75	155.10
Trade receivables	838.20	189.17	430.61	414.94
Cash and cash equivalents	38.31	0.14	3.23	4.51
Deferred tax assets	106.79	-	-	-
Current financial assets-loans	79.17	0.02	21.47	16.97
Other current assets	413.36	31.21	1.98	3.00
Assets classified as held for sale (A)	3439.28	251.60	711.82	680.89
Liabilities				
Non-current financial liabilities – borrowings	340.20	-	570.46	633.72
Deferred tax liabilities	221.21	-	0.62	-
Other long term liabilities	-	-	0.48	0.08
Current financial liabilities – borrowings	126.74	-	-	-
Trade payables	918.11	29.82	571.28	482.67
Other current liabilities	678.34	-	189.25	109.38
Provisions	263.11	0.28	32.26	14.22
Liabilities directly associated with group of assets classified as held for sale (B)	2547.71	30.10	1364.35	1240.07
Net assets / (liabilities) directly associated with disposal group (A-B)	891.57	221.50	(652.53)	(559.18)

Net cash flows attributable to the operating, investing and financing activities of discontinued operations:

Cash Flows	2015-16	2014-15
Operating	(500.85)	63.57
Investing	1.99	3.60
Financing	(323.96)	697.34

₹ crore

47. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

   The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

   Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

   Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

   Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

	Carrying amount	Fair value		
	As at 1-04-2014	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Trade receivables	3304.13	-	-	-
Service concession receivable	5.32	-	-	5.82
Loans and other receivables (non-current)	1.04	-	-	0.87
Loans and other receivables (current)	52.42	-	-	-
Investments	4.12		4.12	-
Cash and bank balances	813.92	-	-	-
Bank deposit	1.03	-	-	-
Total	4181.98	-	4.12	6.69
Financial assets at fair value through profit or loss:				
Derivative instruments	23.81	-	23.81	-
Investments	28.78	20.72	-	8.06
Total	52.59	20.72	23.81	8.06
Financial liabilities at amortised cost:				
Interest-bearing loans and borrowings	1771.53	-	1771.53	-
Bonds	56.21	-	56.21	-
Interest-free sales tax deferral loans	0.89	-	0.89	-
Finance lease obligations	19.18	-	-	19.31
Short term loans from banks	560.77	-	-	-
Trade and other payables	2783.67	-	-	-
Other financial liabilities (non-current)	46.32	-	-	45.27
Other financial liabilities (current)	273.75	-	-	-
Total	5512.32	-	1828.63	64.58

₹ crore

47. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS (Contd.)

	Carrying amount	Fair value		
	As at 31-03-2015	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Trade receivables	3074.34	-	-	-
Service concession receivable	7.03	-	-	7.67
Loans and other receivables (non-current)	14.35	-	-	11.73
Loans and other receivables (current)	55.42	-	-	-
Investments	5.28	0.56	4.72	-
Cash and bank balances	682.75	-	-	-
Bank deposit	1.60	-	-	-
Total	3840.77	0.56	4.72	19.40
Financial assets at fair value through profit or loss:				
Derivative instruments	13.64	-	13.64	-
Investments	168.67	160.62	-	8.05
Total	182.31	160.62	13.64	8.05
Financial assets at fair value through other comprehensive income:				
Investments	227.00	-	-	227.00
Total	227.00	-	-	227.00
Financial liabilities at amortised cost:				
Interest-bearing loans and borrowings	1366.34	-	1371.04	-
Bonds	54.21	-	54.21	-
Interest-free sales tax deferral loans	0.54	-	0.54	-
Finance lease obligations	13.85	-	-	14.09
Short term loans from banks	657.29	-	-	-
Trade and other payables	2055.37	-	-	-
Other financial liabilities (non-current)	2.74	-	-	2.30
Other financial liabilities (current)	286.41	-	-	-
Total	4436.75	-	1425.79	16.39

	Carrying amount	Fair value		
	As at 31-03-2016	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Trade receivables	**2081.76**	**-**	**-**	**-**
Loans and other receivables (non-current)	**9.44**	**-**	**-**	**7.56**
Loans and other receivables (current)	**14.44**	**-**	**-**	**-**
Investments	**0.56**	**-**	**0.56**	**-**
Cash and bank balances	**796.89**	**-**	**-**	**-**
Bank deposit	**230.60**	**-**	**-**	**-**
	3133.69	**-**	**0.56**	**7.56**
Financial assets at fair value through profit or loss:				
Derivative instruments	**6.40**	**-**	**6.40**	**-**
Investments	**9.01**	**0.95**	**-**	**8.06**
Total	**15.41**	**0.95**	**6.40**	**8.06**
Financial assets at fair value through other comprehensive income:				
Investments	**198.62**	**-**	**-**	**198.62**
Total	**198.62**	**-**	**-**	**198.62**
Financial liabilities at amortised cost:				
Interest-bearing loans and borrowings	**828.18**	**-**	**828.18**	**-**
Interest-free sales tax deferral loans	**0.12**	**-**	**-**	**-**
Obligations under finance leases	**7.95**	**-**	**-**	**8.17**
Short term loans from bank	**637.00**	**-**	**-**	**-**
Trade and other payables	**1357.86**	**-**	**-**	**-**
Other financial liabilities (non-current)	**1.25**	**-**	**-**	**0.97**
Other financial liabilities (current)	**128.70**	**-**	**-**	**-**
Total	**2961.06**	**-**	**828.18**	**9.14**

During the reporting period ending 31st March, 2016 and 31st March, 2015 , there were no transfers between Level 1 and Level 2 fair value measurements.

47. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS (Contd.)

Description of significant unobservable inputs to valuation:

The following table shows the valuation techniques and inputs used for financial instruments that are not carried at fair value

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
Service concession receivable	NA	Discounted Cash flow method using interest rate for similar financial instrument	
Interest-bearing loans and borrowings	Discounted Cash flow method using risk adjusted discount rate		
Bonds	Discounted Cash flow method using risk adjusted discount rate		
Loans and other receivables (non-current)	Discounted Cash flow method using risk adjusted discount rate		
Derivative Instruments	Discounted Cash flow method using risk adjusted discount rate		
Finance leases obligations	Discounted Cash flow method using risk adjusted discount rate		
Other financial liabilities (non-current)	Discounted Cash flow method using risk adjusted discount rate		

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	₹ crore
Balance as at 1-04-2014	-
Add : Reclassification from Investment in Associates to Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)	244.31
Less : Fair value loss recognised in Other Comprehensive Income	17.31
Balance as at 31-03-2015	227.00
Less : Fair value loss recognised in Other Comprehensive Income	28.38
Balance as at 31-03-2016	**198.62**

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk

Particulars	As at 31-03-2016	As at 31-03-2015
Floating rate borrowings	**1453.19**	1624.48

Interest rate sensitivity

A change of 25 basis points in interest rates would have following impact on profit before tax.

Particulars	2015-16	2014-15
25 bp increase - Decrease in profit	**3.48**	4.77
25 bp decrease - Increase in profit	**(3.48)**	(4.70)

Foreign currency risk

The Group operates internationally and portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

₹ crore

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Foreign currency exposure as at 31st March, 2015	USD	Euro	GBP	CAD	Others	Total
Trade receivables	677.36	398.43	165.12	108.63	121.18	1470.72
Loans and other receivables	9.00	6.35	0.99	-	17.03	33.37
Bank balances in current accounts and term deposit accounts	115.20	108.64	39.22	42.81	22.65	328.52
Investment	4.70	-	-	-	-	4.70
Trade payables	(342.74)	(687.55)	(37.40)	(49.69)	(44.52)	(1161.90)
Long-term borrowings	(120.81)	(1146.02)	-	-	-	(1266.83)
Short term Borrowing	(174.19)	(378.57)	(0.47)	-	(3.84)	(557.07)
Other Short Term Financial Liabilities	(202.69)	(12.81)	(163.06)	(18.30)	(14.98)	(411.84)
Forward contracts for receivable	4.80	-	-	-	-	4.80
Forward contracts for loan	-	8.84	-	-	-	8.84

Foreign currency exposure as at 31st March, 2016	USD	Euro	GBP	CAD	Others	Total
Trade receivables	**365.02**	**397.57**	**6.99**	**-**	**5.45**	**775.03**
Loans and other receivables	**0.66**	**12.55**	**-**	**-**	**-**	**13.21**
Bank balances in current accounts and term deposit accounts	**1.38**	**149.85**	**12.17**	**-**	**2.07**	**165.47**
Trade payables	**(135.86)**	**(310.42)**	**(8.25)**	**(1.01)**	**(9.43)**	**(464.97)**
Long-term borrowings	**(0.04)**	**(594.80)**	**-**	**-**	**-**	**(594.84)**
Short term Borrowing	**-**	**(113.12)**	**-**	**-**	**-**	**(113.12)**
Other Short Term Financial Liabilities	**(1.32)**	**(309.28)**	**(0.36)**		**(6.67)**	**(317.63)**
Forward contracts for receivable	**7.05**	**-**	**-**	**-**	**-**	**7.05**
Forward contracts for loan	**-**	**(0.66)**	**-**	**-**	**-**	**(0.66)**

Foreign currency sensitivity

1 % increase or decrease in foreign exchange rates will have the following impact on profit before tax.

	2015-16		2014-15	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
USD	**(1.11)**	**1.11**	(2.54)	2.54
Euro	**10.15**	**(10.15)**	6.82	(6.82)
GBP	**0.33**	**(0.33)**	(1.22)	1.22
CAD	**-**	**-**	0.14	(0.14)
Others	**(0.08)**	**0.08**	0.78	(0.78)
Increase / (decrease) in profit or loss	**9.29**	**(9.29)**	3.98	(3.98)

1 % increase or decrease in foreign exchange rates will have the following impact on equity

	2015-16		2014-15	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
USD	**1.64**	**(1.64)**	(0.94)	0.94
Euro	**0.26**	**(0.26)**	(20.39)	20.39
GBP	**(16.01)**	**16.01**	0.70	(0.70)
CAD	**-**	**-**	0.71	(0.71)
Others	**(0.17)**	**0.17**	0.38	(0.38)
Increase / (decrease) in equity	**(14.28)**	**14.28**	(19.54)	19.54

Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

(i) Actual or expected significant adverse changes in business,

(ii) Actual or expected significant changes in the operating results of the counterparty,

(ii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

(iv) Significant increases in credit risk on other financial instruments of the same counterparty,

(v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Exposure to credit risk

	As at 31-03-2016	As at 31-03-2015
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Investments in Government or trust securities	**0.81**	5.04
Investments in debentures or bonds	**8.05**	8.05
Other non-current investments	**0.12**	0.12
Long-term loans and advances	**9.44**	14.35
Other long term financial assets	**-**	7.03
Cash and bank balances	**796.73**	651.19
Bank deposit	**230.60**	1.60
Short-term loans and advances	**14.44**	55.42
Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL)		
Trade receivables	**2227.55**	3277.28

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due.

	₹ crore
31-03-2016	
Up to 3 months	1324.22
3 to 6 months	364.73
More than 6 months	538.60
	2227.55
31-03-2015	
Up to 3 months	1948.59
3 to 6 months	751.49
More than 6 months	577.20
	3277.28

The following table summarizes the change in the loss allowances measured using lifetime expected credit loss model:

	₹ crore
As at 1-04-2014	**180.41**
Provided during the year	40.73
Amounts written off	(4.53)
Reversals of provision	(4.74)
Unwinding of discount	(5.22)
Translation adjustments	1.99
Transferred on account of demerger	(19.34)
As at 31-03-2015	**189.30**
Provided during the year	15.93
Amounts written off	(7.23)
Reversals of Provision	(5.15)
Transfer to discontinued operations	(47.61)
Unwinding of discount	(5.85)
As at 31-03-2016	**139.39**

No significant changes in estimation techniques or assumptions were made during the reporting period.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date.

As at 31st March, 2016	Less than one year	1 to 5 years	> 5 years	Total
Interest-bearing loans and borrowings	233.81	586.40	7.97	828.18
Interest-free sales tax deferral loans from State Government	0.12	-	-	0.12
Finance lease obligation	4.33	4.43	-	8.76
Other financial liabilities (non-current)	-	1.25	-	1.25
Short term loans from banks	637.00	-	-	637.00
Trade and other payables	1357.86	-	-	1357.86
Other financial liabilities (current)	128.70	-	-	128.70

As at 31st March, 2015	Less than one year	1 to 5 years	> 5 years	Total
Interest-bearing loans and borrowings	254.65	927.28	238.62	1420.55
Interest-free sales tax deferral loans from State Government	-	0.54	-	0.54
Finance lease obligation	5.86	11.06	-	16.92
Other financial liabilities (non-current)	-	2.74	-	2.74
Short term loans from banks	657.29	-	-	657.29
Trade and other payables	2055.37	-	-	2055.37
Other financial liabilities (current)	286.41	-	-	286.41

Capital management

For the purposes of the Group's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Group's Capital Management is to maximise shareholder value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

	As at 31-03-2016	As at 31-03-2015
Total debt	1473.25	2092.23
Equity	4597.16	4307.80
Capital and net debt	6070.41	6400.03
Gearing ratio	24.27%	32.69%

Hedging activities and derivatives:

	As at 31-03-2016		As at 31-03-2015	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency forward contracts designated as hedging instruments	0.62	5.76	2.46	3.79

The fair value of derivative liabilities have been determined using rates quoted by the Group's bankers at the reporting date which are calculated by reference to the market interest rates and foreign exchange rates.

The Group entered into forward exchange and commodity contracts to manage its exposure to the variability of cash flows, primarily related to future sales and purchases of inventories denominated in foreign currencies over the next 12 months.

As at 31st March, 2016, the loss on derivatives of ₹ 4.14 crore (as at 31st March, 2015: net gain of ₹ 2.51 crore) incurred from changes in the fair value of forward foreign exchange and commodity contracts that are highly effective, has been recognized in hedging reserve.

The Group expects that substantially all of this amount will be credited into the profit or loss within 12 months from the reporting date.

49. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 17 LEASES

Operating lease commitments:

(i) Company as lessor:

The Company had entered into operating leases on its investment property portfolio consisting of office buildings. These leases have terms of between 9 - 10 years.

Future minimum rentals receivable under non-cancellable operating leases as at 31st March are, as follows:

	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
Within one year	-	1.11	2.05
After one year but not more than five years	-	3.76	4.12
More than five years	-	0.41	1.16

(ii) Company as lessee:

(i) The Company has taken various residential / commercial premises and plant and equipment under cancellable operating leases. These lease agreements are normally renewed on expiry

(ii) The company has taken certain assets on non cancellable operating lease, the future minimum lease payment in respect of which are as follows:

	Minimum Lease Payments		
	As at 31-03-2016	As at 31-03-2015	As at 1-04-2014
Due within one year	**16.11**	19.88	20.93
Due one to five years	**33.22**	37.62	20.36
Due beyond five years	-	0.79	2.95

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

Lease rental expense in respect of operating leases is ₹ 11.98 crore (previous year ₹ 16.02 crore)

50. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 33 EARNINGS PER SHARE

Particulars		2015-16	2014-15
Face value of equity share	₹	**2.00**	2.00
Weighted average number of equity shares outstanding	Nos.	**626746142**	626746142
Profit / (loss) for the year (continuing operations)	₹ crore	**75.49**	368.55
Weighted average earnings per share (basic and diluted)	₹	**1.20**	5.88
Profit for the year (discontinued operations)	₹ crore	**(471.01)**	(345.10)
Weighted average earnings per share (basic and diluted)	₹	**(7.51)**	(5.51)
Profit / (loss) for the year (total operations)	₹ crore	**(395.52)**	23.45
Weighted average earnings per share (basic and diluted)	₹	**(6.31)**	0.37

51. EXCEPTIONAL ITEMS

Exceptional items for the year ended 31st March,2016 include the following:

Particulars	2015-16	2014-15
Profit on sale of portion of land at Kanjurmarg, Mumbai	**246.30**	167.79
Profit on sale of investment in joint venture - CG Lucy Switchgear Limited	**13.93**	-
Provision made against loan given to subsidiaries net of exchange gain	**(323.77)**	-
Compensation to employees pursuant to voluntary retirement scheme	**(1.23)**	(18.10)
One time payment to former CEO & Managing Director	**(6.18)**	-
Impairment of goodwill	**(40.31)**	-
Total	**(111.26)**	149.69

52. Amount shown as ₹ 0.00 represent amount below ₹ 50000. (Rupees Fifty Thousand).

₹ crore

53. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

Reconciliation of equity as at 1st April, 2014

	Reference	Indian GAAP	Adjustments	Ind AS
ASSETS				
1. NON-CURRENT ASSETS:				
(a) Property, plant and equipment	A,B,C,D & E	1570.87	1804.18	3375.05
(b) Capital work-in-progress	D	91.54	(19.57)	71.97
(c) Investment property	E	-	5.64	5.64
(d) Goodwill	C	1158.81	(583.31)	575.50
(e) Other intangible assets	C & D	511.09	474.24	985.33
(f) Intangible assets under development		126.83	-	126.83
(g) Financial assets				
(i) Investments		278.00	-	278.00
(ii) Loans	F	49.89	(48.85)	1.04
(iii) Others	D	-	5.32	5.32
(h) Deferred tax assets	C	341.00	(114.60)	226.40
(i) Other non-current assets		-	40.83	40.83
TOTAL NON-CURRENT ASSETS		**4128.03**	**1563.88**	**5691.91**
2. CURRENT ASSETS:				
(a) Inventories		1671.39	-	1671.39
(b) Financial assets				
(i) Investments		20.89	0.09	20.98
(ii) Trade receivables	H	3591.25	(263.31)	3327.94
(iii) Cash and cash equivalents		814.95	(46.21)	768.74
(iv) Bank balances other than (iii) above			45.18	45.18
(v) Loans		466.44	(414.02)	52.42
(vi) Others			1.03	1.03
(c) Current tax assets (net)		-	-	-
(d) Other current assets		323.21	428.37	751.58
TOTAL CURRENT ASSETS		**6888.13**	**(248.87)**	**6639.26**
TOTAL ASSETS		**11016.16**	**1315.01**	**12331.17**
EQUITY AND LIABILITIES:				
EQUITY:				
(a) Equity share capital		125.35	-	125.35
(b) Other equity	A,B,C,D, F, H,I & J	3519.21	755.94	4275.15
TOTAL EQUITY		3644.56	755.94	4400.50
Non-Controlling Interest		11.75	(11.75)	-
LIABILITIES:				
1. NON-CURRENT LIABILITIES:				
(a) Financial liabilities				
(i) Borrowings	B	1632.25	10.17	1642.42
(ii) Other financial liabilities			46.32	46.32
(b) Provisions		73.11	10.91	84.02
(c) Deferred tax liabilities	A,B,F & H	187.83	534.47	722.30
(d) Other non-current liabilities		67.80	(49.10)	18.70
TOTAL NON-CURRENT LIABILITIES		**1960.99**	**552.77**	**2513.76**
2. CURRENT LIABILITIES:				
(a) Financial liabilities				
(i) Borrowings		560.77	-	560.77
(ii) Trade payables		2773.73	9.94	2783.67
(iii) Other financial liabilities	D		479.14	479.14
(b) Other current liabilities		1731.03	(468.90)	1262.13
(c) Provisions	J	333.33	(28.82)	304.51
(d) Current tax liabilities (net)		-	26.69	26.69
TOTAL CURRENT LIABILITIES		**5398.86**	**18.05**	**5416.91**
TOTAL EQUITY AND LIABILITIES		**11016.16**	**1315.01**	**12331.17**

₹ crore

53. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (Contd.)

Reconciliation of equity as at 31st March, 2015

	Reference	Indian GAAP	Adjustments	Ind AS
ASSETS				
1. NON-CURRENT ASSETS				
(a) Property, plant and equipment	A,B,C,D & K	1461.75	1409.36	2871.11
(b) Capital work-in-progress	D & K	73.73	(22.28)	51.45
(c) Investment property	E	-	5.56	5.56
(d) Goodwill	C	946.75	(476.07)	470.68
(e) Other intangible assets	C,D & K	454.91	330.16	785.07
(f) Intangible assets under development	K	52.95	(0.19)	52.76
(g) Financial assets				
(i) Investments		280.59	(5.47)	275.12
(ii) Loans	F & K	23.70	(9.35)	14.35
(iii) Others	D	-	7.03	7.03
(h) Deferred tax assets	C & T	311.64	(112.25)	199.39
(i) Other non-current assets		-	7.38	7.38
TOTAL NON-CURRENT ASSETS		**3606.02**	**1133.88**	**4739.90**
2. CURRENT ASSETS				
(a) Inventories	K	1455.18	(155.11)	1300.07
(b) Financial assets				
(i) Investments		160.82	0.17	160.99
(ii) Trade receivables	G,H & K	3731.77	(643.79)	3087.98
(iii) Cash and cash equivalents	K	689.30	(11.71)	677.59
(iv) Bank balances other than (iii) above			5.16	5.16
(v) Loans		861.03	(805.61)	55.42
(vi) Others		-	1.60	1.60
(c) Current tax assets (net)		-	34.45	34.45
(d) Other current assets		487.47	728.29	1215.76
TOTAL CURRENT ASSETS		**7385.57**	**(846.55)**	**6539.02**
3. Assets classified as held for sale and discontinued operations	K	**-**	**680.89**	**680.89**
TOTAL ASSETS		**10991.59**	**968.22**	**11959.81**
EQUITY AND LIABILITIES				
EQUITY:				
(a) Equity share capital		125.35	-	125.35
(b) Other equity	A,B,C,F,H,I,J & M	3690.57	491.88	4182.45
TOTAL EQUITY		**3815.92**	**491.88**	**4307.80**
Non-Controlling Interest		20.30	(20.30)	-
LIABILITIES:				
1. NON-CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings	B & K	1903.91	(626.68)	1277.23
(ii) Other financial liabilities		-	2.74	2.74
(b) Provisions		65.47	11.68	77.15
(c) Deferred tax liabilities	A,B,C,D,F & H	200.60	436.52	637.12
(d) Other non-current liabilities		52.18	(2.81)	49.37
TOTAL NON-CURRENT LIABILITIES		**2222.16**	**(178.55)**	**2043.61**
2. CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings	G	622.57	34.72	657.29
(ii) Trade payables	K	2528.09	(472.72)	2055.37
(iii) Other financial liabilities		-	444.12	444.12
(b) Other current liabilities	K	1435.59	(545.10)	890.49
(c) Provisions	J,K & N	346.96	(25.90)	321.06
TOTAL CURRENT LIABILITIES		**4933.21**	**(564.88)**	**4368.33**
3. Liabilities associated with group of assets classified as held for sale and discontinued operations	K	**-**	**1240.07**	**1240.07**
TOTAL EQUITY AND LIABILITIES		**10991.59**	**968.22**	**11959.81**

₹ crore

53. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (Contd.)

Reconciliation of total comprehensive income for the year ended 31st March, 2015

	Reference	Indian GAAP	Adjustments	Ind AS
REVENUES				
Revenue from operations	K,O,P,Q & S	14013.14	(8212.99)	5800.15
Other income	I,K,O & P	167.04	(73.66)	93.38
TOTAL INCOME		**14180.18**	**(8286.65)**	**5893.53**
EXPENSES				
Cost of material consumed	B,K,O & P	7211.06	(3699.34)	3511.72
Purchases of stock-in-trade	K & O	2185.58	(1970.62)	214.96
Changes in inventories of finished goods, work-in progress and stock-in-trade	K & P	133.87	(154.39)	(20.52)
Employee benefits expense	K,M,O & P	1993.56	(1324.66)	668.90
Finance costs	B,H,K,P & R	144.34	(39.60)	104.74
Depreciation and amortization expense	A,B,K,O & P	262.03	(17.32)	244.71
Other expenses	K,L,O,P,Q & S	1846.63	(930.74)	915.89
TOTAL EXPENSES		**13777.07**	**(8136.67)**	**5640.40**
PROFIT BEFORE SHARE OF PROFIT FROM ASSOCIATES AND JOINT VENTURE, EXCHANGE GAIN / (LOSS), EXCEPTIONAL ITEMS & TAX		**403.11**	**(149.98)**	**253.13**
Share of profit from associate companies	L	1.55	(0.11)	1.44
Exchange gain / (loss)		(47.42)	-	(47.42)
Exceptional Items (net)	A & P	90.38	59.31	149.69
Prior period	N	(17.72)	17.72	-
PROFIT BEFORE TAX		**429.90**	**(73.06)**	**356.84**
TAX EXPENSES:				
Current tax	K & P	200.68	(158.69)	41.99
Deferred tax (credit)	K,P & T	21.31	(73.68)	(52.37)
PROFIT FROM CONTINUING OPERATIONS		**207.91**	**159.31**	**367.22**
Profit / (loss) from discontinued operations		394.26	(576.06)	(181.80)
Tax expense of discontinued operations		126.71	36.59	163.30
Profit / (loss) from discontinued operations after tax	K,O & P	267.55	(612.65)	(345.10)
PROFIT AFTER TAX		**475.46**	**(453.34)**	**22.12**
Attributable to:				
Equity holders of the parent		476.90	(453.45)	23.45
Non-controlling interests		1.44	(0.11)	1.33
		475.46	**(453.34)**	**22.12**
OTHER COMPREHENSIVE INCOME:				
(A) (i) Items that will not be reclassified to profit or loss	M & U		(30.27)	(30.27)
(ii) Income tax relating to items that will not be reclassified to profit or loss			-	-
(B) (i) Items that will be reclassified to profit or loss	U		5.81	5.81
(ii) Income tax relating to items that will be reclassified to profit or loss			-	-
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR			**(24.46)**	**(24.46)**
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR			**(477.80)**	**(2.34)**
Attributable to:				
Equity holders of the parent				(1.01)
Non-controlling interests				1.33

53. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (Contd.)

Exemptions and exceptions availed

The consolidated financial statements, for the year ended 31st March, 2016, are the first Ind AS financial statements of the Group. For the periods up to and including the year ended 31st March, 2015, the Group prepared its consolidated financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with Paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Group has prepared its consolidated financial statements to comply with Ind AS for the year ending 31st March, 2016, together with comparative date as at and for the year ended 31st March, 2015. In preparing these Ind AS financial statements, the opening consolidated balance sheet was prepared as at 1st April, 2014, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its consolidated Indian GAAP Balance sheet as at 1st April, 2014 and its previously published consolidated Indian GAAP financial statements as at and for the year ended 31st March, 2015.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS.

Exemptions:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

- Certain items of Land and buildings (other than investment properties) have been measured at fair value at the date of transition to Ind AS.
- The Group has elected to restate past business combinations occurred on or after 1st April, 2006. The Group has carried out the acquisition date fair value for assets and liabilities in respect of the acquired entities and have recognised the assets and liabilities in accordance with Ind AS.
- Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has done the assessment of lease in contracts based on conditions prevailing as at the date of transition.
- The Group has recognised financial assets and intangible assets as per Appendix A to Ind AS 11 on Service Concession Arrangements, based on the previous GAAP carrying amounts as at the date of transition.

Exceptions:

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

(a) Estimates

The estimates at 1st April 2014 and at 31st March, 2015 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences if any, in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions as at the transition date and as of 31st March, 2015.

(b) Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

(c) Classification and measurement of financial assets

The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind-AS.

(d) Hedge Accounting

As on the date of transition to Ind AS, the Group had evaluated the hedge accounting as per Ind AS 109 and there is no condition which requires discontinuation of hedge accounting.

Notes to the reconciliation of equity as at 1st April, 2014 and 31st March, 2015 and total comprehensive income for the year ended 31st March, 2015.

A. Fair Value as deemed cost - Property Plant and Equipment (PP&E)

The Group has elected the option of fair value as deemed cost for Land and Building as on the date of transition to Ind AS. This has resulted in increase of ₹ 1,652.04 crore in the value of land and buildings with corresponding increase in retained earnings of ₹ 1,184.09 crore and deferred tax liability of ₹ 467.95 crore. Further, the Group has also recognised the revision in useful life as on date of transition to Ind AS to retained earnings along with related deferred tax.

Fair value as deemed cost as on transition date for respective category of PP&E is as under:

₹ crore

Category	Carrying value under Indian GAAP	Fair Value Adjustments	Carrying value under Ind AS
Building	625.83	809.09	1434.92
Freehold land	234.25	581.65	815.90
Leasehold land	13.37	261.30	274.67
Total	**873.45**	**1652.04**	**2525.49**

This led to additional depreciation of ₹ 49.59 crore during the year ended 31st March, 2015.

During the year ended 31st March, 2015, the Group has sold some of the land and building which was fair valued as on the transition date. Under Ind AS, such sale has resulted into reduction of profit on sale of land and building by ₹ 157.99 crore, (₹ 47.63 crore and ₹ 110.36 crore has been reduced from other income and exceptional items respectively).

B. Arrangement containing the Lease

The Group has entered into subcontracting arrangement with one of the vendor which contains the lease. The arrangements have been classified as finance lease based on the terms of the agreement. Leased assets of ₹ 14.39 crore, accumulated depreciation of ₹ 4.80 crore and finance lease obligation of ₹ 13.63 crore have been recognised as on the date of transition to Ind AS.

During the year ended 31st March, 2015, the depreciation of ₹ 2.40 crore has charged on the leased assets, interest expense of ₹ 1.15 crore has been recognised on the finance lease obligations and subcontracting charges of ₹ 3.58 crore, to the extent of lease portion, recognised under Indian GAAP have been reversed.

53. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS) (Contd.)

C. Business combinations – acquisition accounting

The Group has elected to restate all business combinations occurring on or after 1st April, 2006. The Group has determined the fair value of assets and liabilities as on the date of acquisition. As a result, the land has been increased by ₹ 126.14 crore and other items of PP&E by ₹ 17.42 crore. Subsequent to acquisition, additional depreciation of ₹ 3.48 crore on PP&E up the transition date has been recognised in the opening retained earnings.

The intangible assets such as trademark, technology and customer list valuing ₹ 444.75 crore which are capable of being separated have been recognised as on the date of transition to Ind AS (Gross value of ₹ 856.60 crore less accumulated amortisation till date of transition to Ind AS of ₹ 411.85 crore). The Goodwill recognised under Indian GAAP has been reduced to the extent of ₹ 583.31 crore. Deferred tax liability is recognised by ₹ 194.55 crore and charge in other equity by ₹ 193.04 crore. This has led to the additional amortisation of ₹ 68.36 crore during the year ended 31st March, 2015. Further, the Group has tested goodwill for impairment at the date of transition to Ind AS.

D. Service concession arrangements

The Group has entered into Power Distribution Franchise Agreement ('DFA') with Maharashtra State Electricity Distribution Company Ltd ('MSEDCL'). The arrangement has been classified as service concession arrangement (SCA). On the transition date, the Group has reclassified the PP&E of ₹ 9.85 crore and capital work in progress of ₹ 19.57 crore at the existing carrying value as at the transition date to the financial asset of ₹ 5.32 crore and intangible asset of ₹ 24.10 crore.

In respect of capital expenditure incurred under SCA during the F.Y 2014-15, the company has derecognised the PP&E and recognised the financial assets and intangible assets in line with the accounting policy on SCA.

The depreciation of ₹ 2.09 crore on PP&E under Indian GAAP has been reversed as the financial assets and intangible assets are recognised under Ind AS. Further the amortisation of ₹ 3.93 crore on intangible assets have been provided and the financial assets are carried at amortised cost by accretion of interest income of ₹ 0.63 crore at effective interest rate during the year ended 31st March, 2015.

The SCA is considered as discontinued operation w.e.f 12th August, 2015 and accordingly, the profit or loss on discontinued operation have been presented separately. Refer note 46 for further discussion on SCA

E. Recognition of investment property

The investment properties are reclassified from PP&E and presented separately amounting to ₹ 5.64 crore (WDV as on 1-04-2014) as on date of transition to Ind AS by reclassifying from PP&E.

The depreciation of ₹ 0.08 crore have been provided for the year ended 31st March, 2015.

F. Loan considered as equity contribution

The Group had given loan to one of the erstwhile subsidiary in earlier years, having outstanding amount of ₹ 11.20 crore as on transition date. In 2008, the investment in subsidiary was sold to third party. As per the terms and conditions of the loan, the loan given was in the nature of equity contribution and hence under Ind AS, the same would have been accounted for as equity investment. As the original investment in subsidiary has been disposed of, the loan outstanding as on transition date has been adjusted in opening retained earnings.

G. Bills discounted with recourse

Under Indian GAAP, trade receivables derecognised by way of bills of exchange have been shown as contingent liability since there is recourse clause. Under Ind AS, the trade receivables have been restated with corresponding recognition of short term borrowings of ₹ 34.72 crore as on 31st March, 2015.

H. Expected credit loss

Under Indian GAAP, the Group has created provision for impairment of trade receivables consist only in respect of specific amount for incurred loss. Under Ind AS, impairment allowance has been determined based on expected credit loss model (ECL). Due to this model, the Group impaired its trade receivables by ₹ 268.06 crore as on the transition date which has been recognised in retained earnings (net of deferred tax) of ₹ 247.45 crore. The impairment of ₹ 10.40 crore for the year ended 31st March, 2015 has been recognised in the statement of profit and loss.

The interest income of ₹ 4.47 crore is accrued during the year ended 31st March, 2015 on trade receivables discounted to present value as on transition date on account of expected delay under ECL.

I. Revaluation surplus under Indian GAAP

The Group has elected cost model for its PP&E and thus, the revaluation surplus existing as on the transition date under Indian GAAP amounting to ₹ 29.90 crore has been derecognised in the retained earnings on the date of transition.

Accordingly, the transfer of proportionate share of revaluation surplus of ₹ 2.84 crore to profit & loss on sale of land under Indian GAAP have been reversed under Ind AS during the year ended 31st March, 2015.

J. Proposed dividend

Under Indian GAAP, proposed dividend including dividend distribution tax, are recognised as liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Group, usually when approved by shareholders in a general meeting, or paid.

Therefore, the dividend liability (proposed dividend) including dividend distribution tax liability amounting to ₹ 29.33 crore has been derecognised in the retained earnings as on the date of transition.

Proposed dividend including dividend distribution tax liability amounting to ₹ 29.33 crore which was derecognised as on the transition date, has been recognised in retained earnings during the year ended 31st March, 2015 as declared and paid.

K. Discontinued operations – Consumer products

The Group has classified its Consumer products segment as discontinued operations w.e.f 19th February, 2015.

Under Indian GAAP, the statement of Profit and Loss includes the revenue, expense of discontinued operations with separate disclosure of profit and income tax on Statement of Profit & Loss. Under Ind AS, the Group has excluded the revenue, expense of discontinued operations and presented profit and tax expenses related to discontinued operation as single line items.

Under Ind AS, assets, liabilities and other comprehensive income related to discontinued operations have been separately presented on the balance sheet. For more detail, refer note no 46.

L. Subsidiary consolidated under Indian GAAP classified as joint venture

The Group has assessed that it does not have power, exposure to variable returns in respect of one of the subsidiary as per Ind AS 110. The Group concluded that It has joint control and hence equity method of accounting has been followed under Ind AS.

53. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (Contd.)

M. Defined benefit obligation

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in other comprehensive income. Thus, employee benefits expense is reduced by ₹ 12.96 crore and is recognised in other comprehensive income during the year ended 31st March, 2015

N. Prior period items

Volume discount on sales of ₹ 5.18 crore, provision for litigation claim of ₹ 9.52 crore and provision for liquidated damages of ₹ 1.91 crore pertaining to financial year ending 31st March 2014 recognised as prior period items during the year ending 31st March, 2015 under Indian GAAP. Under Ind AS, the said prior period items aggregating to ₹ 16.61 crore and ₹ 1.11 crore have been recognised in opening retained earnings and foreign exchange fluctuation reserve respectively.

O. Discontinued operations – Power distribution

The Group has classified its Power distribution business as discontinued operations w.e.f 12th August, 2015.

Under Ind AS, the Group has excluded the revenue, expense of discontinued operations and presented profit and tax expenses related to discontinued operation as single line items.

Under Ind AS, assets, liabilities and other comprehensive income related to discontinued operations have been separately presented on the balance sheet (Refer Note 46).

P. Discontinued operations – Transmission & distribution business

The Group has classified its Transmission & distribution business (Power segment) as discontinued operations w.e.f. 9th March, 2016.

Under Ind AS, the Group has excluded the revenue, expense of discontinued operations and presented profit and tax expenses related to discontinued operation as single line items.

Under Ind AS, assets, liabilities and other comprehensive income related to discontinued operations have been separately presented on the balance sheet. For more detail, refer note no 46.

Q. Cash discount

Under Indian GAAP, cash discount of ₹ 7.29 crore was recognised as part of other expenses which has been adjusted against the revenue under Ind AS during the year ended 31st March, 2015.

R. Bonds classified as amortised cost

Bonds issued are carried at amortised cost under Ind AS and the interest expense has been recognised based on effective interest rate method.

S. Excise duty

Excise duty of ₹ 294.79 crore on account of sale of goods have been included in revenue as it is on own account because it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not

T. Impact on deferred tax during the year ended 31st March, 2015:

	₹ crore
Deferred tax	
Deferred tax liability recognised on fair valuation of land and buildings as on transition date has been reversed to the extent of additional depreciation during the year	(16.57)
Deferred tax liability recognised on fair valuation of land and buildings as on transition date has been reversed to the extent of assets sold during the year	(32.90)
Deferred tax recognised on amortisation of intangible assets recognised on business combination	(17.13)
Deferred tax on account of stock reserve	(0.78)
Deferred tax on arrangement containing the lease	0.01
Deferred tax asset on expected credit loss	(0.71)
Deferred tax pertaining to subsidiary which is classified as joint venture under Ind AS.	0.07

U. Other adjustments

Movement in other comprehensive income includes fair value change on account of Investment in equity instruments designated as Fair value through other comprehensive income, exchange differences on account of translation differences of foreign operations and effective portion on account of cash flow hedge.

Financial assets and financial liabilities have been regrouped wherever required to comply with Ind AS.

54. Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Group's financial statements is disclosed below. The Group intends to adopt this standard when it becomes effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued in February 2015 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after 1st April, 2018. The Group will adopt the new standard on the required effective date. During the current year, the Group performed a preliminary assessment of Ind AS 115, which is subject to changes arising from a more detailed ongoing analysis.

55. Figures for the previous year have been regrouped wherever necessary.

ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARIES / ASSOCIATES / JOINT VENTURES FOR THE YEAR ENDED 31ST MARCH 2016

Name of the Entity	Net Assets		Share of Loss		Share in Other Comprehencive income (OCI)		Share in Total Comprehencive income	
	As % of Consolidated Net Assets	Amount (₹ crore)	As % of Consolidated Loss	Amount (₹ crore)	As % of Consolidated OCI	Amount (₹ crore)	As % of total Comprehencive income	Amount (₹ crore)
Parent: Crompton Greaves Limited	89.80	4128.05	275.16	(1091.97)	(142.04)	(47.88)	313.89	(1139.85)
Indian subsidiaries:								
CG-PPI Adhesive Products Limited	0.34	15.41	(0.19)	0.74	-	-	(0.20)	0.74
CG Power Solutions Limited	(1.69)	(77.51)	11.94	(47.39)	-	-	13.05	(47.39)
Crompton Greaves Consumer Products Limited	0.00	0.05	0.27	(1.09)	-	-	0.30	(1.09)
Foreign subsidiaries:								
CG International B.V.	(4.37)	(201.01)	(108.79)	431.73	(217.98)	(73.48)	(98.65)	358.25
CG Holdings Belgium N.V.	(17.72)	(814.41)	42.42	(168.36)	(194.37)	(65.52)	64.40	(233.88)
CG Power Systems Belgium N.V.	(5.32)	(244.79)	31.88	(126.51)	(67.65)	(22.80)	41.12	(149.32)
CG Power Systems Ireland Limited	6.78	311.81	4.82	(19.13)	69.91	23.57	(1.22)	4.43
CG Sales Networks France SA	0.14	6.60	(0.28)	1.10	1.92	0.65	(0.48)	1.74
CG Power Systems Canada Inc.	(0.13)	(5.99)	(3.01)	11.93	(25.83)	(8.71)	(0.89)	3.22
PT. CG Power Systems Indonesia	13.96	641.83	(18.81)	74.64	92.57	31.21	(29.15)	105.85
CG Holdings Hungary Kft.	1.18	54.30	(0.34)	1.36	17.38	5.86	(1.99)	7.21
CG Electric Systems Hungary Zrt.	2.12	97.49	17.59	(69.79)	80.45	27.12	11.75	(42.67)
CG Automation Systems UK Limited	0.05	2.41	(12.30)	48.82	15.02	5.06	(14.84)	53.89
CG Service Systems France SAS	0.23	10.41	0.67	(2.66)	1.40	0.47	0.60	(2.19)
CG Power USA Inc	5.81	267.11	9.10	(36.11)	(5.26)	(1.77)	10.43	(37.88)
CG Power Solutions UK Limited	0.00	(0.01)	3.80	(15.10)	(39.10)	13.18	0.53	(1.92)
CG Power County LLC	-	-	(10.23)	40.58	(5.38)	(1.81)	(10.68)	38.77
CG Power Systems Brazil LTDA	(2.43)	(111.76)	2.28	(9.06)	(16.31)	(5.50)	4.01	(14.56)
CG Power Solutions Saudi Arabia Ltd.	0.11	4.98	0.20	(0.80)	1.57	0.53	0.07	(0.27)
CG Industrial Holdings Sweden AB	(0.20)	(9.32)	5.22	(20.72)	56.22	18.95	0.49	(1.77)
CG Drives and Automation Sweden AB	4.45	204.74	(0.59)	2.34	69.56	23.45	(7.10)	25.79
CG Drives and Automation Netherlands B.V.	0.43	19.79	(0.20)	0.79	6.27	2.11	(0.80)	2.90
CG Drives and Automation Germany GmbH	0.17	7.96	(0.29)	1.15	2.35	0.79	(0.54)	1.95
ZIV Aplicaciones y Tecnologia S.L.	6.35	291.93	(7.18)	(28.50)	135.39	45.64	(4.72)	17.13
ZIV Metering Solutions S.L.	4.12	189.45	(6.65)	26.38	56.03	18.89	(12.47)	45.27
ZIV Grid Automation S.L.	2.06	94.54	2.20	(8.74)	32.59	10.99	(0.62)	2.24
ZIV Communications S.A.	0.21	9.85	(1.87)	7.44	1.66	0.56	(2.20)	8.00
ZIV Do Brazil Ltda	0.06	2.89	1.00	(3.99)	(10.76)	(3.63)	2.10	(7.62)
ZIV I+D Smart Energy Networks	0.16	7.22	(0.47)	1.85	1.96	0.66	(0.69)	2.51
ZIV France, SASU	0.03	1.29	0.14	(0.57)	0.16	0.05	0.14	(0.51)
CG Middle East FZE	(1.38)	(63.62)	(26.59)	105.51	67.08	22.61	(35.28)	128.12
Crompton Greaves Holdings Mauritius Limited	-	-	0.02	(0.08)	-	-	0.02	(0.08)
CG International Holdings Singapore Pte Limited	0.24	11.01	(0.05)	0.20	36.80	12.40	(3.47)	12.61
CG Sales Network Malaysia SDN.BHD.	0.03	1.48	(0.27)	1.09	0.14	0.05	(0.31)	1.14
Minority Interest in All subsidiaries	-	-	0.34	(1.33)	-	-	0.37	(1.33)
Associates								
(Investment as per equity Method)								
Foreign Associates								
Saudi Power Transformers Co Ltd	(0.47)	(21.39)	-	-	-	-	-	-
Pauwels Middle East Trading & Contracting (Pvt) Co. LLC.	0.00	(0.09)	-	-	-	-	-	-
KK El-Fi Co. Ltd	-	-	-	-	-	-	-	-
Joint Ventures								
CG Lucy Switchgear Limited	-	-	(0.53)	2.11	-	-	(0.58)	2.11
PT Crompton Prima Switchgear Indonesia	0.45	20.81	0.23	(0.91)	-	-	0.25	(0.91)