

# DIRECTORS' REPORT

The Directors are pleased to present the sixty-second annual report together with the audited financial statements of the Company for the financial year ended March 31, 2018.

## FINANCIAL RESULTS

Particulars	(₹ millions)	
	Year ended March 31, 2018	Year ended March 31, 2017
Sales and Services (Net)	43,858	42,596
Operating Profit before Finance Cost	4,071	921
(As percentage of gross sales)	9%	2.2%
Finance Cost	883	1,654
Profit Before Tax	3,188	(733)
Tax Expense	1,100	134
Other Comprehensive Income net of Tax	30	(40)
Total comprehensive income / (expense) after tax	2,118	(907)
Balance brought forward from previous year	6,296	7,717
Profit available for appropriations	8,383	6,850
<b>Appropriations</b>		
Proposed Dividend	461	461
Corporate Dividend Tax	94	94
Balance carried forward	7,829	6,295

Financial results for the year ended March 31, 2018 are in compliance with the Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013.

## DIVIDEND

The Company has a Dividend Distribution Policy in line with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Policy is available on the Company's website at <http://www.ge.com/in/ge-td-india-limited>.

Your Directors take pleasure in recommending a dividend of 90% (₹ 1.80 per share) for every equity share of face value of ₹ 2/- each, for the financial year ended March 31, 2018.

## PERFORMANCE REVIEW

### Steady Performance Despite Constant Headwinds



Champa Kurukshetra Project : Control Center at Kurukshetra

During the year 2017-18, India's overall GDP growth was seen decelerating to 6.5% but is expected to rise to 7-7.5% in 2018-19. This is primarily due to landmark reforms undertaken by the Government in 2017. The transformational Goods and Services Tax (GST) was launched at the stroke of midnight on July 1, 2017. The long-festering Twin Balance Sheet (TBS) problem was decisively addressed by sending the major stressed companies for resolution under the new Indian Bankruptcy Code and implementing a major recapitalization package to strengthen the public-sector banks.

The Power sector today is struggling with 70GW+ of stranded assets due to lack of PPA and coal linkages. This has significantly slowed down the investments in ultra-high thermal capacity addition. However, this phenomenon has been largely balanced by the continuing investments in the renewable -Solar & Wind space. This shift in generation fuel has also impacted the changing dynamics of transmission and distribution space. As a result, the EHV grid investments of 800kV are now gradually moving towards sub-transmission grids of 220kV and below. This change in voltage profile of the grid demands a new range of product and project solutions in the market.

In recent years, India has been witnessing falling solar tariffs. While this has a positive impact on the cost of procuring power, it has also initiated certain discussions about renegotiation of already signed

power purchase agreements (PPAs) by certain states. Parallely, the Solar developers were also dealing with the revised tax imposed on Solar panels which resulted in supply chain issues and subsequent project delays by the developers. Due to this uncertain environment, the solar capacity addition during the year fell significantly. However, the overall capacity addition plan is on track and expected to see more momentum in 2018-19.

During the year, Government of India announced the 'Saubhagya' scheme to provide energy access to all by last mile connectivity and electricity connections to all remaining un-electrified households in rural and urban areas to achieve universal household electrification in the country. This will ensure that State Utilities strengthen their T&D networks and improve operational efficiencies to cater to the increased consumer base.

Industry in India is today seeing resolution of NPAs and stressed balanced sheets being overtaken by new investors. This consolidation and resolution in the industry is expected to improve capex in the coming years and give rise to additional demand for power.

Overall, despite the extremely challenging market, your Company successfully achieved a balanced portfolio of orders, resulting in sustained market leadership and improved overall performance. In addition, your Company ensured a healthy backlog of orders.

## Preferred Choice of Central and State Utilities

Your Company continues to be the preferred choice for T&D equipment by central and state transmission utilities across the country. The central transmission utility Power Grid Corporation of India Limited (Power Grid) chose your Company to provide end to end turn key solution for 765kV /400kV air-insulated substations at various sites across Jharsuguda, Raipur, Patna and Siliguri. These switchyards will further strengthen the Grid evacuation infrastructure in the eastern part of the country.

During the financial year under review, your Company was awarded two contracts by Doosan Power Systems for developing 765kV/400kV Gas insulated substations for 2\*660 MW Thermal Power Plants at Jawaharpur and Obra in the state of Uttar Pradesh. These substations will be located at Sonebhadra and Etah and shall contribute significantly towards bringing electricity to state of Uttar Pradesh which is today facing acute power shortage. The products shall be supplied from our local manufacturing facilities at Hosur, Padappai and Vadodara.

## Expanding in Neighboring Countries

The increasing demand of power in Bangladesh demands a robust system to handle its expanding power networks. cut inefficiencies and reduce power outages, therefore Transmission and Distribution systems are expected to play a huge role in making the desired impact. Based on your Company's established installed base in Bangladesh, your Company was chosen by Power Grid Company of Bangladesh for upgrading and maintaining National Load Dispatch Center of the country over next four years.

The Company shall be offering state of the art Energy Management System (EMS) that will help the utility infuse efficiencies into the grid and optimize power flow in the country. The SCADA/EMS control center has the capacity to accommodate the grid expansion of Bangladesh for the next eight years. Once upgraded, the system will be ready to integrate smart grid technologies such as WAMS (Wide Area Management Solutions) and will also offer cyber security technology feature

## Upgrading the State Grid Infrastructure

During the year, your Company consolidated its expertise in State Grid networks across the country. Your Company was awarded a 400kV/220kV/132kV turnkey gas insulated substation order by Uttar Pradesh Power Transmission Corporation Ltd. (UPPTCL) at Lucknow Hardoi Road.

The State of Chhattisgarh chose your Company to execute a 400kV/220kV substation at Dhamtari, Jagdalpur which will further expand the intra-state Grid capabilities. During the year, your Company won several projects across the states of Gujarat, Rajasthan, Telangana, Bihar and Orissa to provide end to end turnkey solutions and products for grid strengthening and expansion of inter-intra state grid networks.

Your Company's performance over the years with Private developers in the transmission space ensured that it was awarded a critical project by Sterlite Power Grid Ventures Ltd. The project requires commissioning of 400/132kV AIS substation equipment at Surajmaninagar and PK bari. This project is critical part of strengthening of transmission and distribution system for North East Region. One of the major products to be supplied for the project is 125 MVA power transformers. These will be manufactured at your Company's Naini facility and transported to Agartala.

Though the conventional Power generation sector is seeing limited power capacity addition, your Company was the first choice by ALSTOM Bharat Forge Private Ltd. To develop the 3\*550 MW Ghatampur thermal power project evacuation network.

## Preparing India for Higher Renewable Mix

The Government of India has set ambitious target to significantly grow India's renewable energy capacity and shift to a cleaner and greener energy mix by 2020. Your Company had anticipated the opportunity and was fully prepared to manage the challenges of renewable power to the grid.

The surge in renewable energy in the country demands efficient and reliable grid evacuation network to integrate the renewable energy with



400/200 kV Gas Insulated Substation situated at an altitude of 2024 mts (6640 ft) in the Amargarh village of Kashmir

the National Grid. Your Company continues to contribute to this initiative by developing grid evacuation network for Solar parks. During the year, your Company was awarded orders for full turnkey basis of 2\*40 MW solar in the state of Orissa by Pan India Infra projects.

Building on the references in Solar execution, your Company also won 4\*40 MW Solar projects by Essel in the state of Uttar Pradesh and Orissa.

## Making Inroads into Oil & Gas and Refinery Upgradation Space

In the industrial space, your Company won a contract from HPCL Mittal Energy (HMEL) for development of 400/66kV GIS MRSS (Main receiving substation) at HMEL Bhatinda refinery. The project encompasses design, engineering, supply, testing and commissioning

of 12 \* 400kV gas insulated switchgear bays, three phase power transformers and O&M contract post commissioning. The project will enable your Company to create benchmark in the oil & gas, refinery up-gradation space in India.

## Services: Enhanced Capabilities for Managing Ageing Grid Assets

Consistent performance of past years and an adequate backlog volume at the end of this year continues to assure a solid foundation for Services business.

Grid customers in India are now increasingly investing on training their employees to manage their T&D assets. The Technical Training Institute of your Company continues to play a key role for your customers by training their employees on the latest and complex technologies.

Your Company's Services business has deep expertise in renovation and modernization of old substations, an area which is getting lot of focus by state governments as they prepare to ensure round-the-clock power supply to all households. Your Company undertook many critical substation jobs, modernized them with latest technology and upgraded them to handle the added generation capacity coming in the grid.

During the year, your Company won several contracts from State utilities like Karnataka Power transmission, Bihar State Power Transmission,

Gujarat, Jammu & Kashmir to maintain and upgrade their aging Grid installed base.

Your Company also executed renovation and modernization across several power generation projects like National Hydro Power Corporation, SJVN And National Thermal Power corporation. This positions your Services team well in managing future requirements of upgrading grid infrastructure of ageing power generating plants.

During the year, your Company received numerous customer appreciations for the prompt and quality services provided by the Service team. As a testimony to its customer orientation, the service team was recognized as "Engineering Service Provider of the year" in the GMR – IGI Airport Awards 2017, for the operation and maintenance services provided by the Company at the Delhi International airport. Nothing is more satisfying than a recognition by customers to know that Service business is on track on its belief that "Customers determine our success".



Services team receiving award from DIAL for 'Engineering Service Provider of the year'

## OPERATIONAL EXCELLENCE

### Fulfilling the Promises Year after Year

Your Company's rich experience in project execution and determination to deliver on the promises made to our customers, has helped your Company reach new landmarks in operational excellence year after year.

In 2017-18 your Company achieved a major milestone by successfully commissioning Pole 2 of Phase 1 of Champa 800kV Ultra High Voltage Direct Current (UHVDC) project, transmitting total of 3,000 MW of power in the system (including Pole 1 commissioned in March 2017) from Champa, Chhattisgarh to Kurukshetra, Haryana. This is a major milestone in the power evacuation infrastructure in the country enabling bulk power transfer across the country and bringing access to the increasing demand regions of north India.

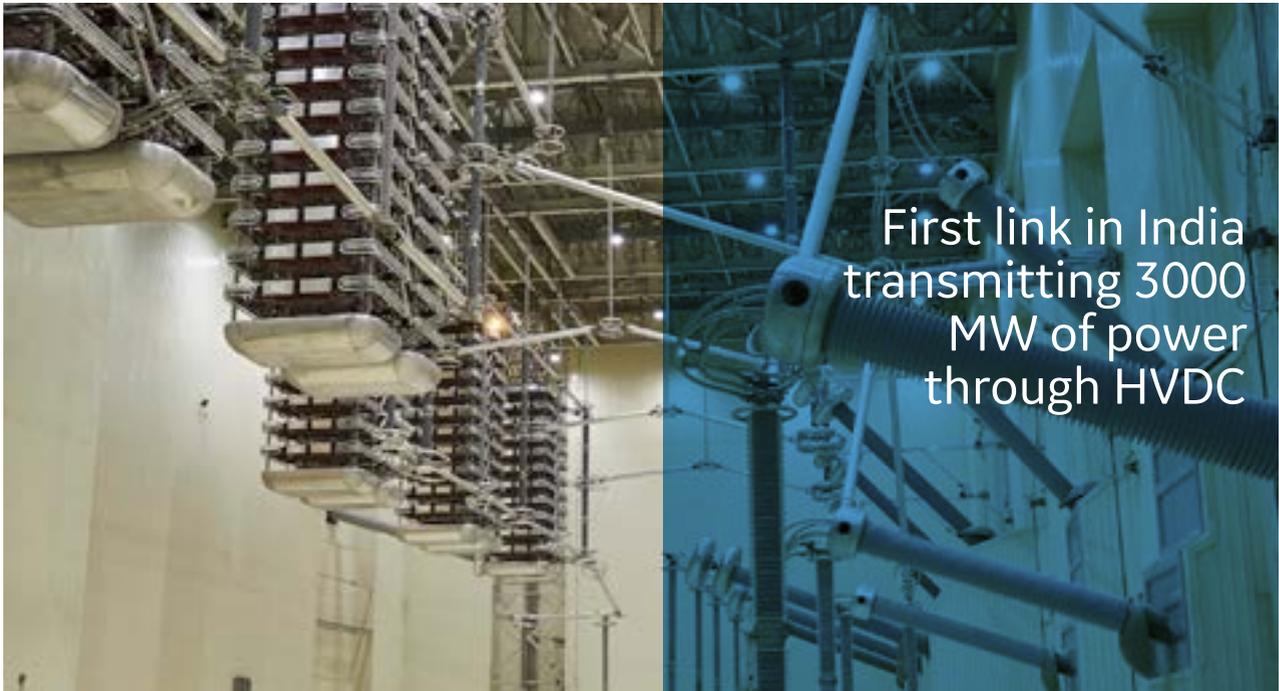
During the year under review, your Company demonstrated its expertise in execution of turnkey projects by commissioning 60 numbers of AIS and GIS substations, enabling addition more of than 13 GW power into the Grid. Main success stories were commissioning of Pole 2 (1500 MW) of HVDC at Champa and Kurukshetra, 765kV bay extension projects for Power Grid at Wardha, Vindhyachal, Jaipur and Gwalior within twelve months, completion of 400kV / 220kV Substation including 500 MVA transformer in four months, and commissioning of transformer package for L&T Power at Bheramara in Bangladesh.

Besides, your Company also executed and commissioned large number of turnkey projects for our esteemed customers that include Power Grid, Bihar State Power and Transmission Company Limited (BSPTCL), Rajasthan Transmission Co. Ltd (RVPN), Chattisgarh State Power & Transmission Co (CSPTCL), Maharashtra State Electrical Transmission Co. Ltd (MSETCL), Megha Engineering and Infrastructure Ltd (MEIL), Sterlite Energy and others.

Your Company's transformer factory in Vadodara commissioned three 765kV HVDC transformers for Champa site, seven numbers of 765 ICT and forty-one numbers of 765kV Reactors. This includes commissioning of 765kV Transformer and Reactor systems for TBCB switchyards at Warora and Orai in record time for Powergrid.

During the year, your Company's automation unit at Pallavaram commissioned more than 1000 bays of new and retrofit Substation Automation systems for ratings ranging from 33kV to 765kV.

All your Company's operations in India, be it in manufacturing, projects, services and automation, continue to be certified for Integrated Management System. This reinforces the quality of the processes of the Company and compliance to the same.



Valve Hall 765 kV HVDC at Kurukshetra

## ENVIRONMENT, HEALTH AND SAFETY

Your Company is committed to achieve Environment, Health and Safety (EHS) excellence. The commitment begins with our Board of Directors, who regularly review the Company's environmental and safety performance and implement EHS strategy. Regional teams wholeheartedly support to achieve the targets. This is a responsibility of management and employees in all functions and together it formulates the new One EHS model.

### Operational Ownership

Your Company believes that the way to deliver strong EHS performance is through operational ownership. Operational ownership means that GE holds its site, project and service managers accountable for the safety and environmental integrity of the operations they supervise. GE's EHS professionals support and guide its safety and compliance programs, but the Company expects its operations managers to take the lead.

GE ensures operational commitment through: (1) regular reviews of managers' EHS performance; (2) comprehensive EHS audits conducted by an independent central governance team; (3) in-depth classroom EHS training for new managers; and (4) feedback surveys in which employees anonymously evaluate their managers' EHS commitment.

### EHS a Continuous Improvement Process

Your Company has long been setting benchmarks in the field of EHS strategy and systems. The Company's approach to continuous improvement includes a risk-based, integrated EHS framework tool, predictive EHS analytics and to give an example, it started concept of potentially severe event (PSE), which is an EHS incident or near miss event which, under different circumstances, could have reasonably resulted in a serious incident. Each business prepares their containment actions are immediate actions that limit a problem's extensiveness and protect people or assets until identification of root causes and implementation of permanent corrective actions

At Projects we have started Hazard Hunt Exercises with an approach of "find it and fix it" culture, similarly in factories we have started "treasure hunt" program, which aims to identify opportunity in energy reduction and decreasing overall environment impact. Thus, coming out with standardizing expectations and sharing lessons learnt across.

### EHS and engagement with Contractors Customers

Your Company's Contractors often conduct high-risk operations in challenging environments. The Company is committed to help these business partners to deliver on their own EHS performance. Various programs have been initiated on contractor selection and control support.

Your Company also received EHS recognitions and appreciations from various customers, namely Power Grid corporation, RRVPNL, CSPTCL and KSEB.

### EHS Training for Managers

All GE operations managers undergo EHS courses and onsite trainings. During these on-site programs EHS expectations and strategy for delivering EHS performance is showcased through exercises executed in real-site / shop floors.

### EHS Reviews

Your Company tracks EHS metrics in real time through a "Gensuite" tool. EHS performance is regularly reviewed through an internal EHS operating review within India by management.

### Employee Feedback

As a feedback mechanism, periodic anonymous EHS-perception surveys are conducted at selected sites. These surveys are designed to measure employee's engagement, their views of EHS performance at their workplace and their impressions on their managers' EHS commitment.

### Centralized EHS Auditing

Approach to auditing reinforces the Company's open reporting culture. Your Company views audit findings as critical to improve operational performance and to learn about the gaps in the Company's EHS programs. As a result, the Company rewards—not discourages—audit findings. To drive this philosophy, your Company has created a centralized EHS business auditing schedule and a central EHS governance audit schedule, while our operations continue to conduct probing self-audits.

Findings are tracked to closure, and patterns are used to identify the need for expertise, program enhancement and support for additional execution.

### Data Analytics in EHS

Your Company tracks hundreds of EHS data points at sites in real time. The system is granular enough to identify maintenance delays for an individual valve at a chemical plant, for instance, while also comprehensive enough to aggregate data across GE businesses and regions. In the last two years, GE developed real-time data-visualization tools that have allowed us to use our EHS data to enhance our focus on our high-risk operations. In addition, several deep-dive and predictive analyses of high-impact event types were conducted that has led to significant changes in our management system priorities.



EHS session for Contractors

## HUMAN RESOURCES

# Aligning Actions With Business Strategy

The Human Resources function of your Company aligns its actions with business strategy to enable the organization in achieving its priorities.

### HR Partnership Model

During the year under review, the HR team continued with the HR partnership model to effectively address the different needs of its leaders, managers and employees. This model consists of HR Business Partner (HRBP), HR Manager (HRM) and Centers of Excellence (COE). While HRBPs support and participate in the development and execution of business strategies in partnership with leaders, HRMs work closely with the employees and managers who provide leadership and guidance on individual HR needs and generate employee insights that influence organizational strategies. COEs on the other hand advise, execute and simplify common HR processes.

### Performance Development

Throughout the year ended March 31, 2018, the HR team emphasized the usage of Performance Development (PD) tool which is a shift from

a ratings-driven evaluative approach to a developmental approach for enabling each employee to meet her/his true potential in their chosen profession. PD enables employees to give or ask personalized insights in real-time enabling a culture of trust and openness in the organization. 'Touchpoints' provide an opportunity for Managers and Employees to start a dialogue that is aimed at maximizing the impact of the employee on the organization's objectives.

### Learning & Development

Company is committed to invest in its people and develop their talent. The employees are offered leadership development and career accelerator programs administered by the Crotonville, GE's leadership development center which has presence around the world including India. Crotonville is at the forefront of contemporary thinking in leadership, strategy and innovation. Employees can participate in class room, e-learning and blended courses throughout the year based on their developmental goals. Through the annual 'People Review' exercise, your Company identifies and develops leaders and tracks the effectiveness of the overall organization. The significant time the leadership team invests in this exercise is an indication of the value we attach to this process.



Site team at Kurukshetra



All Power to Women - Women's Day

### Rewards and Recognition

During the year under review, your Company introduced an all new employee recognition program, 'Impact Award'. Impact award is integrated with Performance Development, which makes it more meaningful and allows employees to recognize their peers for achievements and contributions even beyond their scope. At GE, we understand each person has his or her own preferences for recognition, some prefer Company-wide recognition and love the spotlight while some want quiet acknowledgement. Your Company encourages people leaders to take the time to really get to know their team and colleagues – to know their preferences, which can make the efforts to reward and recognize even more impactful.

We strongly believe that, simple moments of praise give us and others an instant mood boost and a reminder of how we make a difference.

### Enhanced Employee Experience During Internal Mobility

Internal mobility and growth opportunities are key to Company's employee value proposition, and meritocracy, transparency and

fairness in our approach, enables the Company to achieve it. On the basis of the feedback from employees your Company has made several forward-looking changes to make the internal hiring process even more transparent and robust. These changes will enable employees to leverage career opportunities that GE offers for growth.

### Engaging the workforce

Your Company realizes the importance of an engaged workforce and the HR team is committed in driving key engagement activities to ensure the same. The Company had various exciting employee engagement programs implemented during the year under review.

### Prevention of Sexual Harassment (POSH)

In terms of Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Company has zero tolerance for sexual harassment at workplace and has set up an Internal Complaints Committee at all its Units in line with the provisions of the said Act. No complaint on Sexual Harassment was reported under the said Act during the financial year under review.



Festive Celebrations



Training Sessions



Gaurav Negi Receiving Best CFO Award



Transformers Team Receiving Award

## QUALITY AND CONTINUOUS IMPROVEMENT



Manufacturing Facility at Hosur

During the year under review, the Deployment of Quality and Continuous Improvement initiatives have continued to progress well, with significant contribution to business results. Your Company is committed to continuous improvement leveraging the digital tools, towards industrial excellence. Following are a few of the achievements/key actions realized through whole hearted participation of your Company's employees at all levels.

1. Twenty-five structured process improvement projects contributing to significant operational performance improvement were successfully executed. Four improvement projects were selected for GE Group's Grid Solutions India Region Best Practice Recognition through a structured two stage selection process.
2. Deployment of L1/L2 initiative a proactive approach to assess and improve the level of mistake proofing in the processes, has continued to progress well in the manufacturing units contributing to Process Quality Improvement.
3. Enhancing CI competencies at all levels, a key success factor for Continuous Improvement was continued with relevant trainings, workshops and coaching. Lean Six Sigma, basic problem-solving tools, L1/L2 trainings/workshops and focused operational improvement workshops were conducted across the units to enhance the Quality and Continuous Improvement competencies of employees at all levels.
4. The Brilliant factory initiatives have progressed well in Pallavaram and Padappai sites. Both the plants have achieved significant level of maturity on lean and digital initiatives contributing to operational improvement. Implementation of moving model lines, test station automation, Digital tools like Material optimization suite(MOS), E - Andon, Digital reactivity board and GE Operating Standard (GEOS) have contributed to Significant reduction of Wall to Wall lead time, Inventory turns and On time Delivery improvement.
5. The turnkey business unit received award from Kerala State Electricity Board (KSEB) in recognition of on time completion of 110 kV GIS Substation at Kollam site and received best contractor award in operation category for timely completion and quality from Tata Power Delhi Distribution Limited (TPDDL) for Bawana 1 Phase II project.



6. Tata Power awarded a 'Satisfactory Working Certificate' to GE for successful implementation of Distribution Management System (DMS) by Software Solutions (SWS) unit. The 'rare to obtain' certificate outlines the complete scope of work and highlights the value that GE has provided to Tata Power's project.
7. Extra high voltage transformer manufacturing factory located at Vadodara won an award under the category "Cost Optimization" in a national competition organized by Manufacturing Today, a leading industry magazine in India.
8. Pallavaram unit won Grid Automation Product Line Quality Excellence award for two improvement projects focusing on Improvement of On-Time Delivery rate of the repair and return of products to customers and Elimination of product maloperation at HVDC POWERGRID Kurukshetra.
9. Short circuit test of 120 MVA 400 KV class station transformer was successfully completed and certified by BINA Lab, India
10. World Quality Day was celebrated across all the units. Employee engagement programs to promote awareness and commitment to Quality were organized with active participation of employees.

## CORPORATE SOCIAL RESPONSIBILITY

Your Company's CSR efforts with local communities during the year were focused on strengthening the projects undertaken by the Company in previous years. Our projects on village development, access to electricity through clean energy, access to basic healthcare, renovation of anganwadis and schools received continued support. At the same time, new projects were introduced to cover additional population and fresh impact such as in the areas of sanitation through bio-toilets, access to clean drinking water, and skill-development with emphasis on women empowerment and encouraging use of renewable energy.

### Villages Development

Since 2015, your Company is continuing with a programme of comprehensive and need-based support to communities in Vadodara, the location of your Company's large transformer factory.

The CSR project at Vadodara reaches out to five key villages of Kotambi, Alamgarh, Machlipura, Singhapura and Jambudiya. The programme focuses on livelihood, women empowerment, renovations of anganwadis and schools, and health. The Company has also initiated a programme on skill development for 270 people, out of which 200 are expected to be women.

More than 600 people have benefitted from the regular health camps, which includes coverage of chronic, eye, pediatric, skin

diseases, women's health and orthopedic consultations. The health camps have provided easy access to basic health services and saved healthcare cost for the villagers.

With a special emphasis on women's empowerment, a focused effort was made to improve the socio-economic quality of life of women through financial literacy, linkage with banks and self-help groups. More than 400 women have benefitted from these programmes, and 18 self-help groups are actively working towards self-reliance and empowerment. Women, trained in enterprise, have taken up ornament making, resulting in increased incomes.

Through 8 agricultural training programmes, 173 farmers have benefitted and adopted new farm practices for improved productivity

### Energy and Environment

#### Access to electricity through clean energy

The Company had initiated its project of electrifying 100 rural households, of village Rehi Kala and the neighboring villages at Naini, Uttar Pradesh through solar power. The project provides for 25 solar street lights. The project achieved its goals during the current year through a 12 KW micro-grid installation.



Radiant warmer for newborns - Children Hospital, Allahabad.



CSR team at Cantonment Board school, Chennai.



Bhavpura school renovation.

Improved access to electricity and light, to villagers has resulted in increased productive hours, safety especially for women, children and the elderly, and convenience at homes. The use of kerosene as a source of fuel for lighting has considerably reduced. Besides homes, 10 shops, one village clinic and a school are also the beneficiaries of this project.

### **Skill Development in Renewable Energy**

As part of its Skill Development initiative your Company trained 90 candidates at Vadodara, including 30 women, under the category of Green Jobs in partnership with National Skill Development Fund and National Skill Development Corporation. The course will train the candidates to support operation and maintenance of solar installations.

### **Schools and children**

#### **Vadodara, Gujarat**

As part of the village development programme at Vadodara your Company has continued its support to provide better facilities in Anganwadi centres and schools in the target villages near its factory. During the year, your Company renovated the structures of primary school in Machalirpura and Anganwadi centre in Bhavpura. So far, this initiative has benefitted more than 200 children.

#### **Naini, Uttar Pradesh**

During the year, the projects which were started last year in schools reached completion and achieved its goals of providing water handpumps, water purifiers, booster pump, improved infrastructure, bio-toilets and a complete sanitation complex where the water is drawn through solar power. The Company has also provided bio-toilets in a school benefitting more than 200 children, which has not only created access to sanitation, but its zero-waste solution also helps in preventing spreading of diseases due to water pollution.

#### **Pallavaram, Chennai, Tamil Nadu**

The Company supports the primary and high schools which are operational under the Cantonment Board. These schools are situated next to the Pallavaram factory. In the past, the Company had provided for clean drinking water and, renovated sanitation structures, a science laboratory and a smart class. Each of the support has had immense benefit, including notable increase in enrollment. The sanitation structures have been of great help, especially for the girl children. The support to the schools are part of Project Nirmana, which also encompasses awareness and sensitization on health, cleanliness, sanitation, child abuse, gender sensitivity and sexual harassment through behavior change inputs. The Company continued supporting the programme during this year.

#### **Padappai, Kancheepuram, Tamil Nadu**

The Company has been supporting a school complex at Padappai, resulting in improved and new classrooms, sanitation facilities,

and desks for children. The support to the school benefits 174 children. During the year, the Company provided for fresh plates and tumblers to 650 students for their mid-day meals at Madambakkam Government School.

#### **Hosur, Tamil Nadu**

Your Company has supported the government primary school at Somanathapuram with a complete new building to replace the old building which was in poor state and not a safe structure. The support has benefitted more than 45 students in the school with a better infrastructure and facilities

### **Health**

#### **Chennai, Padappai and Hosur**

In its three Tamil Nadu sites of Pallavaram (Chennai), Padappai and Hosur, the Company has provided for cataract surgeries for elderly people.

More than 3,000 elderly people from vulnerable sections of society in Chennai, Padappai and Hosur are part of the programme to benefit from free and safe cataract surgeries conducted by recognized eye hospitals.

In addition, in Chennai and Padappai, the Company sponsored mobile medical unit which provides for nearly 1,500 patients a month with free treatments and consultation.

At Padappai and Hosur, the Company has started the initiative during the year to provide clean drinking water to local communities. It also supported the local Primary Health Care centre (PHC) with essential medical instruments, equipment and facilities. This has resulted in substantial increase in patient attendance due to improved availability of services within the PHC. The support from GE is not only enabling PHC to cater to increased number of patients but also ensures availability of essential medical and laboratory services.

### **Livelihood and Skills Development, Vadodara**

The Company has initiated a programme for developing skills leading to employment of the locals in the areas of retail, sewing machine operator and solar PV installer at Vadodara. A total of 270 candidates, majority of whom are expected to be women, will benefit from the project.

This complements Company's initiatives as part of the village development programme at Vadodara, which has helped 173 farmers and 400 ladies through financial literacy programme, agriculture training and 18 self-help groups.

### **Support for people with disabilities**

The Company continues its support to the Saint Louis Institute for the Deaf and Blind, Chennai, Tamil Nadu. This year the Company provided for air-conditioning in the smart classrooms, Braille embosser, LCD projector at computer laboratory and safer, improved electrical panel.

The Company has previously supported the institute with a computer laboratory, a smart education center, musical instruments, tables and chairs. The Company's continued support has benefitted more than 600 children with visual and hearing challenges.

At Naini, your Company has contributed to the betterment of people with disabilities since 2015 at the local accelerated learning camps and homes for people with disabilities.

The details on CSR activities of the Company is annexed as "Annexure A" to the Directors' Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with section 134(5) of the Companies Act, 2013, the Directors of your Company confirm:

- that the applicable Accounting Standards have been followed in the preparation of annual accounts and that there are no material departures;
- that such accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2018 and of the profit/loss of your Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of your Company for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared on a going concern basis;
- that the internal financial controls to be followed by the Company have been laid down and such internal financial controls are adequate and were operating effectively; and
- that proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

## DIRECTORS

During the year under review, Board of Directors of the Company has appointed Mr. Sunil Wadhwa as additional director and Managing Director of the Company with effect from April 4, 2017 for a period of five years. Shareholders of the Company approved the appointment

at the Annual General Meeting of the Company held on July 25, 2017.

During the year under review, Mr. Rathindra Nath Basu resigned as a director of the Company with effect from April 4, 2017.

It is proposed to re-appoint Mr. Gaurav M. Negi, Whole-time Director and Chief Financial Officer at the forthcoming Annual General Meeting (AGM) for a further term of five years with effect from July 26, 2018, following the conclusion of his present tenure on July 25, 2018. It is also proposed to re-appoint Mr. Nagesh Tilwani as Whole-time Director & Head – HVS Business at the forthcoming AGM for a further term of five years with effect from December 21, 2018, following the conclusion of his present tenure on December 20, 2018. In terms of section 152 of the Companies Act, 2013 and Articles 104 and 105 of Articles of Association of the Company, Mr. Gaurav M. Negi, Director of the Company retires by rotation at the ensuing AGM and, being eligible, offers himself for re-appointment.

In terms of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which shall come into force with effect from April 1, 2019 "no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect. Dr. Kirit Shantilal Parikh, aged 82 years, was appointed as an Independent Director of the Company with effect from March 28, 2015 for a period of 5 years up to March 27, 2020. Considering his fitness, the experience which he brings on the Board, his overall contribution and performance, the Nomination and Remuneration Committee and the Board of Directors of the Company have recommended for continuance of his term up to March 27, 2020. Thus in terms of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 approval of shareholders by way of special resolution is proposed.

Necessary resolutions in respect of appointment of the directors mentioned above have been included in the notice convening the ensuing annual general meeting. Your directors commend their appointment/ re-appointment. The particulars in respect of these directors as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are also available in the 'Board of Directors' section in the report on Corporate Governance in the Annual Report.

In view of loss during the financial year ended March 31, 2017 (in terms of Section 198 of Companies Act, 2013), in terms of Section III of Part II of schedule V of the Companies Act, 2013, payment of bonus of ₹ 10,07,545/- to Mr. Ravi Kumar Krishnamurthy who was Whole-time Director & Head- AIS business of the Company, to which he was entitled in terms of his employment and rules of the Company is proposed to be paid by the holding Company of the Company i.e., M/s

Grid Equipments Private Limited. This is in addition to the Bonus paid to him earlier as reported in last year Annual Report.

### Declaration by Independent Directors

All the independent directors of your Company have made declaration to the Company that they meet all the criteria of independence laid down under section 149(6) of Companies Act, 2013 and regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Familiarisation Programme for Independent Directors

As part of its 'Familiarisation Programme for independent Directors', your Company familiarises independent directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. Your Company aims to provide its independent Directors, insight into the Company enabling them to contribute effectively.

The details of familiarization programmes may be accessed under the Corporate Governance section of the website <http://www.ge.com/in/ge-td-india-limited>. During the year under review, independent Directors were apprised on an ongoing basis in the various Board/ Committee meetings on macro-economic environment, industry developments, regulatory updates, business overview, operations, financial statements, update on statutory compliances for Board members, etc. In this respect, presentations were made to Independent Directors by the Managing Director, Whole-time Director & CFO, Company Secretary and other management personnel.

### AUDIT COMMITTEE

During the year the Audit Committee of your Company comprised of Mr. Rakesh Nath as the Chairman and Mr. Bhanu Bhushan, Ms. Neera Saggi and Mr. Stephane Cai as other members. Dr. Kirit S. Parikh was also inducted on the committee on May 23, 2018. Details in respect of the Audit Committee are provided in Corporate Governance Report forming part of the Directors' Report.

### WHISTLE BLOWER POLICY/ VIGIL MECHANISM

Your Company has an "Vigil Mechanism (Ombuds & Open Reporting Procedure)" to provide an avenue to stakeholders, including employees and directors, to report concerns related to any actual or potential violation of law and 'The Spirit & The Letter Policies'

including unethical practices, incorrect or misrepresentation of any financial statements and reports, any claim of theft or fraud, conflicts of interest and any claim of unfair employment practices.

Through this procedure employees are encouraged to raise integrity concerns and feel confident that they can do so without any fear of retaliation.

The said policy may be accessed under the Corporate Governance section of the website <http://www.ge.com/in/ge-td-india-limited>.

### NOMINATION AND REMUNERATION POLICY

In terms of the section 178 of the Companies Act, 2013 and Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 your Company has a Nomination and Remuneration Policy. The aforesaid policy of the Company on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of directors and other matters is annexed as "Annexure B".

The policy is available at the website of the Company under the Corporate Governance Section and can be accessed at <http://www.ge.com/in/ge-td-india-limited>.

### PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Directors individually including independent Directors, Board as a whole and of its various committees.

The Independent Directors in terms of Companies Act, 2013 and regulation 25(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, carried out performance evaluation of non-independent directors, Chairman of the Board and Board as a whole based on criterion of evaluation as approved by Nomination and Remuneration Committee.

Nomination and Remuneration Committee in terms of Companies Act, 2013, also carried out evaluation of every director's performance.

The Directors expressed their satisfaction with the evaluation process.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Details as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as "Annexure C".

A statement showing the names of employees drawing remuneration in excess of the limits as set out in section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as "Annexure D".

## EXTRACT OF ANNUAL RETURN

The extract of the Annual Return is detailed in form MGT-9 annexed as "Annexure E".

## NUMBER OF MEETINGS OF THE BOARD

During the year under review, four meetings of the Board of Directors were held, details of which are provided in Corporate Governance Report forming part of the Directors' Report.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of investment made are detailed in Note 4 to the financial statements forming part of the Annual Report. Your Company has not provided any loan, guarantee or securities under section 186 of the Companies Act, 2013.

## RELATED PARTY TRANSACTIONS

In terms of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has a Related Party Transactions Policy on dealing with Related Party Transactions. The policy may be accessed under the Corporate Governance section of the website <http://www.ge.com/in/ge-td-india-limited>.

All related party transactions during the year under review were on arm's length basis and in the ordinary course of business. There were no material related party transactions made by the Company which could be considered material in accordance with Related Party Transactions Policy of the Company.

## SALE OF BUSINESS

During the year under review, the Company sold its Global Financial Shared Services business to M/s GE India Industrial Private Limited together with the assets and manpower comprised therein on a slump sale basis on an "as is where is" basis at a consideration of Rs. 65 million. The said business was non-core business activity for the Company providing accounting services of transactional nature to various General Electric Group companies both in India and outside India. The transaction was undertaken on arm's length basis, based on the independent valuation report, negotiations between the parties, business plans/ commercial reasons and nature of the transaction.

## SUBSIDIARY COMPANIES

During the year under review, your Company did not have any subsidiary or associate Company as defined under the Companies Act, 2013.

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

The particulars on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as prescribed under subsection 3(m) of section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are provided in "Annexure F", which forms part of this report.

## RISK MANAGEMENT

The Board of Directors of your Company has laid down a Risk Management Policy for the Company. It identifies elements of risks inherent to the business pertaining to tender and contract execution, operational and financial, environment, health and safety, reputation and image, currency fluctuation, compliance, etc. it also contains a control matrix in respect of sources and consequences of above risks and control measures to help manage them. Every unit and function is required to deploy the control measures and ensure timely reporting.

In the opinion of the Board, none of the above-mentioned risks threaten the existence of the Company.

## INTERNAL FINANCIAL CONTROL

The Board of Directors of your Company is satisfied with the internal Finance Control process. Internal control environment of the

Company is reliable with well documented framework to mitigate risks. A detailed analysis is provided in the Management Discussion and Analysis Report forming part of the Directors' Report.

## CORPORATE GOVERNANCE

In terms of regulation 34 (3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Reports on Management Discussion and Analysis and on Corporate Governance have been included in this Report as separate sections. A certificate from M/s B S R & Associates LLP, Chartered Accountants, regarding compliance of conditions of Corporate Governance as stipulated in regulation 34 (3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has also been included in the Annual Report.

## BUSINESS RESPONSIBILITY REPORT

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Business Responsibility Report describing the initiatives taken from an environmental, social and governance perspective, in the prescribed format has been included in this Report as separate section.

## PROMOTER SHAREHOLDING

GE Energy Europe B.V. on May 4, 2017, sold its balance shareholding (5 shares) in the Company to another existing promoter, GE Grid Alliance B.V. On account of this transaction, GE Energy Europe B.V. ceased to hold any shares and accordingly ceased to be a promoter of the Company. The promoters of the Company, Grid Equipments Private Limited and GE Grid Alliance B.V. (formerly ALSTOM Grid Holding B.V., Netherlands) hold 175,492,524 Equity Shares and 16,542,377 Equity Shares constituting 68.54% and 6.46% respectively of the paid-up capital of the Company.

## STATUTORY AUDITORS

In terms of approval of shareholders at the 60th Annual General Meeting of the Company, M/s. B S R & Associates LLP, Chartered Accountants, are the statutory auditors of the Company who hold office till the conclusion of 65th AGM.

## COST AUDITORS

M/s. Shome & Banerjee, Cost Accountants and M/s. Jugal K Puri & Associates, Cost Accountants, were appointed as cost auditors of your Company for the financial year ended March 31, 2018 with M/s.

Shome & Banerjee, Cost Accountants being the Lead Cost Auditor.

The Cost Audit Report for financial year ended March 31, 2017, of the Company was filed on August 22, 2017, well within the specified time under applicable Companies (Cost Audit Report) Rules, 2011.

In terms of the Companies (Cost Records and Audit) Rules, 2014, your Company has appointed M/s. Shome & Banerjee, Cost Accountants and M/s. Jugal K Puri & Associates, Cost Accountants, as cost auditors of the Company for the financial year ending March 31, 2019 to audit the cost records of the Company related to the applicable products manufactured at its manufacturing facilities. M/s. Shome & Banerjee, Cost Accountants shall be the Lead Cost Auditor. Their remuneration approved by the Board, is recommended for ratification by the members at the ensuing AGM.

## SECRETARIAL AUDITORS

As per section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company appointed M/s VKC & Associates (Company Secretaries), as Secretarial Auditor of the Company for the financial year ended March 31, 2018.

The Secretarial Audit Report from M/s VKC & Associates (Company Secretaries) for the financial year ended March 31, 2018 is annexed as "Annexure G".

## ACKNOWLEDGMENTS

The Board of Directors of the Company express their gratitude and would also like to thank various Government/ Regulatory authorities, shareholders, customers, vendors, bankers and all other business associates for their continued support extended to the Company during the financial year ended March 31, 2018 and look forward for the same in the years to come.

The Board of Directors sincerely acknowledge and appreciate the significant contributions made by all the employees of the Company for their sincere commitment and efforts.

For and on behalf of the Board

**Sunil Wadhwa**  
Managing Director  
DIN: 00259638

**Gaurav M. Negi**  
Whole-time Director &  
Chief Financial Officer  
DIN: 02835748

Place : New Delhi  
Date : May 23, 2018