



06

# DIRECTORS' REPORT

## To The Members

Your Directors are pleased to present their Seventy Ninth Annual Report on the business and operations of the Company (or “CG”) alongwith the audited accounts for the financial year ended 31 March 2016.

### THE YEAR IN RETROSPECT

The Stand-alone and Consolidated financials of the Company represents the continuing operations for the year ended 31 March 2016. The operations, assets and liabilities of the discontinued operations have been presented under separate head.

The continued consolidated net revenue of the Company during 2015–2016 de-grew by 4.2% at Rs.5272 crore, as compared with Rs.5505 crore last year. The Company has achieved a stand-alone net turnover from continued operations of

Rs.3960 crore, during the year under review, as compared with Rs.4230 crore during the previous year, a decline of 6.4%.

Consolidated profit before tax from continuing operations decreased to Rs.87 crore, as compared with Rs.356 crore in the previous year, a decrease of 75.4% over last year. Stand-alone profit / (loss) before tax from continuing operations decreased from Rs.342 crore to Rs.(1150) crore, a decrease of 436.6%.



Consolidated loss before tax from discontinued operations increased to Rs.(343) crore from Rs.(182) crore, in the previous year, an increase of 88.7%.

Consolidated profit after tax from continuing operations is Rs.75 crore as compared with consolidated profit after tax of Rs.368 crore

in the previous year, a decrease of 80%. The Company recorded a stand-alone profit / (loss) after tax from continuing operations of Rs.(1188) crore, a decrease of 444.3% from Rs.345 crore last year.

The Sales and Profit Before Interest and Tax (PBIT) of the respective Business Groups, compared with last year are given in **Table 1**.

A detailed review of the operations and performance of the Company and each of the Businesses including its International operations is contained in the Management

## 01 SALES AND PROFIT BEFORE INTEREST AND TAX (PBIT)

BU	IN RS. CRORE			
	SALES		PBIT	
	2015-2016	2014-2015	2015-2016	2014-2015
Power Systems (CG Stand-alone)	2290	2696	117	200
Industrial Systems (CG Stand-alone)	1611	1497	174	151
Automation Systems (CG Stand-alone)	75	51	(10)	10
Power Systems (including International operations)	2495	2786	188	402
Industrial Systems (including International operations)	1929	1834	139	110
Automation Systems	864	900	(6)	7

**Pursuant to demerger scheme, each shareholder of CG has been allotted one equity share in CGCEL against one share held in CG.**

Discussion and Analysis Report, which is given as a separate chapter in this Annual Report.

## FINANCIAL HIGHLIGHTS

The financial performance of your Company for the continuing operations for the year ended 31 March 2016 is given in **Table 2**.

## DEMERGER OF CONSUMER BUSINESS

Pursuant to the approval of shareholders of the Company accorded on 13 August 2015, for the Scheme of Arrangement (Scheme) between the Company and Crompton Greaves Consumer Electricals Limited (CGCEL), the Company has completed with the demerger of its Consumer Products Business, with effect from 1 October 2015 upon sanction of the Scheme by the Hon'ble High Court, Bombay on 20 November 2015 and filing the same with the Registrar of Companies on 31 December 2015 by the Company. Pursuant to the Scheme, the shareholders of the Company have been allotted one equity share of Rs.2/- in CGCEL for every equity share of Rs.2/- each held in the Company as on 16 March 2016 being the Record Date fixed for this purpose, which were listed on the BSE and NSE with effect from 13 May 2016.

## DIVESTMENTS AND OTHER DEVELOPMENTS

With the strategic objective of debt reduction and focusing on its core operations in Power business in India and in its Industrial Systems business, the following divestments have been completed / undertaken by the Company:

- The Company has sold the Power Assets held by its subsidiary CG Power Systems Canada Inc, thereby exiting from the Power business in Canada.
- The Company has divested its entire stake in the Joint Venture CG Lucy Switchgear Limited (presently Lucy Electric India Private Limited) to W Lucy & Co Limited, UK-the Joint Venture Partner, while retaining its distribution and supply arrangements with Lucy Electric India Private Limited.
- The Company has signed a Share Purchase Agreement (SPA) for sale of its Power Businesses in Europe, North America and Indonesia. The completion of the SPA is envisaged by 31 October 2016, subject to requisite consents and regulatory approvals. Upon completion, the Company would exit completely from its overseas Power businesses.
- The Company has also initiated the process of identifying investors for its other international B2B businesses including Automation Business.

## 02 FINANCIAL HIGHLIGHTS

IN RS. CRORE FOR THE YEAR ENDED 31 MARCH 2016 AND 31 MARCH 2015

PARTICULARS	STAND-ALONE		CONSOLIDATED	
	2016	2015	2016	2015
Revenue from Operations (Net of Excise Duty)	3,960	4,230	5,272	5,505
EBIDTA	308	331	453	580
Less: Finance Cost	(102)	(21)	56	82
Less: Depreciation	108	113	256	245
Profit Before Exceptional Items & Tax	302	239	141	253
Exchange gain	57	(47)	57	(47)
Exceptional Items	(1509)	150	(111)	150
Profit /(loss) Before Tax	(1150)	342	87	356
Less: Tax Expense	38	(3)	14	(10)
Profit /(loss) After Tax	(1188)	345	73	366
Share of profit /(loss) in associates	-	-	1	1
Less: Minority Interest	-	-	1	1
Profit / (loss) from continuing operations	(1188)	345	75	368
Profit / (loss) from discontinued operations	157	371	(343)	(182)
Tax expense from discontinued operations	61	127	128	163
Net Profit / (loss) from discontinued operations	96	244	(471)	(345)
Net Profit / (loss) for the year attributable to shareholders	(1092)	589	(396)	23

The above steps will enable the Company to improve its Balance Sheet and enhance shareholders value by refocusing on operations and growth in India, considering the opportunities in India, in view of the emphasis of the Government on the Power sector and the growth in demand of the products in the Industrial Systems' business in India and overseas.

During the year, the Distribution Franchisee Agreement (DFA) of the Company with Maharashtra State Electricity Distribution Company Limited (MSEDCL) for power distribution at Jalgaon in Maharashtra was terminated by MSEDCL exercising its step-in rights consequent to certain unresolved disputes. The Company is confident of arriving at an amicable settlement with MSEDCL on all pending issues under the DFA.

## DIVIDEND

No dividend has been recommended or paid for the year ended 31 March 2016.

## RESERVES

The Reserves, on stand-alone basis, at the beginning of the year were Rs.4490 crore. The Reserves at the end of the year are Rs.4003 crore.

## SHARE CAPITAL

As at 31 March 2016, the authorised share capital of the Company was Rs.407,60,00,000-(Rupees four hundred seven crore sixty lacs) divided into 203,80,00,000 equity shares of Rs.2/-(Rupees Two) each.

As at 31 March 2016, the paid-up share capital of the Company stood at Rs.125,34,92,284 (Rupees one hundred twenty five crore thirty four lacs ninety two thousand two hundred eighty four only) consisting of 626,746,142 equity shares of Rs.2/-(Rupees Two) each.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL BOARD OF DIRECTORS

As on the date of this report, the Company's Board comprises of ten Directors. The Chairman, Mr Gautam Thapar is a Non-Executive Director and represents the Promoter Group. Mr K N Neelkant is the CEO and Managing Director. Mr Madhav Acharya is the Executive Director — Finance and CFO. Five other Non-Executive Directors — Mr Shirish Apte, Mr Sanjay Labroo, Ms Meher Pudumjee,

Dr Valentin Von Massow and Ms Ramni Nirula are independent in terms of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Companies Act, 2013.

Two other Directors — Mr B Hariharan and Dr Omkar Goswami are Non-Executive Directors. The Directors are reputed professionals with diverse functional expertise, industry experience, educational qualifications, ethnicity and gender mix relevant to fulfilling the Company's objectives and strategic goals.

## Cessation

Mr Laurent Demortier resigned from his role as a CEO and Managing Director of the Company with effect from 3 February 2016, thereafter, he continued to serve as a Whole-time Director upto 31 March 2016.

Dr Colette Lewiner, Independent Director stepped down from her directorship of the Company, with effect from 14 March 2016.

The Board places on record its gratitude and appreciation for Mr Demortier and Dr Lewiner for their guidance to the Company during their tenure as Directors.

## Appointment

Mr K N Neelkant was appointed as the CEO and Managing Director with effect from 3 February 2016.

Mr Madhav Acharya was appointed as Executive Director — Finance with effect from 1 April 2016, in addition to his role as the CFO of the Company.

Ms Ramni Nirula was appointed on the Board as an Independent Non-Executive Director with effect from 6 April 2016.

## Retirement by Rotation

In terms of the provisions of Section 152 of the Companies Act, 2013 and the rules made thereunder and Article 114 of the Articles of Association of the Company, Dr Omkar Goswami and Mr B Hariharan, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, have offered themselves for the re-appointment. The profile details of Dr Omkar Goswami and Mr B Hariharan are contained in the accompanying Notice of the forthcoming Annual General Meeting and in the Corporate Governance Report. The Board recommends their re-appointment.

## CG has signed a Share Purchase Agreement (SPA) for sale of its Power businesses in Europe, North America and Indonesia.



The factory at Mandideep manufactures the state-of-the-art Power Transformers and Reactors for the utilities

### **Attributes, Qualification & Independence of Directors & their Appointment**

The appointment and remuneration of Directors is governed by the Remuneration Policy of the Company which also contains the criteria for determining qualifications, positive attributes and independence of Directors. The Policy along with the CG Board Diversity Policy aims at attracting and retaining high caliber personnel from diverse educational fields and with varied experience to serve on the Board for guiding the Management team to enhance organizational performance. The detailed Remuneration Policy is contained in the Corporate Governance section of this Annual Report.

### **Independent Directors Declaration**

All Independent Directors have submitted declarations that they continue to meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations.

### **Board Meetings**

A calendar of meetings is prepared and circulated in advance to the Directors. The Board of Directors met 6 times during FY2016. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Regulations. The details of the meetings and the attendance of the Directors are mentioned in the Corporate Governance Report.

The Board has established Committees as a matter of good corporate governance practice and as per the requirements of the Companies Act, 2013. The Committees are Risk and Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee. The composition, terms of reference, number of meetings held and business transacted by the Committees is given in the Corporate Governance Report.

### **Annual Board Evaluation**

During the year, the Board has carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors, including Chairman of the Board. This exercise was carried out through a structured questionnaire prepared separately for Board, Committee and individual Directors. The questionnaire for Board evaluation was prepared taking into consideration various aspects of the Board's functioning such as adequacy of the composition and role of the Board, Board meeting and reporting process, effectiveness of strategies, risk management systems, external relationships, ethics and governance framework. Committee performance was evaluated on the basis of its composition, effectiveness in carrying out its mandate, relevance of its recommendations and allocation of adequate time to fulfill its mandate.

Individual and peer assessment of Directors based on parameters such as knowledge, contribution, level of engagement, communication / relationship with Board and Senior Management were received by the Chairman for individual feedback. The Board acknowledged certain key improvement areas emerging through this exercise and action plans to address these are in progress. The performance evaluation of the Chairman was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process and its result.

### **Familiarization of Independent Directors**

The Company has in place the practice of familiarizing the Independent Directors which inter-alia seeks to update the Directors, while their induction, on their roles, responsibilities, rights and duties under the Companies Act, 2013 and other statutes. This process helps the Independent Directors to take well

informed decisions in a timely manner. The details of this program can be viewed under the following link on company's website:  
<http://www.cgglobal.com/frontend/finalnonproduct.aspx?cnl2=yrmPqECUvhk=>

### **KEY MANAGERIAL PERSONNEL**

During the year under review Ms Minal Bhosale resigned from the position of Company Secretary w.e.f. 31 May 2015. The Board of Directors based on the recommendation of the Nomination and Remuneration Committee, appointed Mr Manoj Koul as the new Company Secretary of the Company w.e.f. 3 August 2015.

### **PROMOTER GROUP**

The Company is a part of the Avantha Group, one of India's leading diversified conglomerates. Led by Chairman Mr Gautam Thapar, the Avantha Group has a global footprint and operates in 90 countries with more than 25,000 employees worldwide.

As required under the Listing Regulations, CG periodically discloses its promoter group and persons acting in concert in the shareholding pattern and other filings with the Stock Exchanges.

### **SUBSIDIARY COMPANIES**

As on 31 March 2016, the Company has three Indian subsidiaries and 31 foreign subsidiaries. The particulars are mentioned in Annexure 6 to this Report in Form No. MGT 9 (Extract of Annual Return).

Pursuant to Section 136 of the Companies Act, 2013 the audited accounts of each of the Company's subsidiaries are placed on the website of the Company and not enclosed in this Annual Report. If any Member of the Company so desires, the Company will be happy to make available the Annual Accounts of the subsidiaries to him / her, on request. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on all working days, excluding Saturdays, upto the date of the Meeting.

In terms of Section 129(3) of the Companies Act, 2013, statement containing salient features of the financial statement of Subsidiaries / Associate companies / Joint Ventures is given in this Annual Report.

**CG Board Diversity Policy aims at attracting and retaining high caliber personnel.**



**CG voluntarily opted for adoption of the IND AS with effect from 1 April 2015 and thereafter.**

## **BRANCH OFFICE IN POLAND**

The Company's branch office in Poland i.e. Crompton Greaves Ltd SA is under the process of liquidation.

## **ADOPTION OF IND AS**

The Central Government in consultation with the National Advisory Committee on Accounting Standards (NACAS) under Section 133 read with Section 469 of the Companies Act, 2013 has notified the Indian Accounting Standards ('Ind AS') vide G.S.R. 111(E) dated 16 February 2015. The Company has decided for adoption of the aforesaid standards, voluntarily, as stated in the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 April 2015 and thereafter. The aforesaid Rules have been further amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 on 30 March 2016. In view of this notification / amendment and also as per the Regulation 33 of Listing Regulations, the Company has prepared the Financial Statements (both stand-alone and consolidated) for the year ended 31 March 2016 as per Ind AS, as amended.

## **RISK AND AUDIT COMMITTEE**

As on the date of this Report, the Risk and Audit Committee is comprised of three Non-Executive Directors, of whom two are Independent. The composition is as under:

- Mr Shirish Apte (Chairman, Independent Director)
- Dr Omkar Goswami (Non-Executive Director)
- Mr Sanjay Labroo (Independent Director)

All recommendations made by the Risk and Audit Committee during the year were accepted by the Board of Directors.

## **RELATED PARTY TRANSACTIONS**

The Company's Related Party Policy governs the norms for inter-company transaction pricing between the Company and its subsidiaries. Since the Company has a network of wholly-owned subsidiaries, manufacturing, as well as, engaged in sales of various products comprising the different businesses of CG, a substantial quantum of related party transactions comprise transactions with subsidiaries for

purchase and sale of goods and services, in the ordinary course of business.

An omnibus approval has been granted by the Risk and Audit Committee of the Board for transactions which are of a foreseen and repetitive nature with other related parties. Such omnibus approvals are subjected to review by the Risk and Audit Committee every year and are monitored by the Risk and Audit Committee on a quarterly basis. All Related Party Transactions are presented to the Risk and Audit Committee every quarter.

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no material related party contracts, arrangements or transactions undertaken by the Company during the year in terms of its India Related Party Transaction Policy of the Company and hence the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 in Form AOC-2 (Annexure 1 to this Report) is nil.

The Company's India Related Party Transactions Policy is uploaded on the website of the Company and the weblink is as under:  
<http://www.cgglobal.com/pdfs/policies/India%20Related%20Party%20Transactions%20Policy.pdf>

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of loans, guarantees given and investments made by the Company during FY2016, pursuant to the provisions of Section 186 of the Companies Act, 2013 and Schedule V of the Listing Regulations are given in the notes to the Financial Statements.

## **BUSINESS RISK MANAGEMENT**

A risk management policy has been developed and implemented by the Company for identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company. In order to bring in more clarity on the objective, process and spell out the roles and responsibilities for an effective implementation of the Risk Management Process, the Board of Directors have adopted revised Risk Management Framework. The revised framework enables risk identification and its escalation and consolidation at unit level to business unit level, identification of risk mitigation process.



CG has successfully commissioned its first 765kV PLOC for Power Grid

In terms of the framework, the Risk and Audit Committee shall review the adequacy of the risk management framework of the Company, the key risks associated with the businesses of the Company and the measures and steps in place to mitigate the same, from time to time.

The assessment of the risks covers Strategy, Technology, Financial, Operations & Systems, Legal & Regulatory and Human Resources Risks. There is appropriate assurance and monitoring mechanism in place to monitor the effectiveness of the risk management framework including the mitigation plans identified by the Management for key risks identified through the risk management exercise.

### **INTERNAL FINANCIAL CONTROLS**

CG has in place, adequate systems and procedures for implementation of internal financial control across the organization

which enables the Company to ensure that these controls are operating effectively.

### **RESEARCH AND DEVELOPMENT**

During the year, the Company's R&D activities continued to focus on development of improved energy efficient and reliable products. Power transformers focused on research in cost competitiveness, oil tightness and validation of hot spot calculation. Research was also carried out in GAI3S 245 kV GIS with spring drive, 170 kV mobile GIS, 420 kV CT with Casting Tank, Composite Insulator CVTS, digital interface (digital surge counter) to the lightning arrester for condition monitoring of products, which is a vital communication link for smart substations and study of external withstand and flashover characteristics of air insulations for development of new and niche products. Other areas of research in power products included Inverter Duty 12 Pulse Transformer 3.2 MVA with foil winding,



Four Inverter Feed 4.25 MVA Transformer with foil winding and 2X12 Pulse Four Winding Transformers for solar application.

Automation business R&D activities, led by the R&D Centre of Excellence, together with the R&D teams at different locations, are mainly focused on new products and features to maintain its technological leadership in Protections and Control as well as in metering and communications.

Industrial systems business focused on control platform, new DSP technology for high performance DTC, SVPWN and FOC for AM, PMSM and SynRM and new UC technology for integrated connectivity and communication. CSA certified single phase motors upto 5HP 4P and 6P were developed. In Railways Signaling Division, R&D activity was carried out to design and develop two key products for railway and one customized product for Honda Motors such as 110Volts AC Fan with specially designed SS guard having better aesthetics to suit advanced interior of EMUs., 230 Volts AC BLDC Fan with special feature of speed regulation having customized design for Honda Motors and 380 Volts AC 3 Phase Point Machine for Metro rail.

The above R&D efforts would result in extended product range, increase in operating income and expansion in new markets.

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

As required by the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the prescribed format as Annexure 2 to this Report.

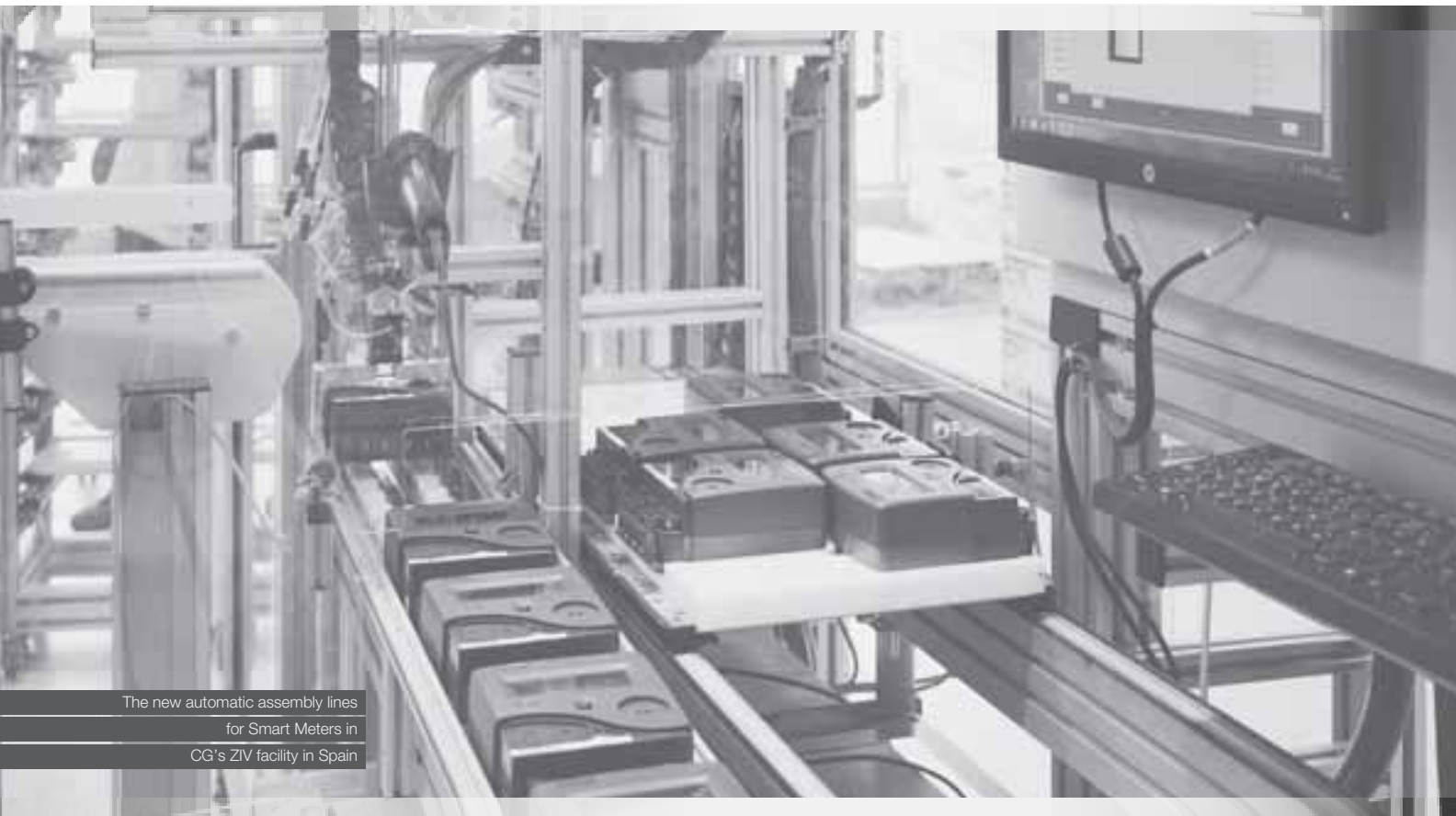
### **ENVIRONMENT, HEALTH & SAFETY (EHS)**

By and large, EHS Management system, programs and policies were enhanced and overhauled during the year. All CG manufacturing units in Asia, EMEA and Americas have maintained their ISO 14001 and OSHAS 18001 certifications.

CG's EHS policy and guidelines are a reflection of CG's strong EHS commitment. The EHS Guidelines prescribe responsibilities

and accountabilities of individual functions and the standards for adherence with the Guidelines. Behaviour Based Championship Model was introduced, resulting in increased overall EHS awareness. Additionally, bi-monthly regional EHS network conference calls were conducted for cross business and cross regional EHS knowledge sharing.

Smart EHS goals now form a part of KPI's of individual leaders. Monthly online EHS Balanced Score Card concept was introduced under which all units set their annual targets towards EHS KPI's and individual unit's EHS performance against the set targets were evaluated. Corporate EHS audit process was revamped with the inclusion of skip level meeting and interview process. These audits were more focused on EHS implementation and performance, rather than EHS documentation, as a journey towards continuous improvement in EHS excellence. Corrective actions generated from these audits and various EHS events are captured and tracked for closure in Online Event Reporting System portal (ERS) as EHS one stop shop.



The new automatic assembly lines for Smart Meters in CG's ZIV facility in Spain

With the objective of rewarding individual and collective efforts towards EHS, EHS RECOGNIZE policy was introduced and aligned with organisational RECOGNIZE drive. Two units were awarded as Best EHS unit CEO annual award.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company's undeterred commitment towards CSR initiatives endeavor to embrace responsibility for its corporate actions and achieve fruitful impact of its business actions not only on its stakeholders, but also the society at large. As part of its CSR initiatives, CG has undertaken projects in the areas of education, employability and health. CG supports Avantha Foundation on programs such as reduction of Malnutrition and Hunger and building capacities of stakeholders in small towns to ensure better delivery of services to citizens. The Annual Report on CSR activities of CG for FY2016 is stated at Annexure 3 to this Report.

## **GREEN INITIATIVES**

Electronic copies of the Annual Report and Notice of the 79<sup>th</sup> Annual General Meeting are sent to all members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes. For members who have not registered their email addresses, physical copies of the Notice and Annual Report are sent in the permitted mode. Members requiring physical copies can send a request to the Company. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on all working days, excluding Saturdays, upto the date of the Meeting.

## **MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY**

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e., 31 March 2016 and the date of this Directors' report.

## **MATERIAL ORDERS OF REGULATORS / COURTS / TRIBUNALS**

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors would like to assure the Members that the financial statements for the year under review conform in their entirety to the requirements of the Companies Act, 2013. The Directors confirm that:

- the Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
- the Accounting Policies selected and applied on a consistent basis, give a true and fair view of the affairs of the Company and of the profit for the financial year;
- sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
- the Annual Accounts have been prepared on a going concern basis;
- the internal financial controls laid down in the Company were adequate and operating effectively;
- the systems devised to ensure compliance with the provisions of all applicable laws were adequate and operating effectively.

## **SHARE REGISTRAR & TRANSFER AGENT**

The Company's Registrar & Transfer Agents for shares is Datamatics Financial Services Ltd (DFSL). DFSL is a SEBI-registered Registrar & Transfer Agent. The contact details of DFSL are mentioned in the Corporate Governance Report.

Investors are requested to address their queries, if any to DFSL; however, in case of difficulties, as always, they are welcome to contact the Company's Investor Services Department, the contact particulars of which are contained in the Corporate Governance Report.

## **FIXED DEPOSITS**

The Company has not accepted any deposits from public or its members during FY2016 under Section 73 of the Companies Act, 2013 and no deposits are subsisting as on date.

**CG's undeterred commitment towards CSR initiatives endeavour to embrace responsibility for its corporate actions.**

**CG Whistle Blower Policy provides mechanism to its employees that assures addressing the reported violation.**

## **PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report. However regard to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given at Annexure 4 to this report.

## **COMPLAINTS RELATING TO SEXUAL HARASSMENT**

In terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013, it is mandatory to review status of sexual harassment related complaints in the Annual Report. There were no incidents of sexual harassment reported in the Company. For protection against sexual harassment, CG has formed an internal complaints committee to which employees can write in their complaints. The Company has a Prevention of Sexual Harassment Policy which has formalised a free and fair enquiry process for dealing with such issues, with clear timelines. During FY2016, a number of workshops and programs were conducted by the Company to spread awareness on sexual harassment related issues.

## **VIGIL MECHANISM**

The Company has formulated CG Whistle Blower Policy with a view to providing a mechanism for CG employees to report violations and assure them of the process that will be followed to address the reported violation. The Policy also lays down the procedures to be followed by Senior Management for tracking of complaints,

giving feedback, conducting investigations and taking disciplinary actions. It also provides assurances and guidelines on confidentiality of the reporting process and protection from reprisal to complainants.

A Management Committee as nominated by CEO and Managing Director is formed upon completion of the investigation and requiring action by the Committee. Decisions taken by the Management Committee and actions taken by the Company or exoneration cases are informed by the Head of Internal Audit to the Risk and Audit Committee on a quarterly basis. Actions taken by the Management Committee are implemented subject to applicable law(s).

## **AUDITORS**

### **STATUTORY AUDITORS**

In view of the mandatory rotation of auditor requirement and to ensure smooth transition, it is proposed to appoint M/s Chaturvedi & Shah as Joint Statutory Auditors alongwith M/s Sharp & Tannan, the existing Statutory Auditors of the Company. Both the Auditors will be jointly and severally responsible during FY2017.

M/s Chaturvedi & Shah are proposed to be appointed for a period of 5 continuous years i.e. from the conclusion of 79<sup>th</sup> Annual General Meeting till the conclusion of 84<sup>th</sup> Annual General Meeting of the Company. M/s Sharp & Tannan and M/s Chaturvedi & Shah, have informed the Company vide letters both dated 24 May 2016 respectively that their appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013. M/s Sharp & Tannan and M/s Chaturvedi & Shah, have confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold valid certificates issued by the Peer Review Board of the ICAI. M/s Sharp & Tannan and M/s Chaturvedi & Shah, have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company and declared that they have not taken up any prohibited non-audit assignments for the Company.

### **COST AUDITOR**

The Company had appointed M/s Ashwin Solanki & Associates, Cost Accountants, to audit the cost accounts related to the Company's products for 2015-2016. The cost audit reports were filed within the statutory deadline.

Upon recommendation of the Risk & Audit Committee, the Board had appointed M/s Ashwin Solanki & Associates as Cost Auditors, for the financial year 2016-2017. At the ensuing Annual General Meeting, their remuneration is proposed to be approved and ratified by the shareholders.

### **SECRETARIAL AUDITOR**

The Company has appointed Dr K R Chandratre, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit for FY2016 is annexed herewith as Annexure 5 to this Report.

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditor or the Secretarial Auditor in their reports and hence do not call for any further comments.

During the year under review, neither the Statutory Auditor nor the Secretarial Auditor had reported any matter under Section 143(12) of the Companies Act, 2013, therefore no details are required to be disclosed under Section 134(3)(d) of the Companies Act, 2013.

### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT 9 is annexed herewith as Annexure 6.

### **ACKNOWLEDGEMENTS**

The Directors wish to convey their gratitude and appreciation to all of the Company's employees at all its locations worldwide for their tremendous efforts as well as their collective dedication and contribution to the Company's performance.

The Directors would also like to thank the employee unions, shareholders, customers, dealers, suppliers, bankers, government and all other business associates for their continued support extended to the Company and the Management.

On behalf of the Board of Directors

**G THAPAR**  
Chairman  
DIN (00012289)  
Mumbai, 27 May 2016

# ANNEXURE TO DIRECTORS' REPORT

## ANNEXURE 1

### FORM AOC-2

(Pursuant to clause (h) of sub-section 3 of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

### 01 DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS

NAME(S) OF THE RELATED PARTY AND NATURE OF RELATIONSHIP	NATURE OF CONTRACTS/ ARRANGEMENTS/ TRANSACTIONS	DURATION OF THE CONTRACTS / ARRANGEMENTS/ TRANSACTIONS	SALIENT TERMS OF THE CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS INCLUDING THE VALUE, IF ANY	JUSTIFICATION FOR ENTERING INTO SUCH CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS	DATE(S) OF APPROVAL BY THE BOARD	AMOUNT PAID AS ADVANCES, IF ANY	DATE ON WHICH THE SPECIAL RESOLUTION WAS PASSED IN GENERAL MEETING AS REQUIRED UNDER FIRST PROVISO TO SECTION 188
NIL							

NIL

### 02 DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS

NAME(S) OF THE RELATED PARTY AND NATURE OF RELATIONSHIP	NATURE OF CONTRACTS/ ARRANGEMENTS/ TRANSACTIONS	DURATION OF THE CONTRACTS / ARRANGEMENTS/ TRANSACTIONS	SALIENT TERMS OF THE CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS INCLUDING THE VALUE, IF ANY	DATE(S) OF APPROVAL BY THE BOARD, IF ANY	AMOUNT PAID AS ADVANCES, IF ANY
NIL					

NIL

On behalf of the Board of Directors

**G THAPAR**

Chairman

DIN (00012289)

Mumbai, 27 May 2016



## ANNEXURE 2

Information under Section 134 of the Companies Act, 2013

### A. CONSERVATION OF ENERGY

#### 1. ENERGY CONSERVATION MEASURES TAKEN

The accelerated momentum on energy conservation initiatives continued this year at manufacturing plants worldwide, with further efforts towards substitution of traditional sources of energy with renewable energy, measures for efficient usage of power and investment in additional equipment for saving of electricity. The illustrative measures taken towards energy conservation at Units are:

- In Indonesia, diesel consumption was replaced with natural gas usage;
- For effective energy conservation at Nashik (GIS Switchgear), LED lighting and daylighting solutions were adopted and the new equipment based on inverter technologies were installed;
- Saving in annual power cost was accomplished through replacement of 180 KW Thyristor controlled ovens by more energy efficient 120 KW ovens at LRM India;
- Installation of Variable Frequency Drives (VFD) for energy saving in:
  - cranes
  - paint booth exhaust blowers and
  - compressors

- Centralized fan control system installed for reduction in energy consumption;
- Energy saving by improving autoclave cooling method by adding forced air cooling and by stopping oil slippage;
- Commissioned low-loss high efficiency transformer with voltage regulation in S6;
- Used fixed and variable capacitor bank for power factor improvement at T2.

Every unit has set targets for paper, power and water consumption per employee which is monitored on a regular basis.

#### 2. ALTERNATE SOURCES OF ENERGY

- Installation of solar water heater to reduce the consumption of LPG;
- Central-heating systems were modernised in factories and offices in Hungary in order to reduce energy consumption.

#### 3. CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

The following processes are under implementation for further reducing energy consumption:

- Equipment based on inverter technologies were installed;
- Installation of Thyristor controlled ovens;
- Used fixed and variable capacitor bank for power factor improvement;
- Installation of retrofitted LED lights in offices and shop floors;



## 01 EXPENDITURE ON R&D

RS. CRORE FOR THE YEAR ENDED 31 MARCH 2016

STAND-ALONE		
A	Capital	12.82
B	Revenue	35.93
C	Total (A + B)	48.75
D	Total R & D expenditure :	
	as a percentage of net turnover (continued operations)	1.23
	as a percentage of profit/ (loss) before tax (continued and discontinued operations)	(4.24)

## 02 FOREIGN EXCHANGE EARNINGS AND OUTGO

	RS. CRORE
	TOTAL
Total Foreign Exchange Earned	984.37
Total Foreign Exchange Used	537.00

- Installation of Variable Frequency Drives (VFD) for stationary and non-stationary applications.

### B. TECHNOLOGY ABSORPTION

#### 1. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION

- Indegenisation of technologies to integrate RTU manufacturing and supply chain;
- Technology for GAI3S 245 KV was co-developed with CG-Hungary. Steps are being taken for effective absorption of this technology for commercial production in India;
- Indigenised the complete process for absorption of technology of IGBT power converter from CAF P&A, Spain.

#### 2. THE BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT OR IMPORT SUBSTITUTION

The benefits arrived from these efforts are:

- Traction Electronics: Power Converters were produced which contributed substantially towards the top-line growth.
- Spring drive development: Development of spring drives for 145 kV GIS resulted in 50% import substitution which helped in reducing the total bay cost. Similar exercises are planned for 245 kV GIS sub-assemblies.

#### 3. IMPORTED TECHNOLOGY

- the details of technology imported — Nil;
- the year of import — Not applicable;

- whether the technology has been fully absorbed — Not applicable;
- if not fully absorbed, areas where absorption has not taken place, and the reasons thereof — Not applicable.

#### 4. EXPENDITURE ON R&D

The company's expenditure on R&D is mentioned above in **Table 1**.

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earned and used by the Company is given in **Table 2**.

On behalf of the Board of Directors

**G THAPAR**

Chairman

DIN (00012289)

Mumbai, 27 May 2016

## ANNEXURE 3

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES FOR FY2016

#### 1. A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS

##### Corporate Social Responsibility (CSR) Policy

CG is committed to its stakeholders to conduct its business in a responsible manner that creates a sustained positive impact on the society. This means working with the underserved communities to improve the quality of their life and preserve the ecosystem that supports the communities and the Company.

CG closely works with its stakeholders for building an increased commitment at all levels in the organization to operate our business in an economically, socially and environmentally sustainable manner with the aim of benefitting the underserved.

##### Weblink to the CSR Policy

<http://www.cgglobal.com/frontend/Crompton.aspx?cml2=Hzywp8VdQN4=>

#### 2. THE COMPOSITION OF THE CSR COMMITTEE

The Committee comprises of the following Directors:

- Ms Meher Pudumjee (Chairperson, Independent Director)
- Mr Shirish Apte (Independent Director)
- Mr Gautam Thapar (Non-Executive Director)
- Dr Valentin von Massow (Independent Director)

#### 3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS

Rs.654.81 Cr.

#### 4. PRESCRIBED CSR EXPENDITURE (TWO PERCENT OF THE AMOUNT AS IN ITEM 3 ABOVE)

Rs.13.10 Cr.

#### 5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR

The details of the expenditures on CSR are given in **Table 1**.

- Total amount to be spent for the financial year: Rs.13.10 Cr.
- Amount unspent, if any: Rs.5.09 Cr.
- Manner in which the amount was spent during the financial year is detailed in the table on the next page.

CG focused on health, education and skill development for supporting communities. It is partnering with local bodies, government institutions and locally present NGOs to take this ahead. During FY2016, CG started new initiatives in the area of skill development and education that were taken up with a detailed ramp up plan with a lead time going beyond FY2016 due to which some amount remained unspent. CG also demerged its Consumer Business in October 2015 as a separate legal entity that further necessitated a moderation in the CSR activities to make them sustainable. Due to these reasons, in FY2016, the total planned expenditure was Rs.8.01 Cr. which was fully spent against the available amount of Rs.13.10 Cr.

#### OVERVIEW OF THE PROGRAMS AND PROJECTS UNDERTAKEN

Some key highlights of the activities of the year 2015–2016 are given below:

##### COMMUNITY DEVELOPMENT

With the aim of improving the lives of communities around its manufacturing locations by responding to their livelihood and basic healthcare needs, CG achieved the following:

- 50 Self Help Groups (SHG) consisting of 500 women mobilized by CG were brought under one association i.e. Sankalp Federation. This federation was established to bring together the efforts of individual women and SHGs under the brand name of Sankalp. The women are pursuing businesses like, making and selling diwali snacks, decorative lamps, paper bags, perfumes, pickles, flour milling etc. The attempt is to develop these items as per the required standards to be sold at big shopping centers.

- With the help of the organization SNEHA as an implementing partner, a project on Adolescent Education was taken up in the Kanjur village and nearby slums.

- With the focus on Mother and Child Care, 10 to 15 villages or slum communities were identified at 5 locations, each within 10km radius of CG's plants. The 5 locations included Nashik, Aurangabad, Ahmednagar, Bhopal, Baddi and Baroda.

##### SKILL DEVELOPMENT INITIATIVE

- In order to upgrade skills of ITI students and provide industrial exposure as per the requirement of existing industries, CG has partnered with Mulund, Mumbai, Satpur and Nashik ITI. On pilot basis, CG organized 3 months motor and pumps repair and maintenance course by providing course content, trainer and laboratory for practical training.
- More than 800 beneficiaries i.e. youth and women were trained in courses such as multimedia, beauty and wellness, tailoring and fashion designing, basic computers, nursing, household electrician works, mobile repairing and jute bag making among others, around the various factory locations. More than 70% beneficiaries have been able to increase their average monthly income in their family.
- Approx. 180 students underwent skill up-gradation courses of motor and pumps repair at two government ITIs in Mumbai and Nashik. A laboratory has been set up at both the ITIs. They have also received soft skills training to enhance their overall quality on the shopfloor.

##### EDUCATION

CG is working continuously with the municipal and local self-government schools for raising the quality and standard of education imparted. Over 6000 students from 6<sup>th</sup> to 10<sup>th</sup> standard in 60 schools are covered under this project in Nashik in Maharashtra and in Bhopal and Gwalior in Madhya Pradesh. This project helped students gain correct knowledge through practical experiments which support the academic curriculum. In Mumbai, more than 180 students were supported through the initiative leading to better academic performance and good soft skills.

##### COMMUNITY BASED PREVENTIVE HEALTH CARE INITIATIVE

- CG has initiated community based preventive health care project with the following objective:
- To improve reproductive health of women between 15 -49 age group and child health between 0-5 year age group children.

## 01 CSR SPENT DURING THE FINANCIAL YEAR

RS. CRORE							
S.NO	CSR PROJECT OR ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED	PROJECTS OR PROGRAMS. 1. LOCAL AREA OR OTHER 2. SPECIFY THE STATE AND DISTRICT WHERE PROJECTS AND PROGRAMS WERE UNDERTAKEN	AMOUNT OUTLAY (BUDGET) PROJECT OR PROGRAM-WISE	AMOUNT SPENT ON THE PROJECT OR PROGRAMS. 1. DIRECT EXPENDITURE ON PROJECTS AND PROGRAMS 2.OVERHEADS	CUMULATIVE EXPENDITURE UP TO THE REPORTING PERIOD	AMOUNT SPENT: DIRECT OR THROUGH IMPLEMENTING AGENCY
1	Education & Skill Development for youth	Education & employable skill enhancement	<b>Maharashtra-</b> Nashik & Mumbai <b>Madhya Pradesh-</b> Bhopal & Gwalior	4.13	1.36	2.14	Direct & Agastya Foundation
2	Other community based program / Events	Community Events, Environment day events, Environment awareness, Response to disaster management (Bihar earthquake)	<b>Maharashtra-</b> Nashik & Mumbai <b>Bihar</b>	0.46	0.15	0.56	Direct
3	Health initiative	Preventive community health care – Mother & Child health care	<b>Maharashtra-</b> Nashik, Aurangabad, Ahmednagar <b>Madhya Pradesh-</b> Bhopal	1.52	0.50	0.50	Avantha Foundation
4	Donation towards Avantha Foundation	Reduction of Malnutrition amongst children Improving Urban Service Delivery through Community mobilization and capacity building Promoting scientific Solid Waste Management in small towns	Pan India	5.50	5.50	10.28	Through Avantha Foundation
5	Administrative Expenses			1.49	0.50	1.12	Direct
	<b>Total</b>			<b>13.10</b>	<b>8.01</b>	<b>14.60</b>	

- To train adolescent girls about health and hygiene with focus on life skills.
- To create demand for services provided at Village Health and Nutrition Day.
- To strengthen Village Health Sanitation and Nutrition Committees as well as capacities of local health workers.

Health projects are implemented at Baddi in Himachal Pradesh, Baroda in Gujarat, Bhopal in Madhya Pradesh and Nashik, Aurangabad, Ahmednagar in Maharashtra. The project targeted pregnant and lactating mothers and children between 0-5 years and adolescent youth. Through this project, efforts were undertaken to strengthen existing ASHA (Accredited Social Health Activists) workers.

### CSR INITIATIVES THROUGH AVANTHA FOUNDATION

#### 1. Reduction of Hunger and Malnutrition in Children

Avantha Foundation launched the HUNGaMA Next project, a large-scale child nutrition intervention in 2012 focusing on indigenous and tribal villages in three high-burden states—Madhya Pradesh, Odisha and Rajasthan. The project aimed at creating evidence based models in one block each of the above states to significantly reduce child malnutrition by working with Government of India's flagship public health programs such as the Integrated Child Development Services and the National Rural Health Mission. Sheopur Block in Sheopur District (Madhya Pradesh), Kundra Block in Koraput District (Odisha) and Chhoti Sarwan Block in Banswara District (Rajasthan) were accordingly selected for the intervention. This project sought to enhance the knowledge of mothers and families on child

nutrition, improve quality of family counseling, increase data efficiency, strengthen technical capacity of government frontline workers and expand village community participation. The project covered nearly 18,000 children of 0-3 years' age and more than 2,200 pregnant women in the above states.

#### 2. Avantha Nutrition Fellowship

Avantha Foundation supports building skills of young professionals through two year fellowships in Child Nutrition. The objective of the fellowship program is to build capacities of young post-graduates with a view to develop them into a cadre of qualified and trained professionals who have experience working with communities and stakeholders. These Fellows work directly in the field within the government systems to strengthen nutrition service delivery in remote and difficult-to-access areas; and implement action research as part of their two-year assignment. The

Fellows are given field responsibilities under Avantha Foundation's HUNGaMA Next child nutrition project and are placed at various rural and tribal locations for two years in three states — Odisha, Madhya Pradesh and Rajasthan — where the project is being implemented. The Foundation has so far offered 27 Fellowships in child nutrition. The following key achievements were facilitated through the project in Fellows' field areas: Proportion of children in normal nutrition grade:

- Madhya Pradesh-60.4% (Apr 2015); 72.8% (Mar 2016)
- Odisha-61.5% (Apr 2015); 74.9% (Mar 2016)
- Rajasthan-64.3% (Apr 2015); 65.6% (Mar 2016)

### **3. Improving Urban Service Delivery through Community Mobilization and Capacity Building**

Implemented in Chhattisgarh, Gujarat, Himachal Pradesh and Odisha, the Avantha Urban Innovation Project reached out to nearly 9,000 respondents for an initial needs assessment that helped formulate key implementation approaches. Capacity of more than 450 elected representatives, municipal officials and stakeholders have been strengthened so far through training provided by experts in public policy and governance. These include the visioning and ward planning conducted in Odisha as well as the partnership with Himachal Pradesh government for establishing local governance models for financial administration and human resource management. These groups currently have a 90-strong membership and have conducted more than 170 advocacy initiatives with local government bodies and partners, besides signing six MoUs for implementing specific governance initiatives.

### **4. Avantha Governance Fellowships**

The objective of this fellowship program is to build capacities of young post-graduates with a view to develop them into the cadre of qualified and trained professionals who have experience working with communities and stakeholders. These Fellows will work directly in the field within the government systems to strengthen urban service delivery in small towns and implement action research as part of their two year assignment with the Foundation. They are placed in areas where the Foundation has ongoing AUIP projects — Chhattisgarh,

Gujarat, Odisha and Himachal Pradesh — to ensure regular supervision and monitoring. The Foundation has offered eight fellowships in the public policy and governance domain.

### **WAY AHEAD**

During 2015–2016, CG developed projects on quality education in primary and secondary schools, vocational skills development of community youth, skill up-gradation of Industrial Training Institute (ITI) and community preventive health projects with specific focus on mother and child health care. During FY2017, CG is envisaging to engage and develop ownership of neighbouring communities and the social systems at a higher level for sustainable livelihoods.

With the aim of creating livelihood for youth and women, job placement and micro entrepreneurship for the trained youth and women in vocational skills will be focused through vocational skills projects. The pilot project of skill up-gradation with ITI students will be replicated at the ITIs at Madhya Pradesh, Maharashtra and Goa whereas in the area of quality education, thrust will be on capacity development of teachers from identified schools. While addressing health issues, training of PHC's (Primary Healthcare Centre) workers and community health service providers will be given priority so that the communities and government healthcare system can work together for better performance and develop preventive measures at community level. The major outcome of the health project is reducing malnourishment and neonatal mortality rate.

Encouraging employee volunteers will be continued as part employee volunteering project. CG employees will be a part of the various initiatives in the area of developing skills, knowledge and confidence of youth.

#### **K N NEELKANT**

CEO and Managing Director  
(DIN 05122610)

#### **M PUDUMJEE**

Chairperson-CSR Committee  
(DIN 00019581)

## ANNEXURE 4

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Note: The information provided below is on Stand-alone basis for Indian Listed entity.

### 01 RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF ALL THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR

SR NO	NAME OF DIRECTOR	REMUNERATION (RS) (INCLUDING SITTING FEES)	RATIO OF REMUNERATION TO MEDIAN REMUNERATION OF ALL EMPLOYEES
1	Mr Gautam Thapar	3,60,78,212	77.2
2	Mr KN Neelkant*	41,37,661	8.85
3	Mr Laurent Demortier <sup>#</sup>	18,60,66,935	397.94
4	Mr Shirish Apte	83,47,488	17.85
5	Dr Omkar Goswami	20,67,200	4.42
6	Mr B Hariharan	19,49,000	4.17
7	Mr Sanjay Labroo	16,20,000	3.46
8	Dr (Mrs) Colette Lewiner <sup>##</sup>	37,05,250	7.92
9	Ms Meher Pudumjee	11,90,000	2.55
10	Dr Valentin von Massow	48,07,850	10.28

\* Appointed w.e.f. 3 February 2016

<sup>#</sup> Resigned as CEO & Managing Director w.e.f. 3 February 2016 and continued as a Whole-time Director upto 31 March 2016. Remuneration to Mr Demortier includes severance pay, banked bonus and retiral benefits from previous years as per the terms of his employment agreement with the Company and as approved by Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee.

<sup>##</sup> Resigned w.e.f. 14 March 2016

1. Ratio of the remuneration of each director to the median remuneration of all the employees of the Company for the financial year are given in **Table 1**.

For the aforesaid purposes, median remuneration has been computed by ascertaining the cost to Company of all employees of the Company as on 31 March 2016, in all categories, whether workmen or white collar employees. Remuneration includes variable pay paid during the year.

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

The details of remuneration for Non-Executive Directors is given in **Table 2A**, and remuneration for Key Managerial Personnel is given in **Table 2B**.

Non-Executive Directors' commission is capped at 1% of the net profits, as permitted by the Companies Act, 2013 and approved by the shareholders at the Annual General Meeting held on 24 July 2015. Apportionment of commission amongst the Non-Executive Directors is done based on the Guidelines approved by the Board which, in addition to a fixed fee for participation at board meetings as a Director, also recognises additional positions as Committee Members, Chairman, Nominee to Subsidiaries / Associates / Joint-Ventures and greater involvement in Company's initiatives and strategic directions. The increase / decrease in commission payment compared to previous financial year is in line with these Guidelines for apportionment of the Commission and due to foreign exchange rate fluctuations in some cases.

3. The median remuneration of employees decreased by 1.32% as compared to previous financial year, majorly due to transfer of employees to Crompton Greaves Consumer Electricals Limited on account of demerger of Consumer Business.

4. The number of permanent employees on the rolls of Company as on 31 March 2016: 3,633.

### 02A THE PERCENTAGE INCREASE IN REMUNERATION OF NON-EXECUTIVE DIRECTORS IN THE FINANCIAL YEAR

SR NO	NAME OF DIRECTOR	2014-2015 REMUNERATION (INCLUDING SITTING FEE) (RS.)	2015-2016 REMUNERATION (INCLUDING SITTING FEES) (RS)	% INCREASE/ (DECREASE)
1	Mr Gautam Thapar	3,98,38,000	3,60,78,212	(9.39)
2	Mr Shirish Apte	67,90,000	83,47,488	22.94
3	Dr Omkar Goswami <sup>#</sup>	3,20,000	20,67,200	546.00
4	Mr B Hariharan	22,70,000	19,49,000	(14.14)
5	Mr Sanjay Labroo	18,65,000	16,20,000	(13.14)
6	Dr (Mrs) Colette Lewiner	36,35,000	37,05,250	1.93
7	Ms Meher Pudumjee	10,73,000	11,90,000	10.90
8	Dr Valentin von Massow	49,64,000	48,07,850	(3.15)

<sup>#</sup> Relinquished commission payable to him for FY2014-15

## 02B

## THE PERCENTAGE INCREASE IN REMUNERATION OF KEY MANAGERIAL PERSONNEL IN THE FINANCIAL YEAR

SR NO	NAME	2014-2015 REMUNERATION (RS.)	2015-2016 REMUNERATION (RS.)	% INCREASE IN REMUNERATION IN THE FINANCIAL YEAR
1	Mr KN Neelkant* (CEO and MD)	NA	41,37,661	NA
2	Mr Laurent Demortier** (CEO and MD)	6,56,33,133	18,60,66,935	181.30
3	Mr Madhav Acharya (CFO)	3,09,01,236	3,25,58,848	5.36
4	Ms Minal Bhosale (CS)*	56,31,752	11,13,161	NA
5	Mr Manoj Koul (CS)**	NA	30,59,259	NA

\* Appointed w.e.f. 3 February 2016

\*\* Resigned as CEO & Managing Director w.e.f. 3 February 2016 and continued as a Whole-time Director upto 31 March 2016. Remuneration to Mr Demortier includes severance pay, banked bonus and retiral benefits from previous years as per the terms of his employment agreement with the Company.

# Remuneration figures not comparable since Ms. Minal Bhosale resigned w.e.f 31 May 2015.

\*\* Appointed w.e.f. 3 August 2015

5. Relationship between average increase in remuneration and Company performance:

The average increase in remuneration during FY2016 was 13.12%. Gross Revenue of the Company during the financial year reduced from Rs.4,524 crore to Rs.4,291 crore from continuing operations (a decrease of 5.15%).

Average increase in remuneration is guided by factors like economic growth, inflation, mandatory increases, external competitiveness and the need for talent retention. Whilst at the Senior Management level, compensation comprises of a higher component of variable pay, at the lower levels, remuneration is predominantly fixed in nature and hence a perfect correlation with Company performance cannot be achieved.

Whilst the Company has a strong cost focus, employee cost being one of the key areas for cost monitoring and control, the total employee cost as a percentage of Gross

Revenue was only 8.67%. Besides employee costs, there are other significant internal and external factors impacting performance of the Company, which are explained in detail in the Management Discussion & Analysis Report.

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company; Refer point 9.

7. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies and in case of unlisted companies, the variations in the net worth of the Company as at the close

## 03 MARKET CAPITALISATION AND PRICE EARNINGS RATIO

	AS AT 31 MARCH 2015	AS AT 31 MARCH 2016	PERCENTAGE INCREASE / (DECREASE)
Market capitalisation	Rs 10403.99 cr	Rs 3083.59 cr	(70.36)
Price earnings ratio	14.22	NA, due to loss	NA

Note: The decline in the market capitalisation as on 31 March 2016 is on account of demerger of consumer business, into Crompton Greaves Consumer Electricals Limited (CGCEL). Shares of CGCEL were listed on BSE & NSE on 13 May 2016. As on the date of this report the market capitalisation of CGCEL is Rs. 8288.71 Cr.



of the current financial year and previous financial year (refer to **Table 3**).

The closing market price of the shares of the Company as at 31 March 2016 was Rs.49.20 (BSE) and Rs.48.85 (NSE). The Company came out with an Initial Public Offer in 1967 at an issue price of Rs.180 per share. However, these prices are strictly not comparable since there have been bonus issues, change of face value of shares, acquisitions, demerger and disposals since the Company's Initial Public Offer of shares in 1967.

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase in salary of Company's employees was 13.12%. On the other hand, overall managerial remuneration decreased by 2% compared to previous financial year. Total managerial remuneration comprises of remuneration of the CEO and Managing Director and commission paid to Non-Executive Directors. CEO and Managing Director's remuneration is capped at 5% of the Company's net profits as permitted by the Companies Act, 2013. Non-Executive Directors' commission is capped at 1% of the net profits, as permitted by the Companies Act, 2013 and approved by the shareholders at the Annual General Meeting held on 24 July 2015. Commission to Non-Executive Directors and CEO and Managing Director's remuneration paid during the year is within the above limits.

9. Comparison of remuneration of each Key Managerial Personnel against the performance of the Company:

Remuneration of all Key Managerial Personnel of the Company is indicated at point (2) overleaf. Remuneration to Key Managerial Personnel comprises of fixed and variable components. In addition to individual performance and leadership assessment, the key drivers to determine variable pay are business and Company's performance measured in terms of KPIs such as order intake, sales, free cash flow and operational EBITDA. Hence, Company's performance has a significant impact on the variable remuneration to Key Managerial Personnel. However, fixed component of the remuneration is attributable to employee skills and experience and hence there is no direct correlation with the performance of the Company.

10. The key parameters for any variable component of remuneration availed by the Directors:

The variable pay of the CEO and Managing Director is determined based on the parameters indicated at point 9.

11. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: Not applicable since no employee of the Company receives remuneration in excess of the highest paid director, i.e. the CEO and Managing Director.

12. Remuneration is as per the remuneration policy of the Company.

On behalf of the Board of Directors

**G THAPAR**

Chairman

DIN (00012289)

Mumbai, 27 May 2016

# ANNEXURE 5

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR

ENDED 31 MARCH 2016

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To:

The Members,  
Crompton Greaves Limited,  
CG House, 6th Floor,  
Dr Annie Besant Road,  
Worli, Mumbai-400 030.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Crompton Greaves Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2016 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment,

Overseas Direct Investment and External Commercial Borrowings;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The erstwhile Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).

vi) I further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

- (a) The Electricity Act, 2003 and Rules
- (b) Explosives Act, 1884 and Rules
- (c) Batteries (Management and Handling) Rules, 2001
- (d) Petroleum Act, 1934 and Rules
- (e) The Indian Boilers Act, 1923 and Rules
- (f) Essential Commodities Act, 1955

I have also examined compliance with the applicable clauses of the following:

i) Secretarial Standards issued by The Institute of Company Secretaries of India, effective from 1 July 2015.

ii) The erstwhile Listing Agreement entered into by the Company with stock exchanges and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified with effect from 1 December 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit Period:

- The Company has adopted a new set of Articles of Association aligned to the provisions of the Companies Act, 2013 and the rules thereunder, by passing a Special Resolution at the Seventy Eighth Annual General Meeting of the Company held on 24 July 2015.

- The Company has divested its entire shareholding of 50% in CG Lucy Switchgear Limited, a joint venture company, to W Lucy & Co. Limited, UK for a consideration of Euro 5.5 Million on 8 October 2015.

- The Company has sold its Canadian Power Transformer Business i.e. divestment from CG Power Systems Canada Inc. to PTI Holdings Corporation, Canada for an enterprise value of about Canadian \$20 Million, effective from 27 October 2015, after obtaining applicable regulatory approvals.

- The Company has announced that it has accepted revised binding letter of offer for acquisition of its European, North American and Indonesian activities of power segment division i.e. Transmission & Distribution (T & D) Business outside India from First Reserve International Limited, a US private equity fund for an enterprise value of Euro 115 Million, subject to applicable regulatory and shareholders' approvals and signing of definitive share purchase agreement.

- The Scheme of Arrangement between the Company (demerged) and Crompton Greaves Consumer Electricals Limited (CGCEL) has been approved by the Hon'ble High Court of Judicature at Bombay vide its orders dated 20 November 2015. The Company has fixed 16 March 2016 as the record date to determine the eligibility of its shareholders, who would be entitled to receive shares of CGCEL, in terms of the Scheme.

**DR K R CHANDRATRE**

FCS No.: 1370, C P No.: 5144

Pune, 27 May 2016

# ANNEXURE 6

## FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I REGISTRATION AND OTHER DETAILS

i)	CIN	L99999MH1937PLC002641
ii)	Registration Date	28 April 1937
iii)	Name of the Company	Crompton Greaves Limited
iv)	Category / Sub-Category of the Company	Public Company limited by shares
v)	Address of the Registered office and contact details	6th Floor CG House, Dr A.B. Road, Worli, Mumbai 400 030 Tel No : +91 22 24237777 Fax: +91 22 2423 7733
vi)	Whether listed company ( yes / no )	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Datamatics Financial Services Limited Address : Plot No B-5, Part B Crosslane, MIDC Marol, Andheri (East), Mumbai 400 093. Tel: + 91 (0) 22 66712151 to 66712160 Fax:+ 91 (0) 22 6671 2230 Email: cginvestors@dfssl.com

### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

ALL THE BUSINESS ACTIVITIES CONTRIBUTING 10% OR MORE OF THE TOTAL TURNOVER OF THE COMPANY			
S NO.	NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICES	NIC CODE OF THE PRODUCT / SERVICE	% TOTAL TURNOVER OF THE COMPANY
1	Power Transformers and Reactors	27102	28.47
2	Low Tension Motors	27103	35.25
3	Switchgears	27900	20.11

### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S NO	NAME OF THE COMPANY	CIN / GLN	HOLDING / ASSOCIATE / SUBSIDIARY	% OF SHARES HELD	APPLICABLE SECTION
1	Crompton Greaves Consumer Products Ltd	U31900MH2014PLC258217	Subsidiary	100	2(87)
2	CG-PPI Adhesive Products Ltd	U24295GA1988PLC000921	Subsidiary	81.42	2(87)
3	CG Power Solutions Limited	U40300MH2012PLC228170	Subsidiary	100	2(87)
4	CG Automation Systems UK Ltd	Foreign Company	Subsidiary	100	2(87)
5	CG Drives & Automation Germany GmbH	Foreign Company	Subsidiary	100	2(87)
6	CG Drives & Automation Netherlands BV	Foreign Company	Subsidiary	100	2(87)
7	CG Drives & Automation Sweden AB	Foreign Company	Subsidiary	100	2(87)
8	CG Electric Systems Hungary ZRT	Foreign Company	Subsidiary	100	2(87)
9	CG Holdings Belgium NV	Foreign Company	Subsidiary	100	2(87)
10	CG Holdings Hungary Kft	Foreign Company	Subsidiary	100	2(87)
11	CG Industrial Holdings Sweden AB	Foreign Company	Subsidiary	100	2(87)
12	CG International BV	Foreign Company	Subsidiary	100	2(87)
13	CG Middle East FZE	Foreign Company	Subsidiary	100	2(87)
14	CG Power Solutions UK Ltd	Foreign Company	Subsidiary	100	2(87)
15	CG Power USA Inc	Foreign Company	Subsidiary	100	2(87)
16	CG Power Systems Belgium NV	Foreign Company	Subsidiary	100	2(87)
17	CG Power Systems Brazil Ltda	Foreign Company	Subsidiary	100	2(87)
18	CG Power Systems Canada Inc	Foreign Company	Subsidiary	100	2(87)
19	CG Power Systems Ireland Ltd	Foreign Company	Subsidiary	100	2(87)
20	CG Sales Networks France SA	Foreign Company	Subsidiary	99.40	2(87)
21	CG Service Systems France SAS	Foreign Company	Subsidiary	100	2(87)
22	CG International Holdings Singapore PTE LTD	Foreign Company	Subsidiary	100	2(87)
23	Crompton Greaves Sales Network Malaysia Sdn. Bhd.	Foreign Company	Subsidiary	100	2(87)
24	Microsol Ltd	Foreign Company	Subsidiary	100	2(87)
25	PT CG Power Systems Indonesia	Foreign Company	Subsidiary	95	2(87)
26	ZIV I+D Smart Energy Networks	Foreign Company	Subsidiary	100	2(87)
27	ZIV Aplicaciones y Tecnologia, S.L.	Foreign Company	Subsidiary	100	2(87)
28	ZIV Communication SAU	Foreign Company	Subsidiary	100	2(87)
29	ZIV Do Brasil Ltda	Foreign Company	Subsidiary	100	2(87)
30	ZIV Grid Automation SLU	Foreign Company	Subsidiary	100	2(87)
31	ZIV Metering Solutions, SLU	Foreign Company	Subsidiary	100	2(87)
32	ZIV France, S.A.U (incorporated)	Foreign Company	Subsidiary	100	2(87)
33	PT Crompton Prima Switchgear Indonesia	Foreign Company	Subsidiary	51	2(87)
34	Saudi Power Transformers Company Ltd	Foreign Company	Associate	49	2(6)
35	CG Power Solutions Saudi Arabia Ltd	Foreign Company	Subsidiary	51	2(87)
36	Pauwels Middle East Trading & Contracting Pvt Co LLC	Foreign Company	Associate	49	2(6)
37	KK El-Fi Japan	Foreign Company	Associate	49	2(6)

**Notes:**

- Crompton Greaves Consumer Electricals Limited ceased to be subsidiary of the Company, pursuant to the order of Hon'ble High Court of Bombay dated 20 November 2015 to the Scheme of Arrangement in the nature of Demerger
- Crompton Greaves Holdings Mauritius Ltd ceased to be subsidiary of the Company on 14 December 2015 upon its liquidation
- CG Power County LLC ceased to be subsidiary of the Company on 10 July 2015 upon its liquidation
- CG Lucy Switchgear Limited ceased to be an associate of the Company on 8 October 2015 pursuant to the divestment of the Company's investment
- ZIV France S.A.U was incorporated on 3 November 2015
- Address of the entites mentioned herein above are provided in this Annual Report

# IV SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

## A CATEGORY WISE SHAREHOLDING

FRACTIONS ROUNDED OFF TO TWO DECIMAL PLACES										
S NO	CATEGORY OF SHAREHOLDER	NUMBER OF SHARES HELD AS ON 1.04.2015 (ON THE BASIS OF SHAREHOLDING PATTERN OF 31.03.2015)				NUMBER OF SHARES HELD AS ON 31.03.2016				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(A)	<b>Promoters</b>									
1	<b>Indian</b>									
(a)	Individuals /HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	215451070	0	215451070	34.38	215451070	0	215451070	34.38	0.00
(e)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total (A)(1)</b>	<b>215451070</b>	<b>0</b>	<b>215451070</b>	<b>34.38</b>	<b>215451070</b>	<b>0</b>	<b>215451070</b>	<b>34.38</b>	<b>0.00</b>
2	<b>Foreign</b>									
(a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>215451070</b>	<b>0</b>	<b>215451070</b>	<b>34.38</b>	<b>215451070</b>	<b>0</b>	<b>215451070</b>	<b>34.38</b>	<b>0.00</b>
(B)	<b>Public shareholding</b>									
1	<b>Institutions</b>									
(a)	Mutual Funds	153323820	5166	153328986	24.46	157925595	5166	157930761	25.20	0.73
(b)	Banks / FI	1587704	79360	1667064	0.27	561651	79360	641011	0.10	-0.16
(c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	39115206	0	39115206	6.24	42858353	0	42858353	6.84	0.60
(g)	FIs	96699102	80362	96779464	15.44	86821513	80362	86901875	13.87	-1.58
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(j)	Other (specify) - Alternate Investment Funds	0	0	0	0.00	333000	0	333000	0.05	0.00
	<b>Sub Total (B)(1)</b>	<b>290725832</b>	<b>164888</b>	<b>290890720</b>	<b>46.41</b>	<b>288500112</b>	<b>164888</b>	<b>288665000</b>	<b>46.06</b>	<b>-0.36</b>
2	<b>Non-institutions</b>									
(a)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(a)(i)	Indian	53055703	47461	53103164	8.47	50668831	47358	50716189	8.09	-0.38
(a)(ii)	Overseas	434261	350	434611	0.07	61250	350	61600	0.01	-0.06
(b)	Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)(i)	Individuals - shareholders holding nominal share capital up to Rs.1 Lakh	46473230	5384638	51857868	8.27	48720568	5077819	53798387	8.58	0.31
(b)(ii)	Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	8398336	121520	8519856	1.36	14463773	121520	14585293	2.33	0.97
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
(d)(i)	NRI Rep	1367222	8377	1375599	0.22	1411556	7652	1419208	0.23	0.01
(d)(ii)	NRI Non -Rept	890443	54157	944600	0.15	1108985	53098	1162083	0.19	0.03
(d)(iii)	Foreign Bodies	3192002	0	3192002	0.51	0	0	0	0.00	-0.51
(d)(iv)	Foreign National	2808	0	2808	0.00	4983	0	4983	0.00	0.00
	<b>Sub Total (B)(2)</b>	<b>113814005</b>	<b>5616503</b>	<b>119430508</b>	<b>19.06</b>	<b>116439946</b>	<b>5307797</b>	<b>121747743</b>	<b>19.43</b>	<b>0.36</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>404539837</b>	<b>5781391</b>	<b>410321228</b>	<b>65.47</b>	<b>404940058</b>	<b>5472685</b>	<b>410412743</b>	<b>65.48</b>	<b>0.01</b>
	<b>Total (A+B)</b>	<b>619990907</b>	<b>5781391</b>	<b>625772298</b>	<b>99.84</b>	<b>620391128</b>	<b>5472685</b>	<b>625863813</b>	<b>99.86</b>	<b>0.15</b>
(C)	<b>Custodians for GDRs and ADRs</b>	973844	0	973844	0.16	882329	0	882329	0.14	-0.01
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>620964751</b>	<b>5781391</b>	<b>626746142</b>	<b>100.00</b>	<b>621273457</b>	<b>5472685</b>	<b>626746142</b>	<b>100.00</b>	<b>0.00</b>



## B SHAREHOLDING OF PROMOTERS

FRACTIONS ROUNDED OFF TO TWO DECIMAL PLACES

S.NO	SHAREHOLDER'S NAME	SHAREHOLDING AS ON 1.04.2015 (ON THE BASIS OF SHAREHOLDING PATTERN OF 31.03.2015)			SHAREHOLDING AS ON 31.03.2016			% CHANGE IN SHAREHOLDING DURING THE YEAR
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEGGED / ENCUMBERED TO TOTAL SHARES	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEGGED / ENCUMBERED TO TOTAL SHARES	
1	Avantha Holdings Limited	215442496	34.38	22.59	215442496	34.38	28.96	0.00
2	Varun Prakashan Private Limited	5022	0.00	0.00	5022	0.00	0.00	0.00
3	Avantha Realty Limited	3552	0.00	0.00	3552	0.00	0.00	0.00

## C CHANGE IN PROMOTERS' SHAREHOLDING

There has been no change in promoters' shareholding during the financial year ended 31 March 2016.

## D SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)

FRACTIONS ROUNDED OFF TO TWO DECIMAL PLACES

S.NO	NAME OF THE SHAREHOLDER	SHAREHOLDING AS ON 1.04.2015 (ON THE BASIS OF SHAREHOLDING PATTERN OF 31.03.2015)		CHANGE IN SHAREHOLDING (NO. OF SHARES)		SHAREHOLDING AS ON 31.03.2016	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	INCREASE	DECREASE	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	HDFC Trustee Company Limited – HDFC Multiple Yield Fund	57809500	9.22	0	0	57809500	9.22
2	Life Insurance Corporation Of India P & GS Fund	30071908	4.80	5000000	2251713	32820195	5.24
3	Reliance Emergent India Fund	29183777	4.66	25409956	8023859	46569874	7.43
4	ICICI Prudential Value Fund Series 1*	20545263	3.28	4302578	24847841	0	0.00
5	Birla Sun Life Trustee Company Private Limited Ac Birla Sun Life 95 Fund	16024310	2.56	19739685	7419357	28344638	4.52
6	HDFCSL Shareholders Solvency Margin Account	14379292	2.29	1529468	9841455	6067305	0.97
7	ICICI Prudential Life Insurance Company Ltd	13129023	2.10	1789999	8811622	6107400	0.97
8	UTI-Opportunities Fund	9709870	1.55	4867600	3289026	11288444	1.80
9	Copthall Mauritius Investment Limited*	9286491	1.48	5366255	14652746	0	0.00
10	Government Pension Fund Global	9249810	1.48	5095397	12489466	1855741	0.30
11	HSBC Global Investment Funds A / C HSBC GIF Mauritius Limited	8307127	1.33	139431	1786870	6659688	1.06
12	WGI Emerging Markets Smaller Companies Fund, LLC*	0	0.00	8622451	0	8622451	1.38
13	Samena Special Situations Mauritius*	0	0.00	8293085	0	8293085	1.32
14	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Fund	7489345	1.20	31373	1068984	6451734	1.03

\* Not in the list of top 10 Shareholders as on 1 April 2015 but is one of the top 10 Shareholders as on 31 March 2016.

\* Not in the list of top 10 Shareholders as on 31 March 2016 but is one of the top 10 Shareholders as on 1 April 2015.

## E SHAREHOLDING OF DIRECTORS AND EACH KEY MANAGERIAL PERSONNEL

S.NO	SHAREHOLDING OF EACH DIRECTORS AND EACH KEY MANAGERIAL PERSONNEL	SHAREHOLDING AS ON 1.04.2015		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO.OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO.OF SHARES	% OF TOTAL SHARES OF THE COMPANY
<b>B HARIHARAN, NON-EXECUTIVE DIRECTOR</b>					
1	As on 1.04.2015	657	0.00	657	0.00
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0.00	657	0.00
3	As on 31.03.2016	657	0.00	657	0.00
<b>DR VALENTIN VON MASSOW, INDEPENDENT DIRECTOR [GDR]</b>					
1	As on 1.04.2015	2687	0.00	2687	0.00
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0.00	2687	0.00
3	As on 31.03.2016	2687	0.00	2687	0.00

## V INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING / ACCRUED BUT NOT DUE FOR PAYMENT

IN RUPEES				
INDEBTEDNESS AS ON 1.04.2015	SECURED LOAN EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
(i) Principal amount	214990168	464559369	-	679549537
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>214990168</b>	<b>464559369</b>	<b>-</b>	<b>679549537</b>
<b>Changes in Indebtedness during the financial Year</b>				
Addition	1272714197	3620951861	-	4893666058
Reduction	214990168	37472965	-	252463133
Net Changes	1057724029	3583478896	-	4641202925
<b>Indebtedness as on 31.03.2016</b>				
(i) Principal amount	1272714197	4036997854	-	5309712051
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	11040411	-	11040411
<b>Total (i+ii+iii)</b>	<b>1272714197</b>	<b>4048038265</b>	<b>-</b>	<b>5320752462</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND / OR MANAGER

IN RUPEES				
SL. NO	PARTICULARS OF REMUNERATION	K N NEELKANT* CEO & MANAGING DIRECTOR	LAURENT DEMORTIER ** CEO & MANAGING DIRECTOR	TOTAL AMOUNT
1	Gross salary:			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	39,45,294	4,99,69,918	5,39,15,212
(b)	Value of perquisites u / s 17(2) of the Income-tax Act, 1961	23,200	2,47,05,193	2,47,28,393
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	as % of profit	-	-	-
	others (Variable: Bonus + Severance Pay)	-	10,99,51,824	10,99,51,824
5	Others (Provident Fund / Gratuity Fund / Super annuation Fund)	1,69,167	14,40,000	16,09,167
	Total (A)	41,37,661	18,60,66,935	19,02,04,596

\* Appointed w.e.f. 3 February 2016

\*\* Resigned as CEO and Managing Director w.e.f. 3 February 2016 and continued as a Whole-time Director upto 31 March 2016

In terms of the provisions of the Companies Act, 2013, the remuneration payable to the Managing Director or Whole-time Director or Manager of the Company shall not exceed 5% of the net profits of the Company. The remuneration paid is within the said limit.

### B REMUNERATION TO OTHER DIRECTORS

IN RUPEES										
SL. NO	PARTICULARS OF REMUNERATION	NAME OF DIRECTORS								TOTAL AMOUNT
		MR GAUTAM THAPAR	MR SHIRISH APTE	DR OMKAR GOSWAMI	MR B HARIHARAN	MR SANJAY LABROO	DR (MRS) COLETTE LEWINER#	MS MEHER PUDUMJEE	DR VALENTIN VON MASSOW	
1	Independent Directors									
	Fee for attending Board and Committee meetings	-	2,20,000	-	-	2,20,000	1,00,000	1,40,000	1,40,000	8,20,000
	Commission	-	81,27,488	-	-	14,00,000	36,05,250	10,50,000	46,67,850	1,88,50,588
	Others	-	-	-	-	-	-	-	-	-
	Total (1)	-	83,47,488	-	-	16,20,000	37,05,250	11,90,000	48,07,850	1,96,70,588
2	Other Non-Executive Directors									
	Fee for attending Board and Committee meetings	2,20,000	-	1,60,000	1,40,000	-	-	-	-	5,20,000
	Commission	3,58,58,212	-	19,07,200	18,09,000	-	-	-	-	3,95,74,412
	Others	-	-	-	-	-	-	-	-	-
	Total (2)	3,60,78,212	-	20,67,200	19,49,000	-	-	-	-	4,00,94,412
	Total (B) = (1 + 2)	3,60,78,212	83,47,488	20,67,200	19,49,000	16,20,000	37,05,250	11,90,000	48,07,850	5,97,65,000

# Resigned on 14 March 2016

In terms of the provisions of the Companies Act, 2013, the remuneration payable to Directors other than Executive Directors shall not exceed 1% of the net profits of the Company. The remuneration paid to the Directors of the Company mentioned aforesaid is within the said limit.

## C REMUNERATION TO KEY MANAGERIAL PERSONNEL (KMP) OTHER THAN MD / WTD / MANAGER

					IN RUPEES
SL. NO	PARTICULARS OF REMUNERATION	NAME OF KMP			TOTAL AMOUNT
		MR MADHAV ACHARYA (CFO)	MS MINAL BHOSALE * (CS)	MR MANOJ KOUL** (CS)	
1	Gross salary :				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,81,06,268	10,92,489	29,15,456	<b>3,21,14,213</b>
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	28,800	-	9,000	37,800
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	as % of profit	-	-	-	-
	others	-	-	-	-
5	Others				
	Variable pay	34,15,781	-	-	<b>34,15,781</b>
	Provident Fund / Gratuity Fund / Super annuation Fund	10,07,999	20,672	1,34,803	<b>11,63,474</b>
	<b>Total</b>	<b>3,25,58,848</b>	<b>11,13,161</b>	<b>30,59,259</b>	<b>3,67,31,268</b>

\* Resigned w.e.f. 31 May 2015 \*\* Appointed w.e.f. 3 August 2015

## VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

TYPE	SECTION OF THE COMPANIES ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY / PUNISHMENT / COMPOUNDING FEES IMPOSED	AUTHORITY [RD / NCLT / COURT]	APPEAL MADE, IF ANY (GIVE DETAILS)
<b>A. COMPANY</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NIL		
Compounding					

On behalf of the Board of Directors

**G THAPAR**  
Chairman

(DIN 00012289)

Mumbai, 27 May 2016