

Samriddhi



A Mahindra Group Company

Mahindra EPC Irrigation Limited
(Formerly known as EPC Industries Limited)

Plot No. H - 109, MIDC, Ambad,
Nashik - 422 010 Maharashtra India.
Tel. +91 253 2381081/82, 6642000
Email : info@mahindairrigation.com
CIN No. : L25200MH1981PLC025731
Website : www.mahindairrigation.com

Agri. Helpline toll free number

July 11, 2020

BSE Limited
Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI - 400 001
Scrip Code No. 523754

The Manager, 1800-209-1050
Listing Department,
National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400051
Security ID : MAHEPC

Sub.: Annual Report for the financial year 31st March, 2020

Dear Sir,

Pursuant to Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the Company for the financial year ended on 31st March, 2020 (which inter-alia comprises the Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2020 and Report of the Board of Directors and Auditors Report thereon) along with Notice of 38th Annual General Meeting.

The Company will provide to its members the facility to cast their vote(s) on all resolutions set forth in the Notice by electronic means ("e-voting"). The e-voting communication giving instructions for e-voting have already been included in the AGM Notice.

The Annual Report for 2020 is also available on the website of the Company www.mahindairrigation.com.

You are requested to take note of the same

Thanking you,

Yours faithfully,

For Mahindra EPC Irrigation Limited


Ratnakar Nawghare
Company Secretary



Samriddhi



A Mahindra Group Company

Mahindra EPC Irrigation Limited

(Formerly known as EPC Industrié Limited)

38th Annual Report

2019-20

Mahindra
Rise.



Samridhi
EPC A Mahindra Group Company

MAHINDRA EPC IRRIGATION LIMITED

COMPANY NAME	MAHINDRA EPC IRRIGATION LIMITED (Formerly known as EPC Industrié Limited)
BOARD OF DIRECTORS	Shriprakash Shukla – Chairman Ashok Sharma – Managing Director S. Durgashankar Aruna Bhinge Sangeeta Prasad (Upto 30 th June, 2020) Nikhilesh Panchal Anand Daga Dr. Sudhir Kumar Goel
CHIEF EXECUTIVE OFFICER	Abhijit Page
CHIEF FINANCIAL OFFICER	Sunetra Ganesan
COMPANY SECRETARY	Ratnakar Nawghare
AUDITORS	Deloitte Haskins & Sells, Chartered Accountants
BANKERS	YES Bank Ltd. HDFC Bank Ltd. CITI Bank N.A.
CORPORATE OFFICE & WORKS	Plot No. H-109, MIDC, Ambad, Nashik-422 010. Tel: (0253) 2381081/82/83/6642000 Fax: (0253) 2382975 CIN: L25200MH1981PLC025731 E Mail : rvnawghare@mahindrairrigation.com
REGISTERED OFFICE	Plot No. H-109, MIDC, Ambad, Nashik-422 010. Tel: (0253) 2381081/82/83/6642000 Fax: (0253) 2382975 E Mail : rvnawghare@mahindrairrigation.com
BRANCHES	Coimbatore, Dharwad, Hyderabad, Indore, Jaipur, Kurnool, Nagpur, Raipur, Vadodara
REGISTRARS & TRANSFER AGENTS	Kfin Technologies Private Limited Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli Financial District, Nanakramguda Hyderabad, Telangana-500032 Telephone number : +91 40 2342 0814 E Mail : einward.ris@karvy.com

INDEX

Financial Highlights & Working Results at a Glance

03

Notice

05

Directors' Report

19

Report on Corporate Governance

57

Independent Auditors' Report - Standalone

74

Financial Statements - Standalone

80

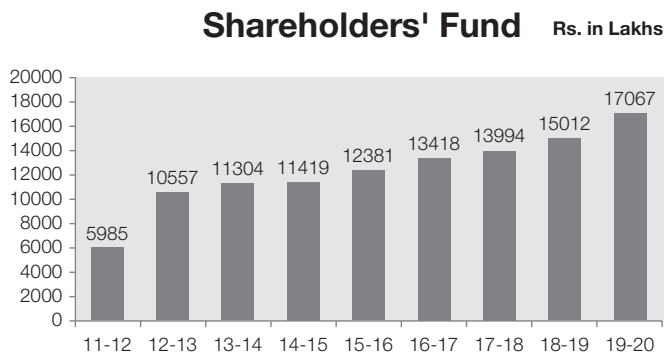
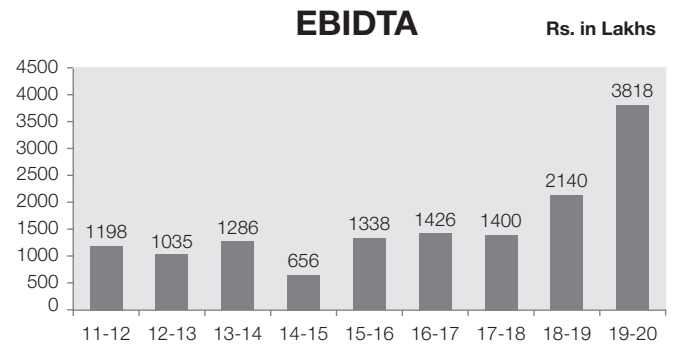
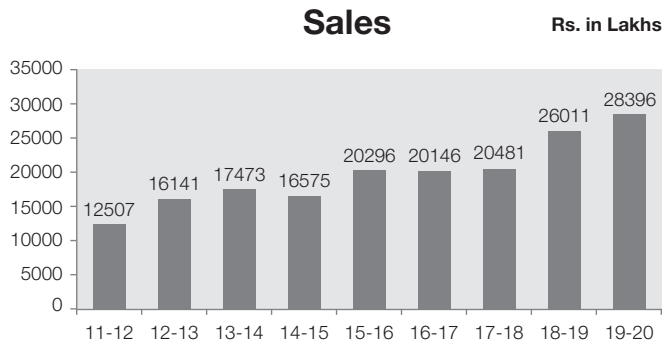
Independent Auditors' Report - Consolidated

123

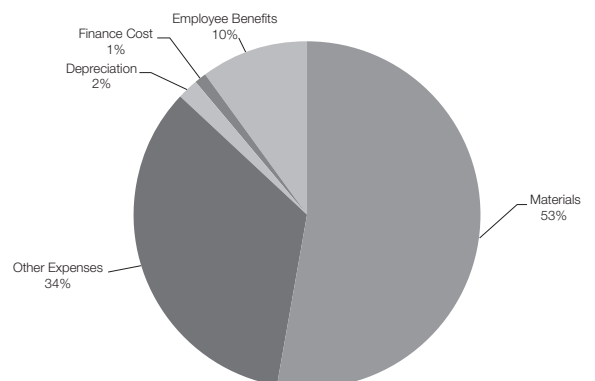
Financial Statements - Consolidated

128

Financial Highlights



Distribution of Income In %



Note - Last five years' figures as per IND AS.

Financial Highlights

	Rs. in Lakhs	
	2019-20	2018-19
Sales	28,395.86	26,010.95
Other Income	132.71	105.54
Total Revenue	28,528.57	26,116.49
Profit Before Tax	3,240.00	1,694.07
PBT as a % to Sales	11.4	6.51
Profit After Tax	2,328.65	1,144.39
PAT as % of Sales	8.2	4.38
Earning per Share (Rs.)		
Basic	8.38	4.13
Diluted	8.35	4.11

Working Results at a Glance

	Rs. in Lakhs						
Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Sales	17,472.5	16,575.1	20,295.7	20,146.5	20,480.7	2,6011.0	28,395.86
EBDITA	1,285.7	656.3	1,338.2	1,425.6	1,400.4	2,140.2	3,818.02
Interest	235.3	119.6	46.0	152.9	50.1	139.2	197.91
Depreciation	279.4	269.4	265.5	304.8	313.9	306.9	380.11
Profit Before Tax	771.0	267.3	1,026.7	967.9	1,036.4	1,694.1	3,240.00
Tax	–	88.0	152.2	(22.6)	542.5	549.7	911.35
Profit After Tax	771.0	179.3	874.5	990.5	493.9	1,144.4	2,328.65
Earning per Share (Rs.)	2.79	0.65	3.16	3.58	1.78	4.13	8.38

Note - Last five years' figures as per IND AS.

NOTICE

NOTICE is hereby given that the 38th Annual General Meeting of the Members of MAHINDRA EPC IRRIGATION LIMITED will be held at the Registered Office of the Company on Monday, 3rd August, 2020 at 3.00 p.m.(IST) through Video Conference (VC)/ Other Audio Visual Means (OAVM) facility to transact the businesses mentioned below.

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (along-with Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2020 together with the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend of Rs 1.20 (12%) per Equity Share of the nominal value of Rs 10 each for the year ended 31st March, 2020.
3. To appoint a Director in place of Mr. S Durgashankar (DIN: 00044713) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **Appointment of Mr. Shriprakash Shukla as Non-Executive Non-Independent Director.**

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

“RESOLVED that pursuant to the provisions of section 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Shriprakash Shukla (DIN: 00007418), who was appointed by the Board of Directors as an Additional Non-Executive Non-Independent Director of the Board of Directors of the Company, with effect from 14th May, 2020 under section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting of the Company in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, being so eligible,

be appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.”

5. **Re-appointment of Mr. Ashok Sharma as Managing Director and the remuneration payable with effect from 1st October, 2020.**

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

“RESOLVED THAT pursuant to the provisions of sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (‘the Act’) and the rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Schedule V of the Act, the applicable provisions of the Articles of Association of the Company, and such other approvals, permissions and sanctions, if and as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, approval of the Shareholders be and is hereby accorded to the re-appointment of Mr. Ashok Sharma (DIN: 02766679) as the Managing Director of the Company for a period of 3 years with effect from 1st October, 2020 to 30th September, 2023, on a consolidated remuneration of Rs. 24,00,000/- (Rupees Twenty Four Lacs only) per annum, the details of which are given in the Explanatory Statement annexed hereto.

FURTHER RESOLVED THAT where in any financial year during the tenure of the Managing Director of the Company, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director, the above remuneration as the minimum remuneration, for a period of three years from the date of appointment by way of consolidated remuneration as specified above, subject to the receipt of requisite approvals, if any.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (including the Nomination and Remuneration Committee) be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and to sign and further to execute all the necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

6. **Appointment of Dr. Sudhir Kumar Goel as an Independent Director**

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

“RESOLVED that pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable

provisions of the Companies Act, 2013, Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Dr. Sudhir Kumar Goel (DIN:02965596), who was appointed as an Additional Director of the Company with effect from 24th July, 2019 under Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, being so eligible, be appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of three consecutive years commencing from 23rd July, 2019 to 22nd July, 2022.”

7. Appointment of Ms. Aruna Bhinge as an Independent Director

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

“RESOLVED that pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Ms. Aruna Bhinge (DIN:07474950), who was appointed as an Additional Director of the Company with effect from 14th May, 2020 under Section 161 of the Companies Act, 2013 and the Articles of

Association of the Company and who holds office upto the date of this Annual General Meeting, and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing her candidature for the office of Director of the Company, being so eligible, be appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of three consecutive years commencing from 14th May, 2020 to 13th May, 2023.”

8. Ratification of Remuneration to Cost Auditors

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

“RESOLVED THAT pursuant to the provisions of Section 148, of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions of the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Messrs Deodhar Joshi & Associates, Cost Accountants, Nashik appointed as Cost Auditors by the Board of Directors of the Company, for conducting the cost audit of the Company for the Financial Year 2020-21, if applicable, at a remuneration of Rs. 1,60,000/- (Rupees One Lac Sixty Thousand Only) plus Goods and Services Tax and out of pocket expenses be ratified.”

“FURTHER RESOLVED that approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

NOTES

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as "MCA Circulars") permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means ("VC / OAVM"), without physical presence of the Members at a common venue.
2. In compliance with applicable provisions of the Companies Act, 2013 ("the Act") read with the MCA Circulars and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 38th Annual General Meeting of the Company is being conducted through Video Conferencing ("VC") (hereinafter referred to as "AGM" or "e-AGM"). In accordance with the Secretarial Standard -2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated April, 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the e-AGM.
3. e-AGM: The Company has appointed KFin Technologies Private Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the e-AGM and the attendant enablers for conducting of the e-AGM.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC, physical attendance of Members has been dispensed with. **Further as per the MCA Circulars, the facility for appointment of proxies by the Members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote either through remote e-voting or during the e-AGM. The said Resolution/Authorization should be sent electronically through their registered email address to the Scrutinizer at cssujata.rajebahadur@gmail.com with a copy marked to rvnawghare@mahindrairrigation.com.
6. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is KFin Technologies Private Limited having office at Selenium Tower B, Plot number 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500032.
7. **Attending e-AGM:** Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Private Limited. Members may access the same at <https://evoting.karvy.com> by clicking "e-AGM - Video Conference & Streaming" and access the shareholders'/ members' login by using the remote e-voting credentials which shall be provided as per Note No. 18 below. Kindly refer note no. 17 below for detailed instruction for participating in e-AGM through Video Conferencing.
8. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.
9. As per the MCA Circular up to 1000 members will be able to join the e-AGM on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
10. A member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance of such member for the e-AGM and such member attending the meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
11. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through Company's Registrar and Transfer Agent KFin Technologies Private Limited. Kindly refer Note no. 18 below for detailed instructions for remote e-voting.
12. **Voting during the AGM:** Members who are present at the e-AGM through VC and have not cast their vote on resolutions through remote e-voting may cast their vote during the e-AGM through the e-voting system provided by KFin Technologies Private Limited in the Video Conferencing platform during the e-AGM. Kindly refer Note no. 23 below for instructions for e-voting during the AGM.
13. The Company has fixed Monday, 27th July, 2020 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the e-AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the e-AGM.
14. The Register of Members and Transfer Book of the Company will be closed from Thursday, 30th July, 2020 to Monday, 3rd August, 2020 (both days inclusive).
15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the e-AGM along

with the Annual Report for the financial year ended on 31st March, 2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at www.mahindrairrigation.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The same is also available on the website of KFin Technologies Private Limited at the website address <https://evoting.karvy.com/>.

16. Procedure for registering the email addresses and obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the Depositories (in case of shareholders holding shares in Demat form) or with RTA (in case the shareholders holding shares in physical form)

i. Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:

- a. Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.
- b. Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited by sending an e-mail request at the email ID ris@kfintech.com along with signed scanned copy of the request letter providing the email address, mobile number, self-attested PAN copy and copy of share certificate for registering their email address and receiving the Annual report, AGM Notice and the e-voting instructions.

ii. Those members who have registered their e-mail address, mobile nos., postal address and bank account details are requested to validate/update their registered details by contacting the Depository Participant in case of shares held in electronic form or by contacting KFin Technologies Private Limited, the Registrar and Share Transfer Agent of the Company, in case the shares held in physical form.

17. Instructions to the Members for attending the e-AGM through Video Conference:

i. **Attending the e-AGM:** Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Private Limited. Members may access the same at <https://evoting.karvy.com/> by clicking 'e-AGM Video Conference and Streaming' and login by using the remote e-voting credentials. The link for e-AGM will be available in 'shareholders'/members' login where

the EVENT and the Name of the Company can be selected.

ii. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in remote e-Voting in Note No. 18 below.

iii. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.

iv. Further Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting.

v. Please note that participants using Mobile Devices or Tablets or Laptops and are accessing the internet via "Mobile Hotspot" may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

vi. **Submission of Questions / queries prior to e-AGM:**

a. Members desiring any additional information with regard to Accounts/ Annual Reports or has any question or query are requested to write to the Company Secretary on the Company's investor email-id i.e. rvnawghare@mahindrairrigation.com at least 2 days before the date of the e-AGM so as to enable the Management to keep the information ready. Please note that, members questions will be answered only if they continue to hold the shares as of cut-off date.

b. Alternatively, shareholders holding shares as on cut-off date may also visit <https://evoting.karvy.com> and click on the tab "Post Your Queries Here" to post their queries/ views/questions in the window provided, by mentioning their name, demat account number/folio number, email ID, mobile number. The window shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for the e-AGM.

vii. **Speaker Registration before e-AGM:** In addition to above speaker registration may also be allowed during the remote e-voting period. Shareholder who wish to register as speakers are requested to visit <https://evoting.karvy.com/> and click on 'Speaker Registration' during this period. Shareholders shall be provided with a 'queue number' before the e-AGM. Shareholders are requested to remember the same and wait for their turn to be called by the Chairman of the meeting during the Question Answer Session. Due to limitations of transmission and coordination during the e-AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc. in advance as provided in note no. 17(vi) above.

viii. All documents referred to in the accompanying explanatory statement are available for inspection upto the date of the e-AGM on the website of the Company at the following weblink: <https://www.mahindrairrigation.com>

ix. Members who wish to inspect, the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013, can send an email to rvnawghare@mahindrairrigation.com

18. Instructions for members for remote e-Voting: In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations the Members are provided with the facility to cast their vote remotely on all resolutions set-forth in this notice through remote e-voting platform provided by KFin Technologies Private Limited ('remote e-voting').

Members attending the e-AGM who have not already cast their vote by remote e-Voting shall be able to cast their vote electronically during the meeting (e-voting) when window for e-voting is activated upon instructions of the Chairman.

- i. The remote e-voting facility will be available during the following period:
 - a. Day, date and time of commencement of remote e-voting: Friday, 31st July, 2020 at 9:00 a.m.
 - b. Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed: Sunday, 2nd August, 2020 at 5:00 p.m.
- ii. Details of Website: <https://evoting.karvy.com>
- iii. The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their share in the paid-up equity share capital as on the cut-off date being Monday, 27th July, 2020. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.
- iv. The Company is sending through email, the AGM Notice and the Annual Report to the shareholders whose name is recorded as on Friday, 10th July, 2020 in the Register of Members or in the Register of Beneficial Owners maintained by the depositories. Any person who acquires Shares of the Company and becomes Member of the Company after Friday, 10th July, 2020 being the date reckoned for the dispatch of the AGM Notice & Annual Report and who holds shares as on the cut-off date i.e. Monday 27th July, 2020, may obtain the User Id and password in the manner as mentioned below:

a) If the mobile number of the Member is registered against Folio No./ DPID Client ID, the Member may send SMS:

MYEPWD 'e-Voting Event Number'

+Folio number or DPID Client ID to +91-9212993399

Example for NSDL: MYEPWDIN12345612345678

Example for CDSL: MYEPWD1402345612345678

Example for Physical: MYEPWDXXXX1234567890

b) If e-mail address or mobile number of the Member is registered against Folio No./ DPID Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click "Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a password.

c) Member may call KFin's Toll free number 1-800-3454-001.

d) Member may send an e-mail request to evoting@karvy.com

v. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFin Technologies Private Limited upon expiry of aforesaid period.

vi. Details of persons to be contacted for issues relating to e-voting: Mr. Sri Sai Karthik Tikkiseti, Manager - Corporate Registry, KFin Technologies Private Limited, Unit: Mahindra EPC Irrigation Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032. Contact No. 040-6716 1500/1509 Toll Free No.: 18003454001, E-mail: karthik.tikkiseti@kfintech.com.

vii. Details of Scrutinizer: Mrs. Sujata Rajebahadur - Practising Company Secretary (Membership No. FCS 5728) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

viii. The procedure and instructions for remote e-Voting facility are as follows:

i. Open your web browser during the remote e-voting period and navigate to '<https://evoting.karvy.com>'.

ii. Enter the login credentials (i.e. User ID and password mentioned in the email). Your Folio No. or DP ID /Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

You will now reach password change menu wherein you are required to mandatorily change

your login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like *, #, @, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- iv. You need to login again with the new credentials.
- v. On successful login, the system will prompt you to select the E- Voting Event Number for Mahindra EPC Irrigation Limited.
- vi. If you are holding shares in Demat form and had logged on to [https:// evoting.karvy.com](https://evoting.karvy.com) and casted your vote earlier for any other Company, then your existing login id and password are to be used.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e. Monday 27th July, 2020 under “FOR/ AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/ AGAINST” taken together should not exceed your total shareholding as on the cutoff date.
- viii. You may also choose the option “ABSTAIN” and the shares held will not be counted under either head.
- ix. Members holding multiple folios/ demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- x. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- xi. You may then cast your vote by selecting an appropriate option and click on “Submit”. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote.
- xii. During the voting period, Members can login any number of times till they cast their vote on the Resolution(s).
- xiii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc., together with attested specimen signature(s)

of the duly authorised representative(s), to the Scrutinizer at e-mail ID: cssujata.rajebahadur@gmail.com with a copy to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above-mentioned documents should be in the naming format “Corporate Name_ EVENT NO.”

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members available at the download section of <https://evoting.karvy.com> or contact Mr. Sri Sai Karthik Tikkiseti of KFin Technologies Private Limited at 040- 6716 1509 or at 1800-3454- 001 (toll free).

- ix. The Scrutinizer’s decision on the validity of the vote shall be final.
19. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the e-AGM, however such Member shall not be allowed to vote again during the e-AGM.
20. The Scrutinizer after scrutinising the votes cast by remote e-voting and e-voting during the e-AGM will make a consolidated Scrutinizer’s Report and submit the same forthwith not later than 48 hours of conclusion of the e-AGM to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.
21. The Results declared along with the consolidated Scrutinizer’s Report shall be hosted on the website of the Company i.e. www.mahindrairrigation.com and on the website of KFin Technologies Private Limited i.e. [https:// evoting.karvy.com](https://evoting.karvy.com). The results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited. The result shall also be displayed on the Notice Board at the Registered Office of the Company.
22. The Resolutions shall be deemed to be passed at the registered office of the Company on the date of the e-AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.
23. **Instructions for members for Voting during the e-AGM session**
 - i. The e-voting window shall be activated upon instructions of the Chairman during the e-AGM.
 - ii. E-voting during the AGM is integrated with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the e-AGM.
 - iii. Members / shareholders, attending the e-AGM through Video Conference and who have not cast their vote on resolutions through Remote e-Voting

shall be eligible to cast their vote through e-voting system available during the e-AGM.

- iv. Members who have voted through Remote e-Voting will be eligible to attend the e-AGM, however, they shall not be allowed to cast their vote again during the e-AGM.

GENERAL INSTRUCTIONS AND INFORMATION FOR SHAREHOLDERS

24. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH. 13 duly filled in to M/s KFin Technologies Private Limited on einward.ris@kfintech.com. Members holding shares in demat form may contact their Depository Participant for availing this facility.
25. The Securities and Exchange Board of India has made it mandatory for all the Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/change in such bank details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Members who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of bank account.
26. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS) / National Electronic Clearing Service (NECS). Members wishing to avail of this facility are requested to intimate the Company's Registrar and Transfer Agents / Depository Participants in the prescribed form and with the prescribed details. Members located in the places where an ECS/NECS facility is not available may submit their bank details to the Registrar and Transfer Agents. This will enable the Company to incorporate this information on the dividend warrants/demand drafts and thus prevent fraudulent encashment. The members who are yet to update their PAN and/or Bank Account details are requested to update the same by providing the duly filled format for furnishing the PAN and Bank details which is enclosed at the end of Annual Report,

alongwith all necessary documents as mentioned therein and send the same to KFin Technologies Private Limited.

27. Under the Companies Act, 2013 dividends that are unclaimed/unpaid for a period of seven years are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. An amount of Rs. 8.48 lacs being unclaimed/unpaid dividend of the Company for the financial year ended 31st March, 2020. Members, who have not encashed the dividend warrants so far in respect of the aforesaid period, are requested to make their claim to KFinTech at the earliest.
28. Updation of Members' Details: The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/ Registrar and Transfer Agents to record additional details of Members, including their PAN details, e-mail address, etc. Members holding shares in physical form are requested to submit these additional details to KFin Technologies Private Limited in the prescribed form. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.
29. Members are requested to:
- Intimate to KFin Technologies Private Limited at the address mentioned at Note No. 6 above, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
 - Intimate to the respective Depository Participant, changes, if any, in their registered addresses, mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s) at an early date, in case of Shares held in dematerialised form;
 - Quote their folio numbers/Client ID/DP ID in all correspondence; and
 - Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.
30. Non-Resident Indian Members are requested to inform Registrar and Share Transfer Agent of the Company immediately of:
- Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC code and address of the bank with pin code number, if not furnished earlier.
31. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member, as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic

statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

32. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company as per the prescribed form which is enclosed at the end of Annual Report.
33. SEBI has decided that securities of listed companies can be transferred only in dematerialised form from 1st April, 2019. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form.
34. Brief resume of Directors including those proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding to be provided under SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 are provided in the Report on Corporate Governance forming part of the Annual Report.

None of the Directors of the Company seeking appointment or reappointment are inter-se related to each other.

By Order of the Board

Ratnakar Nawghare
Company Secretary

Registered Office:

Plot No.H-109, MIDC Ambad,
Nashik

Tel: (0253) 2381081/82/83, 6642000

CIN: L25200MH1981PLC025731

e-mail: info@mahindrairrigation.com

website: www.mahindrairrigation.com

Nashik, 14th May, 2020

Additional Information with respect to Item No. 3

Mr. S Durgashankar (DIN: 00044713), the Director of the Company is liable to retire by rotation and being eligible, has offered himself for re-appointment.

Mr. S. Durgashankar (DIN: 00044713) age 61 years has a Bachelor's Degree in Commerce and is a Member of the Institute of Chartered Accountants of India, New Delhi. Mr. S. Durgashankar is currently President - Group Controller of Finance and Accounts and member of Group Executive Board at Mahindra & Mahindra Limited (M&M). During his overall work experience of over 35 years, he has handled a wide spectrum of Corporate Finance assignments at senior levels including Finance, Accounts, Treasury, and Commercial Operations, Project Evaluation and Risk Assessment in addition to tackling multiple complex matters like recasting the accounts for the past several years and handling legal cases. At M&M, he was instrumental in setting up the Mergers & Acquisitions (M&A) division and has rich M&A experience. The M&A division at M&M has successfully completed over 125+ inorganic transactions both (Domestic and International) for the Group. He was earlier Corporate Treasurer and Head of Treasury and Investor Relations at M&M.

He is an Alumni of Harvard Business School where he had attended the Advanced Management Program. He is also a speaker at many fora, including IIM Ahmedabad and IIM Nagpur, on varied topics in M&A, Finance, Governance and Business Disruption. He was the recipient of CFO 100 Awards in 2010, 2013 and 2014 for his contribution to Corporate Finance in the area of M&A. He was also the recipient of CFO India League of Excellence Award in March 2015. Mr. S Durgashankar's first appointment on Company's Board was on 5th August, 2011.

During the year 1st April, 2019 to 31st March, 2020, four Board Meetings were held and all the meetings were attended by Mr. S Durgashankar.

Mr. S Durgashankar does not hold any shares in the Company and he is on the Board of following Companies:

- i) Mahindra Integrated Business Solutions Private Limited
- ii) Mahindra HZPC Private Limited
- iii) Swaraj Engines Limited
- iv) Mahindra Mitsubishi Agricultural Machinery Co., Ltd.,
- v) Mahindra Vehicle Manufacturers Limited
- vi) Mahindra Agri Solutions Limited
- vii) Mahindra Holdings Limited
- viii) Mahindra Logistics Limited
- ix) Mahindra Rural Housing Finance Limited
- x) Mahindra USA Inc.
- xi) Mahindra North American Technical Center Inc.
- xii) Mahindra Vehicle Sales and Service Inc.
- xiii) Peugeot Motorcycles S.A.S.

Mr. S Durgashankar is the chairman/member of the following committees of the Company and of other companies.

Sr. No.	Name of the Company	Name of the Committee	Position held (Chairman/Member)
1	Mahindra EPC Irrigation Limited	Audit Committee Nomination & Remuneration Committee CSR committee	Member Member Member
2	Swaraj Engines Limited	Audit Committee	Member
3	Mahindra Vehicle Manufacturers Limited	Audit Committee Committee of Strategic Investments	Member Member
4	Mahindra HZPC Pvt. Ltd. (Subsidiary of Public Company)	Audit Committee	Chairman
5	Mahindra Agri Solutions Limited	Audit Committee Risk Management Committee Committee of Directors for Borrowing	Chairman Member Member
6	Mahindra Logistics Limited	Audit Committee CSR committee Stakeholders Relationship committee	Member Member Member
7	Mahindra Rural Housing Finance Ltd.	ALCO committee NRC committee	Member Member

Save and except Mr. S Durgashankar, and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the Notice. None of the Directors and KMP of the Company are inter-se related to each other.

Explanatory Statement under Section 102(1) of the Companies Act, 2013

Item No. 4

The Board of Directors of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee has appointed Shriprakash Shukla (DIN : 00007418) with effect from 14th May, 2020 as an Additional Director (Non-Executive Non Independent Director) to hold office upto this Annual General Meeting pursuant to section 161 of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company.

38th Annual Report 2019-20

The Company has received notice in writing from a Member under section 160 of the Act, proposing his candidature for the office of the Director of the Company.

Mr. Shukla, holds degree in Bachelor's of Technology (B. Tech) and Master in Business Administration from IIT, Bhubaneswar and IIM, Ahmedabad respectively.

Mr. Shukla is a Member of the Group Executive Board of Mahindra and Mahindra Limited and as Group President and CEO, he is responsible for the Aerospace, Defence and Steel sectors Group Strategy and the Defence Sector. He has recently taken over responsibility of several companies in Agri business portfolio of Mahindra Group. In that capacity, he is appointed as Chairman of Mahindra EPC Irrigation Limited. Additionally, he also serves as Chairman of Mahindra CIE Automotive Limited.

Mr. Shukla has completed 60 years of age and has over 38 years of rich, varied experience in managing large projects & operations. He has been a top professional in the field of Automotive Tyres and Information & Communication Technology (ICT) sectors in India.

Mr. Shukla is recipient of several awards in his field and is regularly invitee to speak at reputed academic and Industry forums.

Mr. Shriprakash Shukla is affiliated with several renowned industry forums. He is a member of the Indo-French CEOs Forum, India-Israel CEOs Forum, India-Germany CEOs Forum, India-Spain CEOs Forum. He also holds the position of Chairman – FICCI Committee on Defence & Aerospace and Vice President – Society of Indian Defence Manufacturers (SIDM). He has also served as a member of the Technology Development Board, Department of Science & Technology, Govt. of India.

Mr. Shriprakash Shukla is also a Director in the following companies :

1. Mahindra Defence Systems Limited
2. Mahindra Telephonics Integrated Systems Limited
3. Mahindra Aerospace Private Limited
4. Mahindra Aerostructures Private Limited
5. Mahindra Sanyo Special Steel Private Limited
6. Mahindra CIE Automotive Limited
7. CIE Automotive SA
8. Mahindra Racing UK Ltd.
9. Mahindra Emirates Vehicle Armouring FZ LLC

Mr. Shukla is a Member of the following Board Committees.

Sr. No.	Name of the Company	Name of the Committee	Position held
1	Mahindra CIE Automotive Limited	Nomination and Remuneration Committee	Member

Mr. Shriprakash Shukla does not hold any Equity Shares in the Company.

Mr. Shriprakash Shukla is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given his consent to act as a Director. Mr. Shukla is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

The Board is of the view that Mr. Shriprakash Shukla's knowledge and experience will be of immense benefit and value to the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, recommends his appointment to the Members.

Save and except Mr. Shriprakash Shukla, and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice. None of the Directors and KMP of the Company are inter-se related to each other.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the Members.

Item No. 5

The Board of Directors of the Company, on 14th May, 2020 on the recommendations of the Nomination and Remuneration Committee, approved the re-appointment of Mr. Ashok Sharma (DIN: 02766679) as the Managing Director of the Company with effect from 1st October, 2020 to 30th September, 2023 subject to approval of the Shareholders at the Annual General Meeting, on the existing consolidated remuneration of Rs. 24,00,000/- (Rupees Twenty Four Lacs only) per annum.

Mr. Ashok Sharma has a Bachelor's Degree in Mechanical Engineering from Victoria Jubilee Technical Institute, Mumbai and has done his Masters in Management Studies from the Jamnalal Bajaj Institute, Mumbai. Mr. Ashok Sharma has completed 56 years of age. He has held successful leadership positions in various Indian and multinational corporations with over 33 years. He joined the Farm Equipment Sector of Mahindra and Mahindra Ltd. in 1998 as General Manager Sales and since then has made significant contributions in the areas of Sales, Marketing, Quality, Strategic Planning and Business Excellence. More recently, he has played a key role in expanding and growing Mahindra's Powerol and Agri businesses. Under his leadership, Mahindra's Agri Business has grown to become one of India's largest grape exporters and has even launched several new products and brands including India's first premium fresh fruit brand Saboro, along with Saboro Dairy, NuPro Mustard Oil and NuPro Pulses.

Mr. Ashok Sharma was instrumental in developing an integrated strategy for the Automotive and Farm Equipment sectors in Africa and is leading the creation of a strong on-ground presence in the South Asian countries. He is an advisor to the Union of Japanese Scientists & Engineers (JUSE), Chairman of the CII TPM Club of India, and also serves as a Member, CII Africa Committee and CII Western Regional Council.

Mr. Sharma is currently the President of Agri business and Managing Director and CEO of Mahindra Agri Solutions Limited and Member of Group Executive Board of Mahindra and Mahindra Limited.

Mr. Ashok Sharma's first appointment on Company's Board was on 5th August, 2011.

During the year 1st April, 2019 to 31st March, 2020, four Board Meetings were held and Mr. Ashok Sharma had attended all Board Meetings of the Company.

Mr. Sharma is also a Director in the following companies:

- i) Mahindra Agri Solutions Limited –Managing Director
- ii) Mahindra HZPC Private Limited
- iii) Mahindra Greenyard Private Limited
- iv) Merakisan Private Limited
- v) Origin Fruit Direct Holding B.V.
- vi) Mahindra Summit Agriscience Ltd.

Mr. Sharma is the member of the Stakeholders Relationship Committee, and Risk Management Committee and Chairman of the Corporate Social Responsibility Committee (CSR) of the Company and member of the CSR Committee of Mahindra Agri Solutions Ltd.

Mr. Sharma does not hold any shares in the Company.

The following additional information as required by Schedule V to the Companies Act, 2013 is given below:

I. General Information:

- (i) **Nature of Industry:**
The Company is, inter alia, in the business of manufacture of Micro Irrigation Systems such as Drip and Sprinklers and allied products.
- (ii) **Date or expected date of commencement of commercial production:**
The Company was incorporated on 28th November, 1981 as a Private Limited Company and commenced business thereafter.
- (iii) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**
Not Applicable.
- (iv) **Financial performance based on given indicators – as per audited financial results for the year ended 31st March, 2020:**

Particulars	Rs. in Crores
Gross Turnover & Other Income	285.29
Net Profit	23.29
Net Worth	170.67

- (v) **Foreign investments or collaborators, if any:**
Not Applicable.

II Information about the appointee:

- (i) **Background details:** Refer as stated above.
- (ii) **Past remuneration during the financial year ended 31st March, 2020:** Rs. 24 lacs
- (iii) **Recognition or awards:** Refer as stated above.
- (iv) **Job Profile and his suitability:**

Mr. Ashok Sharma first inducted on the Board of the Company on 5th August, 2011. He was appointed as Executive Director and CEO of the Company in October, 2011. He was re-designated as Managing Director in March, 2016. Taking into consideration his qualification and expertise and the development of the Company under his leadership, the 'Managing Director' is best suited for the responsibilities currently assigned to him.

- (v) **Remuneration proposed:**
Consolidated remuneration of Rs. 24 lacs per annum.
- (vi) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company and the time being devoted proportionately by Mr. Ashok Sharma, the remuneration proposed to be paid to Mr. Ashok Sharma is appropriate.

- (vii) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**
Besides the remuneration proposed to be paid to him, the Managing Director does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

III. Other Information:

- (i) **Reasons of loss or inadequate profits:**
Not applicable, as the Company has posted a net profit after tax of Rs.23.29 crores during the year ended 31st March, 2020.
- (ii) **Steps taken or proposed to be taken for improvement and**
- (iii) **Expected increase in productivity and profits in measurable terms:**
Not applicable as the Company has adequate profits.

IV. Disclosures:

The information and Disclosures of the remuneration package of the Managing Director have been mentioned in the Annual Report in the Report on Corporate Governance for the year ended 31st March, 2020.

Mr. Ashok Sharma satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section 3 of section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of section 164 of the Act. Mr. Sharma is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

Save and except Mr. Ashok Sharma and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice. None of the Directors and KMP of the Company are inter-se related to each other.

The Directors commends the passing of the Resolution at Item No. 5 as a Special Resolution.

Item No. 6

The Board of Directors of the Company, pursuant to the recommendations of the Nomination and Remuneration Committee, has appointed Dr. Sudhir Kumar Goel (DIN : 02965596) as an Additional Director (Independent and Non Executive) on 23rd July, 2019 on the Board of Directors of the Company, in terms of section 161 of the Companies Act, 2013 for a term of 3 (three) consecutive years commencing from 23rd July, 2019 to 22nd July, 2022, not liable to retire by rotation to the Board of Directors of the Company.

He holds office upto the date of this Annual General Meeting pursuant to section 161 of the Companies Act, 2013.

The Company has received notice in writing from a Member alongwith deposit of requisite amount under section 160 of the Act, proposing his candidature for the office of the Director of the Company.

Dr. Sudhir Kumar has completed 65 years of age. Dr. Goel is a Science Graduate and completed his Ph.D. in Physics from Bhabha Atomic Research Centre. He has also obtained a degree of M.Sc. in Development Studies from University of Bath, U.K.

Dr. Sudhir Kumar Goel has worked on various progressive positions at secretariat level in the Government of Maharashtra Viz. Commissioner Agriculture, Principal Secretary (Co-operative & Marketing), Additional Chief Secretary (Agriculture and Marketing).

He has a rich and varied experience of more than 40 years in Indian Administrative Service which is a premier service with Government, administering various development schemes for farmers for a comprehensive Agricultural development. The majority of his assignments for implementation were in the field of agriculture, co-operation and rural development.

Dr. Goel is also a Director in the following companies:

- i. Mr. Kool Logistics (India) Private Limited
- ii. Ravi Milk Products (India) Private Limited
- iii. CDSL Commodity Repository Limited
- iv. Ravi Horticulture (India) Private Limited
- v. Progressive Agri Value Chain Consultants Private Limited
- vi. Ravi Farmtech (India) Private Limited
- vii. Ravi Agri Business Infrastructure (India) Private Limited
- viii. Ravi Renewable Energy & Lighting (India) Private Limited
- ix. Ravi Integrated Logistics (India) Private Limited
- x. NABARD Consultancy Services Private Limited
- xi. Rurban Agri Ventures (India) Private Limited
- xii. Shop For Change Fair Trade
- xiii. Ingen Technologies Private Limited
- xiv. Liasaria Agri and Ecotourism Private Limited
- xv. Centre for International Trade in Agriculture and Agro Based Industries
- xvi. Maharashtra Co-operative Development Corporation Limited
- xvii. Weather Risk Management Services Private Limited

Dr. Goel is the member of the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee (CSR) of the Company and member of the Audit Committee, Human Resources Committee of NABARD Consultancy Services Private Limited (NABCONS) and member of Audit Committee and Nomination and Remuneration Committee of CDSL Commodity Repository Limited (CCRL).

Dr. Goel is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as a Director. The Company has received a declaration from Dr. Goel stating that he meets with the criteria of independence as prescribed under sub-section (6) of section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). Dr. Sudhir Kumar Goel is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

Dr. Goel has attended 3 (three) meetings in the financial year 2019-20, post his appointment as a Director of the Company. Dr. Goel would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof. In addition, he would be entitled to commission as determined each year by the Board of Directors within the limits approved by the Members of the Company for the Non-Executive Directors of the Company.

The sitting fees paid to Dr. Goel during the Financial Year 2019-20 was Rs. 1.70 lacs. Being the first year of appointment, Dr. Goel was not entitled for the commission in Financial Year 2018-2019, however, the Commission payable to him for the Financial Year 2019-20 will be Rs. 5 lacs.

Copy of the draft letter of appointment of Dr. Sudhir Kumar Goel is available for inspection at the Registered office of the Company and will also be available for inspection at the Annual General Meeting of the Company.

The Board is of the view that Dr. Goel's knowledge and experience will immensely benefit and value to the Company, and therefore, recommends his appointment to the Members.

Save and except Dr. Sudhir Kumar Goel, and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice. None of the Directors and KMP of the Company are inter-se related to each other.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval of the Members.

Item No. 7

The Board of Directors of the Company, pursuant to the recommendations of the Nomination and Remuneration Committee, has appointed Ms. Aruna Bhinge (DIN: 07474950) as an Additional Director (Independent and Non-Executive) on 14th May, 2020 on the Board of Directors of the Company, in terms of section 161 of the Companies Act, 2013 for a term of 3 (three) consecutive years commencing from 14th May, 2020 to 13th May, 2023, not liable to retire by rotation to the Board of Directors of the Company.

Pursuant to the provisions of Section 160 and 161 of the Act Ms. Aruna Bhinge holds office of Director upto the date of this Annual General Meeting.

In terms of Section 160 of the Act, the Company has received a notice in writing from a Member signifying his intention to propose the candidature of Ms. Aruna Bhinge for the office of Director.

Ms. Aruna Bhinge has completed 62 years of age. She holds Bachelor's and Master's degree in Life Sciences from the University of Poona and the University of Bombay, respectively. She completed her Management studies (MMS) from Narsee Monjee Institute of Management Studies, Mumbai.

She started her career as Research Scientist at the Institute of Science and with Department of Atomic Energy, BAARC and the Department of Science and Technology, Government of Maharashtra.

Ms. Aruna Bhinge had held successful leadership positions in various Indian and multinational corporations. With over

30 years of experience as a Business Leader and Head of Strategy in Agri business, Ms. Aruna Bhinge led agri business projects in the Asia Pacific region as Head, Food Security Agenda, APAC at Syngenta India Limited.

Ms. Aruna Bhinge has made significant contributions in the area of financial restructuring, growth and profitability, partnerships in health care and agri business sector and marketing strategies in rural and agricultural markets.

She is on the Board of Punjab Chemicals & Crop Protection Ltd., Laurus Labs Ltd. and Mahindra Agri Solutions Ltd.

She is the chairman/member of the following committees of other companies.

Sr. No.	Name of the Company	Name of the Committee	Position held (Chairman/Member)
1.	Laurus Labs Limited	- Audit Committee	Member
		- CSR Committee	Member
2.	Punjab Chemicals and Crop Protection Limited	- Audit Committee	Member
		- Nomination & Remuneration Committee	Member
		- CSR Committee	Member
3.	Mahindra Agri Solutions Limited	- CSR Committee	Chairman
		- Audit Committee	Member
		- Nomination & Remuneration Committee	Member

Ms. Aruna Bhinge is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and has given her consent to act as a Director. The Company has received a declaration from Ms. Aruna Bhinge stating that she meets with the criteria of independence as prescribed under sub-section (6) of section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). Ms. Aruna Bhinge is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

Ms. Aruna Bhinge would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof. In addition, she would be entitled to commission as determined each year by the Board of Directors within the limits approved by the Members of the Company for the Non-Executive Directors of the Company.

38th Annual Report 2019-20

Ms. Aruna Bhinge does not hold any Equity Shares in the Company.

Copy of the draft letter of appointment of Ms. Aruna Bhinge is available for inspection at the Registered office of the Company and will also be available for inspection at the Annual General Meeting of the Company.

The Board is of the view that Ms. Aruna Bhinge's knowledge and experience will immensely benefit and value to the Company, and therefore, recommends her appointment to the Members.

Save and except Ms. Aruna Bhinge, and her relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice. None of the Directors and KMP of the Company are inter-se related to each other.

The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval of the Members.

Item No. 8

The Board of Directors, at its Meeting held on 14th May, 2020, upon the recommendation of the Audit Committee, approved the appointment of Messrs Deodhar Joshi & Associates, Cost Accountants having Firm Registration Number 002146, as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the Financial Year ending 31st March, 2021, at a remuneration of Rs. 1,60,000 (Rupees One Lakh and Sixty Thousand only) (plus Goods and Services Tax and reimbursement of out of pocket expenses).

Pursuant to section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of a Company are required to ratify the remuneration to be paid to the cost auditors of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending 31st March, 2021.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 8 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 8 of the Notice for approval of the Members.

By Order of the Board

Ratnakar Nawghare
Company Secretary

Registered Office:

Plot No.H-109, MIDC Ambad,
Nashik

Tel: (0253) 2381081/82/83, 6642000

CIN: L25200MH1981PLC025731

e-mail: info@mahindrairrigation.com

website: www.mahindrairrigation.com

Nashik, 14th May, 2020

DIRECTORS' REPORT

Your Directors are pleased to present the 38th Annual Report on business and operations of your Company along with the audited financial statements and accounts for the year ended 31st March, 2020.

FINANCIAL HIGHLIGHTS

Highlights for the financial year are as under:

(Rs. in Crores)

	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019*
Revenue from Operations	283.96	260.11
Other Income	1.33	1.06
Total Income	285.29	261.17
Profit Before Interest, Depreciation & Tax	38.18	21.40
Finance Cost	1.98	1.39
Depreciation	3.80	3.07
Profit Before Tax	32.40	16.94
Tax expense	9.11	5.50
Profit After Tax	23.29	11.44
Other Comprehensive Income/ (loss) for the year	(0.01)	(0.07)
Profit for the year attributable to owners of the Company	23.28	11.37

* Figures have been regrouped as per Indian Accounting Standards (IND AS).

Operations and Financial Overview

During the year under review, your Company posted record Sales turnover of Rs. 283.96 Crores as against a total Sales turnover of Rs. 260.11 in the previous year registering a growth of 9.17% over previous year.

The Company made a Profit Before Tax of Rs. 32.40 Crores for the year 2019-20 as compared to Rs. 16.94 Crores in the previous year reflecting a growth of 91.26%. The Profit After Tax was at Rs. 23.29 Crores as compared to Rs. 11.44 Crores in the previous year reflecting a growth of 103%.

For the year under review the micro irrigation industry in India recorded a flattish growth of approx. 2%. During the year, the Company recorded a satisfactory growth on back of a delayed but good monsoon, better support to farmers from the government and Governments' thrust on Agriculture and rural development.

Your Company continued its rigor on cost restructuring and efficiency improvement measures which have supported significantly in the savings. Company this year too took projects on cost savings and improve customer experience though, product and Process innovations which has supported the Company on its journey of Profitable Growth in the current economic scenario.

COVID-19 conditions prevailing since last month of F20 and beginning of F21 has posed challenges and had an impact on the normal working of the Company in the Month of April, however, various State Government and Central Government's priority to Agriculture sector would help in reviving the normalcy and contain the impact on the performance of the Company, to a minimum possible extent. The Company is constantly working and evaluating the possible impact to the Business Continuity and taking actions on the same to mitigate possible risks. There has been no change in the nature of business of your Company.

The year under review, saw varied coverage and growth/degrowth in markets across country, few critical markets de-grew significantly while in few states the Governments were very positive in there focus on Micro Irrigation, thus these states resulted in significant growth. The effective implementation of Pradhan Mantri Krishi Sinchai Yojana ("PMKSY Scheme") has brought approximately more than 7.5 Lakh hectares of land under irrigation during the year. The increasing awareness of micro irrigation amongst the farmer community and continued focus due to PMKSY helped build a sustainable growth riding on steady demand for MI system in various states. States like Gujarat, Karnataka, Tamilnadu and Maharashtra have supported the growth/sustenance of the Industry numbers, along with few states in the Northern and Eastern parts of the country.

The penetration of micro irrigation in different States is different and the average penetration at all India level is at around 11-12% with most of the cultivable land still being rain-fed. There is mammoth potential for promotion of micro irrigation in India.

A detailed analysis of the financial results is given in the Management Discussion and Analysis Report which forms part of this Report.

Dividend

Your Directors are pleased to recommend a dividend of 12% i.e. Rs. 1.20 per equity share of Rs. 10 each for the year ended on 31st March, 2020 payable to those shareholders whose names appear in the Register of Members as on the Book Closure Date. The dividend, if approved by the

members, would involve a cash outflow of Rs. 3.33 Crores as against Rs. 3.34 Crores comprising the dividend of Rs. 1.00 per equity share of Rs. 10 each and tax thereon paid for the previous year. Further, the Board of Directors of your Company decided not to transfer any amount to the General Reserve for the year under review.

Consolidated Financial Statement

The Consolidated Financial Statements of the Company and its joint venture company prepared in accordance with the Companies Act, 2013 (“the Act”) and applicable Accounting Standards along with all relevant documents and the Auditors’ Report forms a part of this Annual Report.

Joint Venture

Your Company entered into Joint Venture (JV) arrangement in F’19 with TOP Greenhouses Limited, Israel, to set up Mahindra Top Greenhouses Private Limited for the protected cultivation business. The JV recorded a Sales Turnover of Rs. 3.8 Cr. in its first full year of operation and after impact of the disruption on account of COVID-19 on the revenues for a shorter term. The JV is focusing on strengthening its value proposition, channel partners and developing new Business Models, besides building on its strength in Technology Driven Corporate segment. JV provides an opportunity for both Joint Venture partners to draw on the strengths of each other and grow protected cultivation business by providing hi-tech and relevant solutions to protected cultivation customers, both large and small. With more evident impact of climate change on agriculture, protected cultivation is going to be indispensable in raising the agricultural productivity.

Corporate Governance & Management Discussion and Analysis Report

Your Company believes that sound practices of good Corporate Governance, Transparency, Accountability, and Responsibility are the fundamental guiding principles for all decisions, transactions, and policy matters of the Company. A Report on Corporate Governance, alongwith a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the “LODR Regulations”) forms part of this Annual Report.

Further, the Management Discussion and Analysis Report for the year under review, as stipulated under LODR Regulations, forms part of this Report.

Stock Options

The Nomination and Remuneration Committee of the Board of Directors, inter alia, administers and monitors the Employees Stock Option Scheme of the Company “the ESOS”. The ESOS is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and there have been no material changes in the said scheme during the year under review.

During the year under review, 35,877 nos. of Stock Options under the ESOS were exercised immediately after vesting. Accordingly, the Company made the allotment of 35,877 Equity Shares.

The applicable disclosures as stipulated under the SEBI Guidelines as on 31st March, 2020 (cumulative position) with regard to the ESOS are provided in Annexure II to this Report.

Voting rights on the shares issued to employees under the ESOS are either exercised by them directly or through their appointed proxy.

Share Capital

During the year, with the allotment of 35,877 equity shares on exercising of Stock Options by employees, the total paid up equity share capital of the Company increased from 2,77,45,821 equity shares of Rs. 10 each to 2,77,81,698 equity shares of Rs. 10 each. The said equity shares have been listed on the Bombay Stock Exchange Limited and they rank pari passu with the existing equity shares in all respects.

Accordingly, the Paid-up Share Capital of the Company stood at Rs. 27,78,16,980 divided into 2,77,81,698 equity shares of Rs. 10 each as on 31st March, 2020.

Holding Company

The promoters of the Company i.e. Mahindra and Mahindra Limited (“M & M”) hold 1,51,44,433 equity shares which represent 54.51% of the total paid up capital of the Company. Your Company continues to be a subsidiary company of M & M. The Company does not have any subsidiary company.

Contracts and arrangements with Related Parties

During the financial year, all contracts/arrangements/ transactions entered by the Company with related parties were in the ordinary course of business and on an arms-length basis. During the year, the Company had not entered into any contract/arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

All related party transactions are placed before the Audit Committee for approval, wherever applicable. Prior omnibus approval is also obtained from the Audit Committee for the related party transactions which are of repetitive nature as well as the transactions which cannot be foreseen and accordingly, the required disclosures are made to the Committee on quarterly basis for its approval.

The Company's major related party transactions are generally with its holding and associate companies. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sales transactions through tenders or otherwise. All related party transactions are negotiated on an arms-length basis, and are intended to promote the Company's interests.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board of Directors may be accessed on the Company's website at the link: http://www.mahindrairrigation.com/pdf/EPC_Policy_on_Related_Party_Transactions.pdf. The related party transactions have been set out in the Note No. 31 to the financial statement.

Risk Management

The Company has constituted a Risk Management Committee comprising Mr. Nikhilesh Panchal, Mr. Ashok Sharma and Mr. Anand Daga. Mr. Nikhilesh Panchal is the Chairman of this Committee. The Company has adopted the Risk Management Policy. The Committee is entrusted with the responsibility to assist the Board of Directors in (a) overseeing and approving the Company's enterprise wide risk management framework; and (b) overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed.

There is an adequate mechanism in place about risks and uncertainties that can impact its ability to achieve its strategic objectives, risk assessment, risk mitigation and minimization procedures and its periodical review.

Industrial relations

The Company believes that sustainable growth can only be achieved in an organisation which focuses on a performance culture and where employees are engaged and empowered to be the best they can be.

Employees at all levels have contributed to the performance of your Company. Your Directors place on record the Co-operation of employees during the year under report. The Directors also place on record the unstinted Co-operation extended by the staff members during the period under review.

Our mission is to protect and enhance the well-being of our employees, visitors and other stakeholders. A safe work environment is non-negotiable, for which we follow strict safety standards in all our facilities. Our safety practices ensure all possible safety hazards are identified and eliminated, not only at the workplace but also during employee travel. We promote holistic safety culture to improve safety beyond work.

The Management Discussion and Analysis Report gives an overview of the developments in Human Resources/Industrial Relations during the year.

Safety, Health and Environmental Performance

Your Company's commitment towards safety, health and environment is being continuously enhanced and your Company encourages involvement of all its employees in activities related to safety, including promotion of safety standards. This is also demonstrated by the fact that there has been only one reportable incidence (Non-Fatal) of accident in the last five years.

The Safety Committee, constituted for the same, regularly reviews the adherence of safety norms. Some of the programs undertaken by the Company include behaviour based safety training, knowledge based fire extinguisher training, fire-fighting training and safety awareness, etc.

Various health checkup programs for employees were regularly undertaken by the Company during the year.

Requirements relating to various environmental legislations and environment protection have been duly complied by your Company.

Board and Committees

Directors

Pursuant to the provisions of Section 152 of the Companies Act, 2013 (the "Act"), the Non Independent Director Mr. S Durgashankar would retire and, being eligible, has offered himself for re-appointment.

As mentioned in the previous Annual Report, Mr. Vinayak Patil ceased to hold office as an Independent Director from the conclusion of the previous Annual General Meeting, upon completion of his tenure.

Ms. Sangeeta Prasad, resigned as a Director of the Company effective close of business hours of 30th June, 2020. She has resigned to pursue her other interests. The Board expressed its sincere appreciation for the valuable contribution made by Ms. Sangeeta Prasad for establishing strategies of the Company during her tenure as the Director.

Appointment of Mr. Shriprakash Shukla as Non-Executive Chairman

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 14th May, 2020 appointed Mr. Shriprakash Shukla (DIN: 0007418) as an Additional Director (Non-Executive Non-Independent) and elected Chairman of the Board of the Company with effect from 14th May, 2020 to hold office upto the ensuing Annual General Meeting. In view of the external business environment and the business knowledge acumen and experience which would be beneficial to the Company, the Board recommends appointment of Mr. Shriprakash Shukla as Director liable to retire by rotation on the Board of the Company.

The Company had received the notice from a member of the Company signifying his intention for election of Mr. Shukla as Director in the ensuing Annual General Meeting.

Re-appointment of Mr. Ashok Sharma as Managing Director

The three years' term of Mr. Ashok Sharma as Managing Director would be expiring on 30th September, 2020. Pursuant to the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 14th May, 2020 appointed Mr. Ashok Sharma (DIN: 2766679) as Managing Director for a further period of 3 years with effect from 1st October, 2020 on a consolidated remuneration of Rs. 24 lacs per annum. The approval from shareholders for renewal of his term is being sought at the ensuing Annual General Meeting.

Appointment / Re-appointment of Independent Directors

Dr. Sudhir Kumar Goel

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on 23rd July, 2019 appointed Dr. Sudhir Kumar Goel (DIN: 02965596) as an Additional Non-Executive Independent Director of the Company to hold office upto the ensuing Annual General Meeting.

Further, pursuant to the recommendation of Nomination and Remuneration Committee and the performance evaluation, the Board at its meeting held on 14th May, 2020 recommended appointment of Dr. Sudhir Kumar Goel for a term of 3 (three) consecutive years commencing from 23rd July, 2019 to 22nd July, 2022 to hold office as Independent Director of the Company not liable to retire by rotation on the Board of the Company. The approval from Shareholders for appointment of Dr. Sudhir Kumar Goel is being sought at the ensuing Annual General Meeting.

Ms. Aruna Bhinge

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 14th May, 2020 appointed Ms. Aruna Bhinge (DIN: 07474950) as an Additional Non Executive Independent Director of the Company to hold office upto the ensuing Annual General Meeting subject to the approval of the shareholders at the ensuing Annual General Meeting and to hold office as Independent Director for a term of 3 (three) consecutive years commencing from 14th May, 2020 to 13th May, 2023 not liable to retire by rotation on the Board of the Company.

The approval from Shareholders for appointment of Ms. Aruna Bhinge is being sought at the ensuing Annual General Meeting.

Detailed profile of the Directors seeking appointment/reappointment along with other necessary details as may be required are provided in the Notice of the Annual General Meeting and Report on Corporate Governance of the Company.

Declaration of the Independent Directors

All the Independent Directors on the Board have given a declaration of their independence to the Company as required under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR Regulations. In the opinion of the Board, all the Independent Directors possess the integrity, expertise and experience including the proficiency required to be Independent Directors of the Company, meets the criteria of independence as specified in the Act and the SEBI LODR Regulations and are independent of the management and have also complied with the Code for Independent Directors as prescribed in Schedule IV of the Act.

The Independent Directors of the Company have confirmed that they have registered or will register themselves with the Indian Institute of Corporate Affairs, Manesar and have included their name in the databank of Independent Directors within the statutory timeline and they will also appear for the online proficiency test within a period of one year, wherever applicable.

The information required pursuant to Section 197(12) read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the "Rules of 2014") in respect of ratio of remuneration of a director to the median remuneration of the employees of the Company for the financial year is annexed herewith and marked as Annexure III to this Report.

During the year under review, the independent directors were paid the Commission of Rs. 5.00 lakhs each for the year 2018-19.

Performance Evaluation of the Board

The Company has devised a Policy for performance evaluation of independent directors, Board of Directors, Committees and other individual Directors, which includes criteria for performance evaluation of the Non-Executive Directors and Executive Director.

Pursuant to the provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

The details of programme for familiarisation of independent directors with the Company, their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company. During the year, the independent directors of the Company met on 30th April, 2019.

Your Company has adopted the following Policies which, inter alia, include criteria for determining qualifications, positive attributes and independence of a Director. The following policies of the Company are annexed herewith and marked as Annexure IV and Annexure V respectively and forms part of this Report:

- Policy on Appointment of Directors and Senior Management and Succession Planning for Orderly Succession to the Board of Directors and the Senior Management.
- Policy for Remuneration of the Directors, Key Managerial Personnel and other employees.

Meetings of the Board

Four meetings of the Board of Directors were held during the year. Details of attendance of meetings of the Board, its Committees and the AGM are included in the Report on Corporate Governance, which forms part of this Annual Report.

Committees of the Board

Your Company has duly constituted the Committees required under the Companies Act, 2013 read with applicable Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Vinayak Patil ceased to be member/chairman of the various Committees of the Board upon completion of his term as Independent Director of the Company with effect from 24th July, 2019. Dr. Sudhir Kumar Goel was appointed as member on various Committees with effect from 24th July, 2019.

Audit Committee

The Audit Committee comprises Independent Directors namely M/s. Anand Daga (Chairman), S Durgashankar and Dr. Sudhir Kumar Goel as other members.

All the recommendations made by the Audit Committee were accepted by the Board of Directors.

CSR Committee

The CSR Committee comprises M/s Ashok Sharma (Chairman), S Durgashankar and Dr. Sudhir Kumar Goel as other members.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises Directors namely M/s. Anand Daga (Chairman), S Durgashankar and Dr. Sudhir Kumar Goel as other members.

Key Managerial Personnel (KMP)

In accordance with the provisions of Section 203 of the Act, the following persons have been designated as KMP of the Company as at 31st March, 2020:

Name of the KMP	Designation
Mr. Ashok Sharma	Managing Director
Mr. Sanjeev Mohoni *	Chief Executive Officer (CEO)
Mr. Abhijit Page **	Chief Executive Officer (CEO)
Ms. Sunetra Ganesan	Chief Financial Officer (CFO)
Mr. Ratnakar Nawghare	Company Secretary (CS)

* Mr. Sanjeev Mohoni ceased to be Chief Executive Officer with effect from 1st April, 2020 after closing of business hours on attaining superannuation.

** Mr. Abhijit Page appointed as Chief Executive Officer with effect from 2nd April, 2020.

Directors' Responsibility Statement

Pursuant to section 134 (5) (e) of the Act, your Directors, based on the representations received from the Operating Management, and after due enquiry, state that:

- in the preparation of the annual accounts for the year ended 31st March, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2020 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Business Responsibility Report

The Business Responsibility Report (BRR) of your Company for the financial year ended 31st March, 2020 forms part of this Annual Report as required under Regulation 34 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Company strongly believes that sustainable and inclusive growth is possible by using the levers of environmental and social responsibility while setting aspirational goals and improving economic performance to ensure business continuity and rapid growth.

Corporate Social Responsibility

The Corporate Social Responsibility Committee ("CSR Committee") has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link: http://www.mahindrairrigation.com/pdf/EPC_CSR_Policy.pdf

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability.

During the year under review, your Company initiated few projects such as Promotion of Education, rural development, medical check-up camps, tree plantation etc. These projects were mainly implemented directly through employee participation.

During the year under review, the Company has spent Rs. 25.08 lacs, which is over 2% of the average net profits of last three financial years, on CSR activities.

The Annual Report on CSR activities is annexed herewith, and marked as Annexure VI.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and the Rules framed thereunder.

During the financial year under review, the Company did not receive any complaints of sexual harassment and no cases were filed under the POSH Act.

Vigil Mechanism/Whistle Blower policy

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour, the Company has adopted a vigil mechanism policy. Whistle Blower or Complainant, as the case may be under the said Policy, shall be entitled to direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. This policy is explained in the Report on Corporate Governance and also posted on the website of Company.

Auditors and Auditor's Report

The Auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants, Baroda holds office under second term of five years until the conclusion of the Annual General Meeting to be held in the year 2021 as per the resolution passed by the shareholders on 29th July, 2016 subject to the ratification by members in every Annual General Meeting. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Act and the Rules framed there under, the mandatory requirement for ratification of appointment of Auditors by the members at every Annual General Meeting ("AGM") has been omitted.

The Auditors' Report is unmodified i.e. it does not contain any qualification, reservation or adverse remark or disclaimer.

Cost Auditors

The cost accounting records of the Company are maintained and the Company had filed the Cost Audit Report as per the Companies (Cost Accounting Records) Rules, 2011 prescribed under Section 148 (6) of the Act, and Rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014 pertaining to the financial year 2018-19 before the due date of filing.

Pursuant to section 148 of the Act, the Board of Directors, on the recommendation of the Audit Committee appointed M/s Deodhar Joshi and Associates, Cost Accountants, as the Cost Auditors of the Company for the financial year 2020-21. M/s Deodhar Joshi and Company have confirmed that their appointment is within the limits of section 139 of the Act, and have also certified that they are free from any disqualification specified under sections 141(3) and 148(5) of the Act.

The Audit Committee has also received a Certificate from the Cost Auditor certifying their independence and arms-length relationship with the Company.

The Directors recommend the remuneration payable to the Cost Auditors of the Company for the year 2020-2021. The approval from shareholders for the remuneration payable to the Cost Auditors is being sought at the ensuing Annual General Meeting.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Rules framed thereunder, the Secretarial Audit Report for the financial year ended on 31st March, 2020 issued by Mr. Sachin Bhagwat, Practising Company Secretary is annexed herewith and marked as Annexure VII to this Report. The Secretarial Audit Report does not contain any qualification, observation, reservation or adverse remarks or disclaimer.

Public Deposits & Loans/Advances

Your Company has not accepted any deposits during the year under review. There were unclaimed/unpaid deposits and unclaimed/ unpaid interest warrants outstanding as on 31st March, 2020 amounting to Rs. 0.36 lacs. Your Company has neither made any loans or advances nor provided any guarantees or securities, or made any investments which are required to be disclosed in the Annual Accounts of the Company.

Energy Conservation and Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo as

required to be disclosed under sub-section(3) (m) of Section 134 of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are annexed herewith and marked as Annexure VIII to this Report.

DISCLOSURES:

Compliance with the provisions of Secretarial Standard 1 and Secretarial Standard 2

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively. During the year under review the Company was in compliance with the Secretarial Standards, i.e., SS-1 and SS-2, relating to “Meetings of the Board of Directors” and “General Meetings” respectively.

Extract of Annual Return

Pursuant to Sub-section 3(a) of Section 134 and Sub-section 3 of Section 92 of the Companies Act, 2013, read with Rule 12(1) of the Companies (Management and Administration) Rules 2014, the extracts of Annual Return of the Company as at 31st March, 2020 is annexed herewith as Annexure IX to this Report.

General

No Commission was paid to the Managing Director by the Company or any remuneration from the JV of the Company.

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.
5. There were no frauds reported by auditors (including Secretarial and Cost auditor) to the Audit Committee or Board and also not reported to the Central Government.
6. There were no material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year and the date of this Report.

Particulars of Employees

Particulars of employees as required under Section 197 of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report and marked as Annexure III (B) and (C). In accordance with the provisions of Section 136 of the Act, the Annual Report and Accounts are being sent to all the Members of the Company excluding the aforesaid information and the said particulars will be made available on request and also made available for inspection at the Registered Office of the Company. Any Member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Acknowledgements

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and continued support received from customers, vendors, suppliers, bankers, business associates and shareholders.

For and on behalf of the Board

Anand Daga
Director

Ashok Sharma
Managing Director

Place : Nashik
Dated: 14th May, 2020

ANNEXURE I TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

Company Profile

Mahindra EPC Irrigation Limited became part of Mahindra Group of companies pursuant to Mahindra and Mahindra Limited (M&M) acquiring control and management stake in 2011. M&M's Agri Sector supplements the Company's business and provides management bandwidth and competence in marketing and operations, which enhances the scope for development of synergies to create value for the business.

At Mahindra EPC Irrigation Limited, popularly known as Mahindra EPC, we strive to provide end to end solutions to farmers in modern scientific water management through customized micro-irrigation systems, Pumps, Irrigation Automation, Community Irrigation Projects, Water Conveyance, Protected Cultivation Solutions and value added services such as agronomy advisory, Farm Productivity Improvement support and Design services, which are in line with the sector BHAG of Delivering Farm Tech Prosperity.

The Company's products are popular amongst farmer community for their superior quality. The Company's product portfolio includes mainly Drip Irrigation Systems and Sprinkler Irrigation Systems, consisting of online drippers, inline drip lateral, plain laterals, drip fittings, filters, fertigation equipment, pipe fittings, sprinkler nozzles etc. The Company also manufactures specialised pipes for water and gas distribution, besides pipes required for industrial and agricultural use.

Besides Micro Irrigation Systems, the Company also undertakes activities in the following:

- Automation products
- Range of Pumps required for agriculture and domestic use
- Landscape irrigation products
- Irrigation Automation products

In order to enhance the focus on protected cultivation business the Company entered into a 60:40 JV with Top Greenhouses Ltd. of Israel in F19 and Mahindra Top Greenhouses Private Ltd. was formed.

In the past few years, post-acquisition by M&M, MEIL has more than tripled its topline and grown its PAT by 10X.

Overview

India's population stands at 1.3bn and is estimated to rise at a steady pace to reach 1.7 bn by the year 2050 according to the World Bank estimates. According to UNFAO's report, India's water resources, particularly in the context of agriculture, are facing extreme stress. Amongst all the economic sectors, agriculture is the one where water scarcity has greatest relevance. Agriculture accounts for approximately 70 percent of the global

freshwater withdrawals and approximately 90 percent of its consumptive use.

According to UNFAO report, the country sustains 16 percent of the world's human population and 20 percent livestock population with just 3 percent of the world's water. With changing lifestyles and rising water consumption in urban areas, water for agriculture is under threat from other usages. Conflicts over access and control of water sources are becoming common, not only among people, but also among states within the country.

Even though food grain production has increased significantly over the years, there is a need for the production to double further in order to meet the ever growing demand created with this population increase. Given the fact that land and water are limited resources, this would require an improvement in the productivity of crops. Further, conservation of water sources and judicious use of water will be the key to sustainable agricultural production in the coming years.

The Government has focussed on water related technologies and groundwater management as well as – increasingly – efficient irrigation management.

With the need to increase productivity while saving water, micro irrigation will play a key role for the future of Indian agriculture.

Micro Irrigation Systems are one of the most effective water saving technologies being used for optimum usage of water and increasing efficiency of agriculture. Over a period, micro irrigation has also delivered many other economic and social benefits to the community. It reduces soil erosion, weed problems, cost of cultivation, labour, energy use and wastage of fertilisers/ nutrient loss, besides increasing productivity of crops.

Industry Structure and Developments

The micro irrigation system market is one of the growing segments of the agricultural industry. This growth is complemented by Government's encouragement for adoption of micro irrigation system for various crops in order to conserve natural water resources. The industry though fragmented into organised and unorganised sectors, with huge number of players in every state, is in a position to aid Government programmes like Pradhan Mantri Krishi Sinchai Yojana ("PMKSY") launched in 2015 for a period of five years with an outlay of Rs. 50,000 crores. The major objective of the PMKSY is to achieve convergence of investments in irrigation at the field level, expand cultivable land under assured irrigation (Har Khet ko Pani), improve on farm water use efficiency to reduce wastage of water, enhance the adoption of precision irrigation and other water saving technologies (more crop per drop) with sustainable water conservation practices.

The market size of the Micro Irrigation System Industry in India has been broadly segmented on the basis of types

of micro irrigation system (drip and sprinkler irrigation system), by States, by crop types, by type of drip and sprinkler equipment, by applications of micro irrigation system and by organizational structure of the industry. It has been further segmented into project market and open market.

Tamil Nadu, Andhra Pradesh, Gujarat, Maharashtra and Karnataka contribute to over 70% of Micro Irrigation coverage in India. With highest state allocation for MIS, Gujarat, Maharashtra, Karnataka and Tamil Nadu represent the hotspots for MIS in India

The adoption of micro irrigation technology in our country has helped in achieving higher cropping and irrigation intensity and higher farm productivity in recent years.

Opportunities and Outlook

Micro irrigation technology is rapidly expanding all over the world, especially in the water scarce areas of developed countries. It is very popular in the United States, Israel and some parts of Europe, while in Asia it is still in the development stage. This technology has also established a stronghold in the Asian regions, where it is best utilized in India and China but still there is ample market potential with a continuously rising population. Micro irrigation is becoming the most demanded technology.

Water scarcity is the most important driving factor of the MI industry. The area available for crop cultivation, growing population in the country and GDP in the agriculture sector contributes to the growing demand for MIS.

The long term outlook for the Micro Irrigation Industry is postulated to be robust. The real boost to the business is likely to come from the micro irrigation projects launched by various State Governments under the PMKSY Scheme aiming to increase coverage of micro irrigation activities under major government programmes.

With the strong brand image of *Mahindra*, the Company is looking forward to consolidate its position in the market by strengthening after sales services and agronomy support, enhancing product portfolio, intensifying its efforts to increase dealer /distributor network besides exploring opportunities in overseas markets.

Operations and Financial Performance

During the year 2019-20, your Company achieved Sales Turnover of Rs. 283.96 Crores as compared to Rs. 260.11 Crores in the preceding year reflecting growth of 9% in the current Industry scenario. The major growth drivers are – penetration in new markets, focus on various project markets, proximity to customers, effective working capital management and deployment of cost efficiency measures. The performance of the Company has been resilient in backdrop of COVID-19 induced disruption for the year

under review. The judicious and prudent usage of available resources has also impacted positively on the performance of the Company. The key Financial Ratios are given at the end of this report.

During the year under review, the Company has focused on improving penetration of affordable automation products for Micro Irrigation under the brand “Smartflo”. Further, the company has introduced Drip tape, an innovative product, which provides effective and desired wetting pattern for the crop resulting into improvement of yield.

In line with the policy of going near to customer, the Company has successfully implemented the strategy of having a plant in Tamil Nadu on contract manufacturing model. This proximity to customer has benefited the Company delivering the solutions in time and realizing considerable savings in freight costs.

The Company continues to provide support to farmers by way of Agri Helpline for online support besides undertaking initiatives such as Demo Plots, farmer meetings, develop farmer success stories, Agri Village and agronomical services for farmers to improve farm productivity. These value added services will certainly help a score of farmers in achieving Farm Tech Prosperity.

During the year under review, the Company has achieved ‘Stage 4’ in ‘The Mahindra Way (TMW)’ assessment thus in the very second year of successive assessment, the rating was upgraded which indicates business excellence in various business processes. Total Productive Maintenance (TPM), Total Quality Management (TQM), Continuous Improvement Team (CIT), Mahindra Yellow Belt Programme, Kaizen, Quality Parameters on all machines, Design, Service and Installation Quality Index etc. continued to receive paramount importance. These measures have resulted in improvement in production efficiencies, reduction in rejections and improvement in customer satisfaction levels.

Risks, Concerns and Threats

The major risks and threats to the Micro Irrigation industry are uneven distribution of rainfall, competition from unorganized sector, Government policies, constant fluctuation in polymer prices and drought like situation for consecutive years.

Seasonality is also another major concern for all irrigation companies as the major business originates from non-monsoon months, but is inevitably supported by a good monsoon and better ground water availability. However, this concern can be addressed with well spread operation in different States, where monsoon months are staggered, to counter a small seasonal window.

Long lead time in release of State subsidies requires more working capital for MI Industry. However, with the implementation of PMKSY Scheme by the Central Government, the overall subsidy release has shown some

signs of improvement. Many States have even implemented the release of subsidies through an online process. In order to increase affordability of MI systems, many MI manufacturers have been selling Thin Wall drip systems, with a shorter working life, for farmers with small land holdings as well as farmers who have already availed subsidy once.

The demand of MI systems in agriculture will not diminish, it will indeed increase with a good pace. Even though surface irrigation will still dominate as the primary irrigation method, the area under micro-irrigation will continue to expand.

Competition from unorganized sector, a major concern for the organized players in the industry has started declining due to implementation of new tax regime.

Implications of COVID-19 crisis

COVID-19 is an unprecedented humanitarian challenge for all countries. Its economic cost, though unavoidable in the early stages of a lockdown, might not be sustainable in the longer term. It is becoming increasingly clear that COVID-19 will not disappear immediately; the economy will need to be managed alongside persistent infection risks, possibly for a prolonged period. After reopening, some countries have needed to resume lockdowns in response to rising infection rates, and India may be no exception.

How Indian businesses, consumers, and workers are equipped to resume their activities, even amid the ebb and flow of the virus, will decide how lives and livelihoods fare in India. The lockdown- and restart-management capability will have to be granular and dynamic, with local implementation closely aligned to state- and central-government policy and support from high-quality communication.

Agriculture falls in the essential activity category and so the micro irrigation industry by virtue of its support to agriculture may see a somewhat reduced impact. In addition, the industry by its nature is concentrated in rural areas where risk of COVID spread is lower than in urban areas. Also, the Company as a part of its strategy has implemented strong geographical diversification with presence across several States and hence due to this, the COVID risk gets further reduced. The company is constantly working and evaluating the possible impact to the Business Continuity and taking actions on the same to mitigate possible risks.

Internal Control Systems

The Company has an effective and reliable internal financial control system commensurate with the nature of its business, size and complexity of its operations. The internal financial control system provides for well-documented policies and procedures that are aligned with Mahindra Group's standards, processes and policies, adhere to statutory requirements for orderly and efficient conduct of business, safeguarding of assets, detection and prevention of frauds and errors, adequacy and completeness of accounting records and

timely preparation of reliable financial information. This also identifies opportunities for improvement and ensures that good practices are imbibed in the processes that develop and strengthen the internal financial control systems and enhance the reliability of the Company's financial statements.

The internal control framework comprises of elements like entry level controls, Risk Control Matrix, management testing programs and a strong emphasis on integrity and ethics as a part of work culture.

Internal audits are conducted periodically, covering major areas of business and the Company continuously upgrades systems in line with the best accounting practices. The reports of Internal Auditors are reviewed by the Audit Committee of the Board. The Audit Committee discusses significant findings, recommendations of internal and external auditors with reference to significant risk areas and adequacy of internal controls and based on that, corrective measures are initiated.

Based on management's assessment and testing of controls, it is concluded that the Company has proper internal financial controls which are considered adequate and are operating effectively.

Human Resources and Industrial Relations

The Company takes great pride in the commitment, competence and dynamism shown by its employees in all spheres of business. The Company continues to take initiatives to align its policies with the holding company and to meet the growing needs of the business. The Company also continues to attract and nurture fresh talent from leading agricultural colleges.

The Company has adopted the Balance Scorecard for performance evaluation and strategy deployment. All four aspects of the scorecard – financial perspective, customer perspective, internal business process and innovation and learning - have been implemented across all employees till officer level. This has ensured maintaining balance across multiple dimensions of performance of employees.

Human resources initiatives such as skill level upgradation, impactful training programs, increasing productivity of sales force through building crop specific capability, succession planning, appropriate reward and recognition systems and productivity improvement are the key focus areas for development of the employees of the Company.

The Company continues to maintain its unique track record of industrial harmony. As we look ahead, we are confident that our strong, positive people philosophy and practices will make us a preferred destination for talent.

The safety, training, welfare and development of employees continue to receive the highest priority.

38th Annual Report 2019-20

As on 31st March, 2020, the total number of employees in your Company was 347.

Key Financial Ratios

The Key Financial Ratios of the Company are given as below:

Ratio	Standalone		Consolidated	
	FY 2020	FY 2019	FY 2020	FY 2019
Debtors Turnover (Days)*	185	184	185	184
Inventory Turnover (Times)	4	5	4	5
Interest Coverage Ratio (Times)	17	13	17	13
Current Ratio (Times)	2.1	2.3	2.1	2.3
Debt Equity Ratio (Times)	NA	NA	NA	NA
Operating Profit Margin (%)	13.4%	8.2%	13.4%	8.2%
Net Profit Margin (%)	11.4%	6.5%	11.3%	6.5%
Return on Net Worth (%)	13.6%	7.6%	13.5%	7.5%

* On Gross Sales (Incl. GST)

Working Capital

In FY 2020, the operations faced disruptions in the last fortnight. In FY 2019, Inventory was lower due to sudden spurt in orders towards the end of the year.

Interest Coverage, Current and Debt Equity Ratio

The Company did not have any non-current borrowing. The small increase in current borrowings helped leverage the business and improve margins.

Operating Profit Margin, Net Profit Margin and Return on Net Worth

The Company leveraged its infrastructure and fixed cost and improved its variable costs through various cost improvement initiatives in a year of stable material rates resulting in improved margins.

Cautionary Note

This report contains forward-looking statements based on certain assumptions and expectations of future events. Actual performance, results or achievements and risks and opportunities may differ from those expressed or implied in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

ANNEXURE II TO DIRECTORS' REPORT

Disclosures with respect to Employees Stock Option Scheme of the Company pursuant to the provisions of the Companies Act, 2013.

Particulars	Employees Stock Option Scheme, 2014	
(a) Options granted	3,08,323	
(b) Options vested	1,37,334	
(c) Options exercised	1,37,334	
(d) The total number of shares arising as a result of exercise of options	1,01,457	
(e) Options lapsed	37391	
(f) Exercise price	Rs. 10	
(g) Variation of terms of options	Nil	
(h) Money realised by exercise of options	Rs. 1,37,33,340	
(i) Total number of options in force	1,33,598	
(j) Employee wise details of options		
(i) Key Managerial Personnel	1) Sanjeev Mohoni – 45,000 2) Ratnakar Nawghare – 15,751	
(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Year of Grant 2014	1) Kiran Soman – 16,862 2) Kedarnath Keskar – 4,688 3) Makarand Mallikar – 4,675 4) Ranveer Singh Malhotra – 4,644 5) Arvind Gulghane – 4,024
	2015	1) G. Ragupathi – 3,228
	2016	1) Padamkumar Gandhi – 7,896 <u>M & M Deputees</u> 1) Abhijit Page – 28,658 2) Milind Khapre – 22,320 3) Tejas Joshi – 9,972
	2017	1) Sudheendra Katti – 3,432 2) Shivaji Sangle – 3,345
	2019	1) Kiran Soman – 13,431 2) G Dayakar – 8,170 3) Sankar Maiti – 8,066 4) Arvind Gulghane – 9,332 5) Kedarnath Keskar – 5,423 6) G Ragupathi – 10,176
	(iii) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil

38th Annual Report 2019-20

Particulars	Employees Stock Option Scheme, 2014		
(k) Basic and Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (INDAS) 33 'Earnings Per Share'	Basic Earnings per Share -Rs. 8.38 & Diluted Earnings per Share -Rs. 8.35 respectively.		
(l) Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed	The Company has calculated the employee compensation cost, using the fair value method been used, in respect of stock options granted under the Employees Stock Option Scheme, 2014.		
(m) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Options Grants Date	Exercise Price (Rs.)	Fair Value (Rs.)
	28 th October, 2014 and 31 st October, 2015, 22 nd November, 2016 22 nd November, 2017 28 th February, 2019	10	170.97 131.75 169.43 83.51
(n) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	The fair value of the Stock Options granted on 28 th October, 2014, 31 st October, 2015, 22 nd November, 2016, 22 nd November, 2017 and 28 th February, 2019 have been calculated using Black-Scholes Options Pricing Formula and the significant assumptions made in this regard are as follows:		
(i) risk-free interest rate	8.06%, 6.33%, 6.68% and 7.06% respectively		
(ii) expected life	3.50 yrs., 5.50 yrs. 3.5 yrs. and 3.5 yrs. respectively		
(iii) expected volatility	55%, 49%, 44% and 39.15% respectively		
(iv) expected dividends and	Nil		
(v) the price of the underlying share in market at the time of option grant.	Rs. 177.75, Rs. 158.3, Rs.135.4, Rs. 172.55 and Rs. 92.90 respectively.		

ANNEXURE III TO DIRECTORS' REPORT

'A' DETAILS PERTAINING TO REMUNERATION 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

Sr. No.	Requirements	Disclosure
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year.	5.76%
2	The percentage increase in remuneration of each Director, CEO, CFO & CS.	MD – Nil % CEO – 5% CFO – 7 % CS – 6%
3	The percentage increase in the median remuneration of employees in the financial year.	The median remuneration of the employees in the financial year was increased by 8.38 %. The calculation of % increase in median remuneration is done based on comparable employees.
4	The number of permanent employees on the rolls of the company.	There were 347 permanent employees as on 31 st March, 2020.
5	Average percentage 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.	The average percentage change in Managerial employees is 7.41% whereas the average percentage change in Non – Managerial employees is 7.30% in 2019 -20.
6	Affirmation that the remuneration is as per the remuneration policy of the company	The Company affirms that the remuneration is as per the remuneration policy of the Company.

ANNEXURE IV TO DIRECTORS' REPORT

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT AND SUCCESSION PLANNING FOR ORDERLY SUCCESSION TO THE BOARD AND THE SENIOR MANAGEMENT

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

“Board” means Board of Directors of the Company.

“Company” means Mahindra EPC Irrigation Limited.

“Committee(s)” means Committees of the Board for the time being in force.

“Employee” means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.

“HR” means the Human Resource department of the Company.

“Key Managerial Personnel” (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director (MD), or Chief Executive Officer (CEO); or Manager; or Whole time Director (WTD)
- (ii) Chief Financial Officer (CFO); and
- (iii) Company Secretary (CS).

“Nomination and Remuneration Committee” (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

“Senior Management” means personnel of the Company who are members of its Core Management Team excluding Board of Directors comprising of all members of management one level below the executive directors including the functional heads.

I. APPOINTMENT OF DIRECTORS

- The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and independence of director:
 1. All Board appointments will be based on merit, in the context of the skills, experience, independence and knowledge, for the Board as a whole to be effective.
 2. Ability of the candidates to devote sufficient time and attention to his professional obligations as Independent Director for informed and balanced decision making

3. Adherence to the Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Independent Directors

- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Whole Time Director will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act 2013 and Rules made thereunder.

REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations thereunder or due to non - adherence to the applicable policies of the company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

The NRC shall identify persons who are qualified to become directors and who may be appointed in senior management team in accordance with the criteria laid down above.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Whole Time Director based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

II. SUCCESSION PLANNING:

Purpose

The Talent Management Policy sets out the approach to the development and management of talent in the Mahindra Group to ensure the implementation of the strategic business plans of the Group and the Group Aspiration of being among the Top 50 globally most-admired brands by 2021.

Board:

The successors for the Independent Directors shall be identified by the NRC atleast one quarter before expiry of the scheduled term. In case of separation of Independent Directors due to resignation or otherwise, successor will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.

The successors for the Executive Director(s) shall be identified by the NRC from among the Senior Management or through external source as the Board may deem fit.

The NRC will accord due consideration for the expertise and other criteria required for the successor.

The Board may also decide not to fill the vacancy caused at its discretion.

Senior Management Personnel:

A good succession-planning program aims to identify high growth individuals, train them and feed the pipelines with new talent. It will ensure replacements for key job incumbents in KMPs and senior management positions in the organization.

Significantly, we have a process of identifying Hi-pots and critical positions. Successors are mapped for these positions at the following levels :

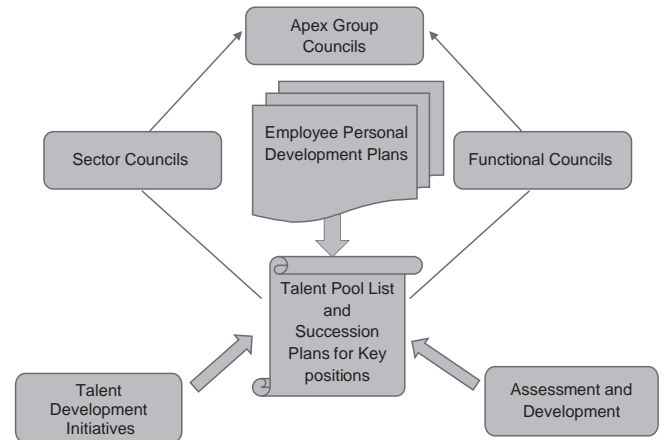
1. Emergency successor
2. Ready now
3. Ready in 1 to 2 years
4. Ready in 2 to 5 years
5. Ready in more than 5 years

in order to ensure talent readiness as per a laddered approach.

- b) **Exposure** i.e. coaching and mentoring – 20% weightage
- c) **Education** i.e. learning and development initiatives – 10% weightage

The Talent Management process is applicable to all employees. Over the years, the Talent Management framework has become a well-structured and process-oriented system which is driven by an interactive and collaborative network of Talent Councils at the Group and Sector Levels. These Talent Councils, which consist mainly of Senior business leaders supported by HR, are a mix of Sector (Business) and Functional Councils coordinated by an Apex Talent Council, headed by the Group Chairman. The Apex Council reviews the work done by the Talent Councils and facilitates movement of talent across Sectors. The Sector / Functional Councils meet regularly throughout the year and the Apex Council interacts with each one of them separately once a year, and in addition conducts an integrated meeting where the Chairpersons of all the Councils are present.

The Talent Management process can be represented pictorially as under :



The talent pipeline is maintained and developed so as to ensure that there is a seamless flow of talent. An important part of this exercise is drawing up and implementing IDAPs (Individual Development Action Plans) for every Executive concerned using the 3E approach mentioned above.

Policy Statement

The Talent Management framework of the Mahindra Group has been created to address three basic issues :

- 1) Given the strategic business plans, do we have the skills and competencies required to implement them? If not, how do we create them – by developing them internally or through lateral induction from outside?
- 2) For critical positions, what is the succession pipeline?
- 3) What are the individual development plans for individuals both in the succession pipeline as well as others?

The framework lays down an architecture and processes to address these questions using the 3E approach :

- a) **Experience** i.e. both long and short-term assignments. This has 70% weightage

ANNEXURE V TO DIRECTORS' REPORT

POLICY FOR REMUNERATION OF THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Purpose

This Policy sets out the approach to Compensation of Directors, Key Managerial Personnel and other employees in Mahindra EPC Irrigation Limited.

Policy Statement

We have a well-defined Compensation policy for Directors, Key Managerial Personnel and all employees, including the Chairman, Presidents and other Members of the Group Executive Board who are employees of the Company. The overall compensation philosophy which guides us is that in order to achieve global leadership and dominance in domestic markets, we need to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in the business.

In order to effectively implement this, we have built our Compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both Fixed and variable, to the Non Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

Whole Time Director or Executive Director or CEO:

The remuneration to Whole Time Director or Executive Director or CEO shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually by the NRC based on their performance or alternatively, the NRC may recommend to pay the consolidated remuneration.

Key Managerial Personnel (KMPs)

The terms of remuneration of Chief Financial Officer (CFO) shall be determined by the Audit Committee from time to time. The terms of remuneration of the Company Secretary shall be finalised/revised by the Whole Time Director or such other person as may be authorised by the Board from time to time.

The remuneration shall be consistent with the competitive position of the salary for similar positions in the industry and their Qualifications, Experience, Roles and Responsibilities. Pursuant to the provisions of Section 203 of the Companies Act 2013 the Board shall approve the remuneration at the time of their appointment.

The remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Employees

We follow a differential approach in choosing the comparator basket for benchmarking, depending upon the level in the organization:

- a. For all employees from Operational to Executive Band, we benchmark with a set of comparators from the same industry.
- b. For Strategic band and above, we have a position-based approach and the comparator basket includes benchmarks from across relevant industries.

We have a CTC (Cost to Company) concept which includes a fixed component (Guaranteed Pay) and a variable component (Performance pay). The percentage of the variable component increases with increasing hierarchy levels, as we believe employees at higher positions have a far greater impact and influence on the overall business result. The CTC is reviewed once every year and the compensation strategy for positioning of individuals takes into consideration the following elements:

- Performance
- Potential
- Criticality
- Longevity in grade

Remuneration for the new employees other than KMPs and Senior Management Personnel will be decided by the HR, in consultation with the concerned business unit head at the time of hiring, depending upon the relevant job experience, last compensation and the skill-set of the selected candidate.

The Company may also grant Stock Options to the Employees and Directors (other than Independent Directors and Promoter) in accordance with the ESOP Scheme of the Company and subject to the compliance of the applicable statutes and regulations.

ANNEXURE VI TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2019-20

1	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 and the composition of CSR Committee.	Refer Sections: (a) Corporate Social Responsibility and (b) Disclosures: CSR Committee in the Annual Report
2	Average net profit of the Company for last three financial years	Rs. 1,228.66 lacs
3	Prescribed CSR expenditure (two percent of the amount mentioned in item 2 above)	Rs. 24.57 lacs
4	Details of CSR spent during the financial year	Rs. 25.08 lacs
5	Total amount to be spent for the financial year	Rs. 25.08 lacs
6	Amount unspent, if any	Rs. Nil
7	Manner in which the amount spent during the financial year	Details given below

These projects were implemented under the monitoring of CSR Committee. The details of CSR spent during the financial year under the aforesaid CSR activities are mentioned below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programmes Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period.	Amount spent : Direct or through implementing agency
1	AGA Khan Rural support program	Rural Dev.	At- Rajkot, Sundernagar Dist- Morbi	6,21,000	6,21,000	6,21,000	Through implementing agency
2	Nanhi kali	Education	K. C. Mahindra Education Trust*	12,50,000	12,50,000	12,50,000	Through implementing agency
3	School Development Programme	Education	Nashik	1,28,000	1,28,000	1,28,000	Through implementing agency
4	Medical Health Checkup Camp Females	Health	Nashik	4,53,000	4,53,000	4,53,000	Through implementing agency
5	Misc Project like Tree Plantation, medical equipment to old age persons, school development Contribution to Sustainability Fund of Rural Development programme etc.	Hariyali	Nashik	56,000	56,000	56,000	Through implementing agency
	Total			25,08,000	25,08,000	25,08,000	

* The K. C. Mahindra Education Trust was founded by the late Mr. K. C. Mahindra in the year 1953, with an objective of promoting literacy and higher learning in the country.

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is reproduced below:

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board

Dr. Sudhir Kumar Goel
Director

Ashok Sharma
Managing Director
& Chairman of CSR Committee

Place : Nashik
Date : 14th May, 2020

**ANNEXURE VII TO DIRECTORS' REPORT
FORM NO. MR. 3
SECRETARIAL AUDIT REPORT
For The Financial Year Ended 31st March 2020**

[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,
Mahindra EPC Irrigation Limited
(Formerly known as EPC Industrié Limited)
Plot No. H-109, MIDC Ambad,
Nashik – 422010, Maharashtra

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mahindra EPC Irrigation Limited** (Formerly known as EPC Industrié Limited) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing 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 March 31, 2020 (hereinafter called the '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 March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (*the Act*) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings (**Not Applicable to the Company during the Audit Period**);
- (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 Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (hereinafter referred to "**Insider Trading Regulations**")
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018; (**Not Applicable to the Company during the Audit Period**)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
 - (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**) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulation, 2018; (**Not Applicable to the Company during the Audit Period**)
- (vi) As identified, no law is specifically applicable to the company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 (**hereinafter referred to "LODR"**)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc as 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 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 are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee 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.

Place : Pune
Date : 13 May, 2020

Sachin Bhagwat
ACS No. 10189, CP No. 6029
UDIN: A010189B000233005

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

Annexure

To
The Members,
Mahindra EPC Irrigation Limited
(Formerly known as EPC Industrié Limited)
Plot No. H-109, MIDC Ambad,
Nashik – 422010, Maharashtra.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Pune
Date : 13 May, 2020

Sachin Bhagwat
ACS No. 10189, CP No. 6029
UDIN: A010189B000233005

ANNEXURE VIII TO DIRECTORS' REPORT

PARTICULARS AS PER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2020.

A. Conservation of Energy

Your Company has always been giving priority to the conservation of energy and technology upgradation. To conserve energy and reduce energy cost, various initiatives were taken during the year.

(a) the steps taken or impact on conservation of energy:

- New designed extruders and downstream equipment for higher output in place of old one.
- Power factor is being maintained at unity.
- Improvement in productivity and savings in power consumption due to in-house technological innovations.
- Installation of newly designed moulds and high speed machines.
- Continuous raw material supply for higher productivity.
- Continuous improvements within production area, efficient production planning and improved preventive maintenance resulting into higher up time.
- Various measures to improve productivity thereby reduction in consumption of power.
- Replacement of existing lighting with energy efficient lighting.
- Energy efficient water chiller added as a standby with existing water chiller.
- Plant outside I HPMV 250 watt light replaced by 70 watt LED light.
- Upgradation of Extruders to improve productivity thereby savings in power consumption.
- Roof Top Solar System- WIP

(b) the steps taken by the company for utilising alternate sources of energy:

The Company has explored the potential of using the alternate sources of energy through pilot projects which may be considered for implementation in future and your Company would continue to explore alternative sources of energy in future.

(c) the capital investment on energy conservation equipments:

Nil

B. Technology Absorption,

(i) the efforts made towards technology absorption

Technology is the key enabler and core facilitator to achieve goals of your Company. Since inception,

your Company has been at the forefront of leveraging technology to provide better products and services to its customers. The Company's efforts are always focused on making in-house developments, improvement in products and processes, reduction in costs.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution

Technology has responded by being a true strategic partner with business. Many first mover implementations/developments have provided business, long lasting advantages to the Company.

Apart from product development, product improvement and effective cost management, technology has played a major role in ensuring high level of customer satisfaction and providing competitive advantage.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Nil

(a) the details of technology imported - NA

(b) the year of import - NA

(c) whether the technology been fully absorbed - NA

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NA

(iv) Expenditure of Research and Development:

		(Rs. In Thousands)	
		2019-20	2018-19
(a)	Capital Expenditure	Nil	Nil
(b)	Recurring Expenditure	97.03	539.25
(c)	Total	97.03	539.25
(d)	Total R&D expenditure as a % of total turnover	0.003	0.021

C. Foreign Exchange Earnings & Outgo

The Company is assessing the potential countries where the exports business can be explored.

The details of foreign exchange earned and outgo during the year are as under:

		(Rs. In Thousands)
Foreign Exchange earnings :		9,874.29
Foreign exchange outgo :		8,845.68

For and on behalf of the Board

Anand Daga
Director

Ashok Sharma
Managing Director

Place : Nashik
Dated : 14th May, 2020

ANNEXURE IX TO DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020

[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:-	L25200MH1981PLC025731
ii)	Registration Date:-	28/11/1981
iii)	Name of the Company:-	Mahindra EPC Irrigation Limited
iv)	Category/Sub-Category of the Company:	Public Limited
v)	Address of the Registered office and contact details:-	Plot No.H-109, MIDC Ambad, Nashik-422 010 Ph No: 0253-2381081/6642000
vi)	Whether listed company: Yes/No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:-	Kfin Technologies Pvt. Ltd Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli Financial District, Nanakramguda Hyderabad Telangana-500 032

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Micro Irrigation Systems - Drip and Sprinklers	8,42,400	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Mahindra and Mahindra Limited	L65990MH1945PLC004558	Holding	54.51	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.				0.00		0	0		
c) State Govt(s)	0	0	0	0.00	0			0	0
d) Bodies Corporate	1,51,44,433	0	1,51,44,433	54.58	1,51,44,433	0	1,51,44,433	54.51	(0.07)

38th Annual Report 2019-20

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				%change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
e) Banks/FI	0	0	0	0.00	0	0	0	0	0
f) Any other	0	0	0	0.00	0	0	0	0	0
Sub-Total				0.00					
(A) (1) :-	1,51,44,433	0	1,51,44,433	54.58	1,51,44,433	0	15,1,44,433	54.51	(0.07)
(2) Foreign				0.00					
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0	0
b) Other-Individuals	0	0	0	0.00	0	0	0	0	0
c) Bodies Corp.	0	0	0	0.00	0	0	0	0	0
d) Banks/FI	0	0	0	0.00	0	0	0	0	0
e) Any other	0	0	0	0.00	0	0	0	0	0
Sub-Total				0.00					
(A) (2):-				0.00		0	0	0.0	
Total shareholding of Promoter (A)=(A) (1)+(A)(2)	1,51,44,433	0	1,51,44,433	54.58	1,51,44,433	0	1,51,44,433	54.51	(0.07)
B. Public Shareholding				0.00					
1. Institutions				0.00					
a) Mutual Funds	2,00,000	0	2,00,000	0.72	3,11,275	0	3,11,275	1.12	0.4
b) Banks/FI	0	200	200	0.00		200	200	0.00	-
c) Central Govt(s)	0	0	0	0.00	0	0	0	0.00	-
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	-
e) Insurance Companies	0	0	0	0.00	0	0	0	0.00	-
f) FIs	0	0	0	0.00	0	0	0	0.00	-
g) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	-
h) Others (specify)	0	0	0	0.00	0	0	0	0.00	-
Sub-total (B) (1):-	2,00,000	200	2,00,200	0.72	2,00,200	200	3,11,475	1.12	0.40
2. Non-Institutions				0.00				0.00	-
a) Bodies corp.	17,21,429	4360	17,25,789	6.22	12,46,004	4260	12,50,264	4.50	(1.72)
i) Indian	0	0	0	0.00	0	0	0	0.00	-
ii) Overseas	0	0	0	0.00	0	0	0	0.00	-
b) Individuals				0.00				0.00	-
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	65,65,093	5,32,108	70,97,201	25.58	63,96,166	5,13,978	69,10,144	24.87	(0.71)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	30,64,558	0	30,64,558	11.05	31,23,172		31,23,172	11.24	0.19
c) Others (specify) NRI, NRN, AIF, CM, NBF, NRC & TRU	4,13,940	99,700	5,13,640	1.85	9,43,610	98,600	10,42,210	3.75	1.90
Sub-total (B)(2):-	1,17,65,020	6,36,168	12,4,01,188	44.70	1,16,67,326	6,16,838	1,23,25,790	44.37	(0.33)
Total Public Shareholding (B)=(B) (1)+(B)(2)	1,19,65,020	6,36,368	1,26,01,388	45.42	1,18,67,526	6,17,038	1,26,37,265	45.49	0.07
C. Shares held by custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	-
Grand Total (A+B+C)	2,71,09,453	6,36,368	2,77,45,821	100.00	2,70,11,959	6,17,038	2,77,81,698	100	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Mahindra and Mahindra Ltd.	1,51,44,433	54.58	Nil	1,51,44,433	54.51	Nil	0.07 Due to allotment of 35,877 shares under ESOP Scheme-2014

(iii) Change in Promoters Shareholding (please specify, if there is no change) Nil

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	No change*			
	Date wise increase/decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	No change*		No change*	
	At the end of the year	No change*			

* The shareholding of Promoters has not changed in absolute terms.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs);

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reasons	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
	At the beginning of the year							
	Date wise increase/decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):							
1	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	0	0.00	01/04/2019			0	0.00
				24/01/2020	39,000	Transfer	39,000	0.14
				31/01/2020	2,11,000	Transfer	2,50,000	0.90
				07/02/2020	2,02,000	Transfer	4,52,000	1.63
				14/02/2020	48,000	Transfer	5,00,000	1.80
				06/03/2020	30,000	Transfer	5,30,000	1.91
				31/03/2020			5,30,000	1.91
2	SECURITIES RESEARCH & ANALYSIS LLP	4,00,000	1.44	01/04/2019			4,00,000	1.44
				20/12/2019	3,66,516	Transfer	7,66,516	2.76
				20/12/2019	(3,66,516)	Transfer	4,00,000	1.44
				31/12/2019	(10,161)	Transfer	3,89,839	1.41
				03/01/2020	(9,355)	Transfer	3,80,484	1.37
				10/01/2020	(5,561)	Transfer	3,74,923	1.35
				17/01/2020	(7,113)	Transfer	3,67,810	1.32
				24/01/2020	(19,326)	Transfer	3,48,484	1.25

38th Annual Report 2019-20

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reasons	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
	At the beginning of the year							
	Date wise increase/decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):							
				31/01/2020	(15,000)	Transfer	3,33,484	1.20
				07/02/2020	(20,000)	Transfer	3,13,484	1.13
				28/02/2020	(10,000)	Transfer	3,03,484	1.09
				06/03/2020	(10,000)	Transfer	2,93,484	1.06
				27/03/2020	(18,741)	Transfer	2,74,743	0.99
				31/03/2020	(12,59)	Transfer	2,73,484	0.98
				31/03/2020			2,40,000	0.86
3	RAJEN ANIL SHAH	90,000	0.32	01/04/2019			90,000	0.32
				29/11/2019	12,000	Transfer	1,02,000	0.37
				06/12/2019	85,000	Transfer	1,87,000	0.67
				13/12/2019	8,000	Transfer	1,95,000	0.70
				31/03/2020	20,000	Transfer	2,15,000	0.77
				31/03/2020			2,15,000	0.77
4	UNIFI AIF 2	2,00,000	0.72	01/04/2019			2,00,000	0.72
				18/10/2019	13,000	Transfer	2,13,000	0.77
				25/10/2019	3,597	Transfer	2,16,597	0.78
				13/03/2020	9,000	Transfer	2,25,597	0.81
				20/03/2020	81,268	Transfer	3,06,865	1.10
				27/03/2020	4,410	Transfer	3,11,275	1.12
				31/03/2020			3,11,275	1.12
5	POLARIS BANYAN HOLDING PRIVATE LIMITED	1,80,863	0.65	01/04/2019			1,80,863	0.65
				13/03/2020	(55,354)	Transfer	1,25,509	0.45
				20/03/2020	(24,337)	Transfer	1,01,172	0.36
				27/03/2020	(26,971)	Transfer	74,201	0.27
				31/03/2020	(5,914)	Transfer	68,287	0.25
				31/03/2020			68,287	0.25
6	N SUDHIR	1,48,960	0.54	01/04/2019			1,48,960	0.54
				05/04/2019	(34,000)	Transfer	1,14,960	0.41
				01/11/2019	100	Transfer	1,15,060	0.41
				29/11/2019	7,000	Transfer	1,22,060	0.44
				07/02/2020	(10,897)	Transfer	1,11,163	0.40
				21/02/2020	(200)	Transfer	1,10,963	0.40

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reasons	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
	At the beginning of the year							
	Date wise increase/decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):							
				28/02/2020	(50)	Transfer	1,10,913	0.40
				06/03/2020	(21,358)	Transfer	89,555	0.32
				13/03/2020	(68,464)	Transfer	21,091	0.08
				31/03/2020			21,091	0.08
7	KAUSHAL KAPADIA	20,500	0.07	01/04/2019			20,500	0.07
				13/03/2020	1,20,000	Transfer	1,40,500	0.51
				31/03/2020			1,40,500	0.51
8	JMVD SECURITIES LLP	1,30,557	0.47	01/04/2019			1,30,557	0.47
				31/03/2020			1,30,557	0.47
9	EQUITY INTELLIGENCE INDIA PRIVATE LIMITED	1,25,000	0.45	01/04/2019			1,25,000	0.45
				31/03/2020			1,25,000	0.45
10	PAYAL PREM RAHEJA	1,22,500	0.44	01/04/2019			1,22,500	0.44
				22/11/2019	10,000	Transfer	1,32,500	0.48
				27/12/2019	11,000	Transfer	1,43,500	0.52
				31/03/2020			1,47,500	0.53

At the end of the year (or on the date of separation, if separated during the year)

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reasons	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
	At the beginning of the year							
	Date wise increase/decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):							
	Directors							
1	ASHOK SHARMA	Nil	NA	NA	Nil	NA	Nil	NA
2	S DURGASHANKAR	Nil	NA	NA	Nil	NA	Nil	NA
3	NIKHILESH PANCHAL	Nil	NA	NA	Nil	NA	Nil	NA
4	SANGEETA PRASAD	Nil	NA	NA	Nil	NA	Nil	NA
5	ANAND DAGA	Nil	NA	NA	Nil	NA	Nil	NA

38th Annual Report 2019-20

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reasons	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
6	VINAYAK PATIL*	Nil	NA	NA	Nil	NA	Nil	NA
	DR.SUDHIR KUMAR GOEL	Nil	NA	NA	Nil	NA	Nil	NA
	Key Managerial Personnel							
1	SANJEEV MOHONI	18,000	0.06	01/04/2019				
				30/12/2019	9,000	ESOS Allotment	27,000	0.10
				31/03/2020			27,000	0.10
2	SUNETRA GANESAN	Nil	NA	01/04/2019	Nil	NA	Nil	NA
				31/03/2020	Nil	NA	Nil	NA
3	RATNAKAR NAWGHARE	9,574	0.03	01/04/2019	0	0	0	0
				30/12/2019	1405	ESOS Allotment	10,979	0.04
				31/03/2020			10,979	0.04

At the end of the year (or on the date of separation, if separated during the year)

* ceased to be a Director from 24th July, 2019.

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,27,52,380	14,61,624	0	3,42,14,004
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,27,52,380	14,61,624	0	3,42,14,004
Change in indebtedness during the financial year				
i) Addition	9,72,47,620			9,72,47,620
ii) Reduction	0	14,61,624	0	14,61,624
Net Change	9,72,47,620	(14,61,624)	0	9,57,85,996
Indebtedness at the end of the Financial year				
i) Principal Amount	13,00,00,000	0	0	13,00,00,000
ii) Interest due but not paid	-	0	0	0
iii) Interest accrued but not due	-	0	0	0
Total (i+ii+iii)	13,00,00,000	0	0	13,00,00,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD	
		Mr. Ashok Sharma - M D	Total Amount in Rs.
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	24,00,000	24,00,000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961.	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961.	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission – as % of profit	-	-
	– others, specify	-	-
5	Others, please specify	-	-
	Total (A)	24,00,000	24,00,000
	Ceiling as per the Act*	-	-

* The Remuneration paid to Managing Director is within the prescribed ceiling under the Companies Act, 2013.

B. Remuneration to other directors;

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount in Rs.
		Mr. Vinayak Patil	Dr. Sudhir Kumar Goel	Mr. Nikhilesh Panchal	Mr. Anand Daga	
1	Independent Directors					
	* Fees for attending board/committee meetings	160,000	170,000	130,000	280,000	740,000
	* Commission	500,000	-	500,000	500,000	1,500,000
	* Others, please specify	-	-	-	-	-
	Total (1)	660,000	170,000	630,000	780,000	2,240,000
2	Other Non-Executive Directors					
	* Fees for attending board committee meetings	-	-	-	-	-
	* Commission	-	-	-	-	-
	* Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	660,000	170,000	630,000	780,000	2,240,000
	Total Managerial Remuneration					
	Overall Ceiling as per the Act **					

** Within the prescribed ceiling under the Companies Act, 2013.

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel (Rs. Lacs)		
		Chief Executive Officer Mr. Sanjeev Mohoni	Chief Financial Officer Ms. Sunetra Ganesan	Company Secretary Mr. Ratnakar Nawghare
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	146.97	60.94	29.19
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961.	2.96	3.28	1.72
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961.	-	-	-
	Total	149.93	64.22	30.91
2	Stock Options Outstanding (Nos.)	18,000	-	8,722
3	Sweat Equity	-	-	-
4	Commission – as % of profit	-	-	-
	– others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	149.93	64.22	30.91

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

NIL

For Mahindra EPC Irrigation Limited

Place : Nashik
Dated : 14th May, 2020

Anand Daga
Director

Ashok Sharma
Managing Director

ANNEXURE X TO DIRECTORS' REPORT

Business Responsibility Report

For the financial year 2019-20

[Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Mahindra EPC Irrigation Limited (MEIL) became part of Mahindra Group of companies pursuant to Mahindra and Mahindra Limited ("M&M") acquiring control and management stake in 2011.

The Company is engaged in the business of manufacturing and selling of Irrigation systems. The solutions provided by Company through Micro Irrigation Systems helps sustainable agriculture by way of effective use of water, energy and reduce wastage of fertilisers/ nutrient loss, besides increasing productivity of crops.

Financial year 2019-20 is the first year of the adaptation of The National Guidelines for Responsible Business Conduct, 2018 (NGRBC), released by Ministry of Corporate Affairs, Govt. of India. MEIL has been participating in Sustainability and CSR initiatives. MEIL being subsidiary of M&M, it has been reporting both the initiatives to M&M. MEIL's sustainability initiatives are part of M&M's consolidated Sustainability report which is available on M&M's website. <https://www.mahindra.com/resources/pdf/sustainability/Mahindra-Sustainability-Report-2018-19.pdf>

The Sustainability Report of M&M was externally assured by DNV-GL and MEIL has participated in the same. The Company has adopted "The Mahindra Way" framework of Business Excellence and it covers six Mahindra Group's Common Policies and Practices (GCPP) viz. Risk Management, Sustainability, Corporate Social Responsibility, Safety, Diversity and Inclusion, Employee Relations and Corporate Governance. As part of culture, the Company strives to improve and evolve better systems and policies.

Section A: General Information about the Company

1) Corporate Identity Number (CIN) of the Company	L25200MH1981PLC025731
2) Name of the Company	MAHINDRA EPC IRRIGATION LIMITED (Formerly known as EPC Industrié Limited)
3) Registered address	Plot No. H-109, MIDC, Ambad, Nashik-422 010.
4) Website	www.mahindrairrigation.com
5) E-mail id	info@mahindrairrigation.com
6) Financial Year reported	01.04.2019 – 31.03.2020
7) Sector(s) that the Company is engaged in (industrial activity code-wise)	Micro Irrigation Systems – Drip and Sprinklers
8) List three key products/services that the Company manufactures/provides (as in balance sheet)	Drip Irrigation Sprinkler Irrigation
9) Total number of locations where business activity is undertaken by the Company	
i. Number of International Locations	0
ii. Number of National Locations	2 manufacturing locations
10) Markets served by the Company – Local/State/ National/International	All, but predominantly domestic markets

Section B: Financial Details of the Company

1) Paid up Capital (INR)	27,78,16,980/-
2) Total Turnover (In Crores)	283.96
3) Total profit after taxes (Rs. Crores)	23.29
4) Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2%
5) List of activities in which expenditure in 4 above has been incurred: -	i) Education ii) Rural Transformation: iii) Health iv) Environment

Section C: Other details

1) Does the Company have any Subsidiary Company/ Companies?

Yes. The Company has one Jv/subsidiary Company, Mahindra TOP Greenhouses Private Limited.

2) Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

N/A

3) Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Yes, Suppliers, distributors etc. participate in less than 30% of BR Initiatives of the Company. Some of suppliers are engaged in their own BR initiatives in structured ways which is available on their websites. A few partners like C&F agency has their own structured CSR initiatives. While most of other suppliers and channel partners are undertaking initiatives in informal ways.

The Company supports small scale suppliers located near the plants by way of training them on various quality management tools and techniques.

The Company trains its channel partners through various platforms and by conducting factory visits and demonstrations.

The Company gives preference to service providers who ensure compliance applicable legal requirements having impact on health safety and environment.

Section D: BR Information

1) Details of Director/Directors responsible for BR

i) Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN Number : 2766679

Name : Ashok Sharma

Designation : Managing Director

ii) Details of the BR head

Particulars

DIN Number (if applicable) : N/A

Name : Ratnakar Nawghare

Designation : Company Secretary

Telephone number : (0253) 2381081/82/83/6642000

e-mail id : rvnawghare@mahindrairrigation.com

2) Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The Business Responsibility Policy ("BR Policy") addressing the following 9 principles as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs), duly approved by Board, is in place.

This policy is operationalized and supported by various other policies, guidelines and manuals.

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3: Businesses should promote the well-being of all employees.

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5: Businesses should respect and promote human rights.

P6: Business should respect, protect, and make efforts to restore the environment.

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8: Businesses should support inclusive growth and equitable development.

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

2(a). Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
		Ethics and Transparency	Product Responsibility	Well-being of employees	Responsiveness to Stakeholders	Respect Human Rights	Environmental Responsibility	Public policy advocacy	Support inclusive growth	Engagement with Customers
1)	Do you have a policy/policies for.	Y	Y Note-1	Y	Y	Y	Y	NA	Y	Y
2)	Has the policy being formulated in consultation with the relevant stakeholders?	Y Note -2	Y Note -2	Y Note -2	Y Note -2	Y Note -2	Y Note -2	NA	Y Note -2	Y Note -2
3)	Does the policy conform to any national/international standards? If yes, specify? (50 words) Policies conform to international ISO standards such as 9001 and meet regulatory requirement such as BIS and SEBI guidelines. The policies reflects the Mahindra Rise principles and values and reinforces the Company's commitment to improve the quality of life of its stakeholders, while building enduring business and rejuvenating the environment. Relevant benchmarking has been done by the group as per the relevant National/International standards.	Y	Y	Y	Y	Y	Y	NA	Y	Y
4)	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	Y
5)	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6)	Indicate the link for the policy to be viewed online?	Relevant links in table below								
7)	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8)	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	NA	Y	Y

38th Annual Report 2019-20

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
		Ethics and Transparency	Product Responsibility	Well-being of employees	Responsiveness to Stakeholders	Respect Human Rights	Environmental Responsibility	Public policy advocacy	Support inclusive growth	Engagement with Customers
9)	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	The Company has a mechanism of customer grievance redressal and records all complaints on product quality and services. For suppliers, vendors and contractors, channel partners grievance redressal is addressed through ongoing communication, supplier/contractor meets and ongoing communication. The Community needs are assessed through CSR engagement meetings. Whistle blower mechanism provides employees the ability to report violation of Code of Conduct, which covers various principles of BRR such as ethics, transparency and human rights.								
10)	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Every year under TMW (The Mahindra Way) there is a review of group common policies and practices. This review is stringent and aligns the Company's policies to international and national standards. The Safety and Quality policies are subject to internal and external audits as a part of certifications.								

Note 1 – The Company complies with BIS specification of the products and follows product labelling standards. However, Company's current control is limited till warranty period.

Note 2 – While there is no formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders.

Principle	Applicable Policies
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Code of Conduct http://www.epcmahindra.com/pdf/CODEOF_CONDUCT.pdf Policy on Related Party Transaction http://www.epcmahindra.com/pdf/EPC_Policy_on_Related_Party_Transactions.pdf
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Safety Policy Quality Policy
Principle 3: Businesses should promote the well-being of all employees	Safety Policy POSH Policy
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	CSR Policy http://www.epcmahindra.com/pdf/EPC_CSR_Policy1.pdf Safety Policy
Principle 5: Businesses should respect and promote human rights	Code of Conduct http://www.epcmahindra.com/pdf/CODEOF_CONDUCT.pdf Whistle-blower Policy http://www.epcmahindra.com/pdf/CODE_OF_ETHICS_VIGIL_MECHANISM.pdf
Principle 6: Business should respect, protect and make efforts to restore the environment	Safety Policy
Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	NA
Principle 8: Businesses should support inclusive growth and equitable development	CSR Policy http://www.epcmahindra.com/pdf/EPC_CSR_Policy1.pdf
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner	Quality Policy

3. Governance Related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The CSR Committee of the Board assesses the BR performance once a year. At M&M Group level Central Safety Council meet every 3 months where the Company's performance is also reviewed.

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company's sustainability initiatives are part of M&M's consolidated Sustainability report which is available on M&M's website. <https://www.mahindra.com/resources/pdf/sustainability/Mahindra-Sustainability-Report-2018-19.pdf>

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs / Others?

The Company has a Code of Conduct for Directors as well as all employees of the Company that covers issues, inter alia, related to ethics and bribery. It covers all dealings with Suppliers, customers and other business partners.

The Code of Conduct & Whistle blower Policy covers only the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the reporting year, two complaints were received from the shareholders, all of which were attended to/ resolved till date. These complaints pertain to transfer/ transmission of shares, non-receipt of dividend, non-receipt of share certificates, non-receipt of Annual Report, etc.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company provides Micro Irrigation Solutions which are one of the most effective water saving technologies being used for optimum usage of water and increasing efficiency of agriculture. Water scarcity is one of the key challenges faced by the world and micro irrigation solutions help address a major chunk of the problem by providing water optimization solutions for agriculture.

- i) Drip solution
- ii) Sprinkler Solution
- iii) Automated irrigation systems

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

Yes, the details are in Mahindra and Mahindra Ltd. Sustainability Report.

Principle 3: Businesses should promote the well-being of all employees.

- 1. Please indicate the Total number of employees: **347**
- 2. Please indicate the Total number of employees hired on temporary/contractual/ casual basis: **431**
- 3. Please indicate the Number of permanent women employees: **6**
- 4. Please indicate the Number of permanent employees with disabilities: **Nil**
- 5. Do you have an employee association that is recognized by management: **Yes**
- 6. What percentage of your permanent employees is members of this recognized employee association?

(Total Unionized Permanent Workmen/Total Permanent Workmen): 100%

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S.No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- i) Permanent Employees – 70% of all officers, 84% of Workmen, 85% Workmen and Production officers covered for safety/5S / TPM training
- ii) Permanent Women Employees – 80% of all officers
- iii) Casual/Temporary/Contractual Employees: 100% covered for safety training/ 5S, 28% temporary workmen are covered for skill upgradation
- iv) Employees with Disabilities – NA



Free Medical Camp at Vaitarna, Nashik – Beneficiaries : 121 deprived villagers



Free medical camp at Market-yard, Panchavati, Nashik – Beneficiaries: 45 farmers

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes/No:
Yes
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?
Yes. Company has identified education of disadvantaged girls, tribal people living around the Company's main plant in Nashik, school for children of disadvantaged population around plants and farmers as focus stakeholders.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

At Mahindra EPC Irrigation Limited, we strive to provide end to end solutions to farmers in modern scientific water management through customized micro-irrigation systems, Pumps, Irrigation automation, Community Irrigation Projects, Water Conveyance, Protected cultivation solutions and value added services such as agronomy advisory, Farm Productivity Improvement support and Design services, which are in line with the sector BHAG of Delivering Farm Tech Prosperity.



Painting of Z.P. School at Bajarangwadi, Vilholi



Plantation of 6000 trees at Karanjvan Dam in collaboration with Rotary Club

Under Corporate Social Responsibility MEIL has sponsored Education of 299 Girl Child through “Nanhi Kali” in 2019-20. Company conducted free medical camp and eyeglass donation for disadvantage segment of society at small village Vaitarna near Nashik. Many prominent hospitals like NAMCO and doctors were involved. Total of 121 beneficiaries took advantage.

The Company painted two ZP schools near plant at village Bajarangwadi, Vilholi and Chunchale which benefitted almost 300 students and teachers of these schools.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company is in process to include Human Rights policy in Responsibility policy. Company has Whistle-blower policy

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints were received in the Whistle-blower policy.

There is an active Grievance Redressal Machinery available in the plant for workmen through which all types of grievances are redressed. Additionally, Employee Satisfaction Survey for workmen is periodically carried out and all low scoring responses are discussed and duly resolved.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

Currently the policy covers Safety aspects and the Company is in process of including Health and Environment in the policy.

The Company’s commitment towards safety, health and environment is being continuously enhanced and the Company encourages involvement of all its employees in activities related to safety, including promotion of safety standards. This is also demonstrated by the fact that there has been no single incidence of accident for the last 5 years. The Safety Committee, constituted for the same, regularly reviews the adherence to safety norms. Some of the programs undertaken by the Company include behaviour-based safety training, knowledge based fire extinguisher training, fire-fighting training

and safety awareness, etc. Various health check-up programs for employees were regularly undertaken by the Company during the year. Requirements relating to various environmental legislations and environment protection have been duly complied by the Company.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

The Company is committed to adopt Science Based Target (SBT) to restrict average global temperature rise to 2 degrees Celsius in alignment of Paris Climate Change Agreement. The Company is committed to become Carbon Neutral by 2040 with use of energy efficiency renewable energy and sequestration by tree plantation.

The Company has prepared Sustainability Roadmap and is in process to submit it to SBT.

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

Yes. Company complies with all environmental rules and regulations.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed.

No

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

Yes. Installation of roof top solar system which is under progress.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

NIL

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, Irrigation Association of India

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

Yes, the Company participates in the Irrigation Association of India meeting related to micro irrigation. The Company also participates in BIS meetings for the standards of various Micro Irrigation systems.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability.

The Company has identified few focus areas of engagement, which are as under:

- Rural Transformation: Creating sustainable livelihood solutions, addressing poverty, hunger and malnutrition.
 - Health: Affordable solutions for healthcare through improved access, awareness and health seeking behaviour.
 - Education: Access to quality education, training and skill enhancement.
 - Environment: Environmental sustainability, ecological balance, conservation of natural resources.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

CSR initiatives are implemented either directly by the Company through its ESOPs structure where the MEIL employees directly implement the CSR programmes or through implementing partners which include NGOs.

The main implementation partners of the Company is 'The K C Mahindra Education Trust'.

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

No. We capture the number of beneficiaries, which is done by our internal teams.

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

During the year under review, the Company has spent Rs. 25.08 lacs, which is over 2% of the average net profits of last three financial years, on CSR activities.

Major Project Nanhi Kali – Provision of educational support to underprivileged girls from poor urban, remote rural and tribal communities across India to enable them to complete their schooling.

Last 3 years, each year we have undertaken the project on providing infrastructure for drinking water pipelines for remote / underprivileged villages.

We also undertake tree plantation with involving community. This year 3 projects of tree plantation 2 at school and one in a Karanjvan dam area was completed.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, we have handed over the maintenance of the drinking water project to the respective Gram Panchayat. In case of school development, the respective school have owned the responsibility of the ongoing maintenance and operations.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

We are serious about customer complaint and has mechanism in place to capture and resolve customer complaints. There is no customer complaint pending on the end of financial year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Yes.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

NO.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

- CaPS (Customer as Promoter Score) Survey (Executed by Group Strategy Office, Mahindra and Mahindra, Worli)
- SQI (Service Quality Index) by MEIL internal team.

Dated: 14th May, 2020

REPORT ON CORPORATE GOVERNANCE

(1) PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes in abiding by the Code of Governance so as to be a responsible corporate citizen and to serve the best interests of all the stakeholders' viz. the employees, shareholders, customers, vendors and the society at large. The Company seeks to achieve this goal by being transparent in its business dealings, by disclosure of all relevant information in an easily understood manner and by being fair to all stakeholders and is committed to maintain highest standards of corporate governance.

A detailed report on corporate governance pursuant to the requirements of the listing agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report. A certificate from the statutory auditors of the Company, confirming compliance of conditions of Corporate Governance as stipulated under Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given herein below.

(2) BOARD OF DIRECTORS ("Board")

The composition of the Board of Directors is in conformity with the Regulations under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

The Board has an optimum combination of Executive and Non-Executive Directors with the Chairman being Non-Executive Director. The number of Non-executive Directors comprising four Independent Directors is more than one-half of the total number of Directors including one Woman Independent Director. The Board reviews and approves strategy and oversees the performance of the management to ensure that the long term objectives of enhancing stakeholders' value are met.

The Management of the Company is entrusted in the hands of Key Managerial Personnel(s), headed by Mr. Ashok Sharma – Managing Director and Mr. Abhijit Page Chief Executive Officer (CEO) (w.e.f. 2nd April, 2020), who operate under the supervision and control of the Board.

Mr. Sanjeev Mohoni ceased to be CEO of the Company w.e.f from 1st April, 2020 on retirement.

Mr. Shriprakash Shukla, the Non-Independent, Non-Executive Director, was appointed as the Chairman at the meeting of Board held on 14th May, 2020 from Mr. Ashok Sharma, who continues to be the Managing Director of the Company.

Mr. S Durgashankar and Ms. Sangeeta Prasad are Non-Executive Directors of the Company. Ms. Sangeeta Prasad shall cease to hold office of director on 30th June, 2020 upto close of business hours as she has resigned to pursue her other interests.

The remaining four Non-Executive Directors are Independent Directors and are professionals from diverse fields, possess requisite qualifications and experience which enable them to discharge their responsibilities and enhance the quality of Board's decision making process.

The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013 ("the Act") and the Listing Regulations. All the Independent Directors have confirmed that they meet the criteria as mentioned in Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. The Independent Directors have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. Further, the Board after taking these declaration/disclosures on record and acknowledging the veracity of the same, opined that the Independent Directors are persons of integrity and possess the relevant expertise and experience fulfils the conditions specified in the Listing Regulations and the Act for appointment of Independent Directors and are Independent of the Management.

Apart from reimbursement of expenses incurred and the commission paid in the discharge of their duties and the remuneration that a Director may receive for professional services rendered to the Company through a firm in which he is a partner, none of the Independent Directors have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Affiliates which in their judgment would affect their independence during the two immediately preceding financial years or during the current financial year. All the independent Directors have given confirmation in this regard. During the year under review no Independent Director of the Company resigned before the expiry of their tenure.

The Company paid professional fees for the year under review to Khaitan & Co., Advocates & Solicitors, in which Mr. Nikhilesh Panchal, Non-Executive and Independent Director is a partner, amounts to Rs. 6.83 lacs (including out of pocket expenses).

None of the Directors of the Company are inter-se related to each other.

The Senior Management personnel also have made disclosures to the Board confirming that there are no material, financial and / or commercial transactions between them and the Company, which could have potential conflict of interest with the Company at large.

38th Annual Report 2019-20

(a) Composition of the Board :

The names and categories of Directors, the number of Directorships and Committee positions held by them in the companies are given below. None of the Directors on the Board is a Member of more than 10 public limited companies (as specified in Section 165 of the Companies Act, 2013) or act as an independent director in more than 7 listed companies or 3 listed companies in case he serves as Whole Time Director in any listed company (as specified in applicable Regulation 25 of the Listing Regulations), across all the Companies in which he/she is a Director, including separately the names of the listed entities where the person is a director and the category of directorship.

Sr. No.	Directors & Director Identification number (DIN)	Total Number of Directorships of public companies #, Committee Chairmanships and Memberships, as on 31 st March, 2020.			Name of listed entities where the Director is a director along-with the category of directorship excluding the Company
		Directorships \$	Committee Chairmanships +	Committee Memberships +	
	NON-EXECUTIVE, NON-INDEPENDENT				
1	Mr. Shriprakash Shukla (DIN-00007418)	4	-	-	1. Mahindra CIE Automotive Limited (Chairperson, Non-Executive Director)
2	Mr. S. Durgashankar (DIN-00044713)	8	-	6	1. Mahindra Logistics Limited (Non-Executive Director) 2. Swaraj Engines Limited (Non-Executive Director)
3	Ms. Sangeeta Prasad ^ (DIN-02791944)	8	-	2	1. Mahindra Lifespace Developers Limited (Executive Director-CEO- Managing Director)
	NON-EXECUTIVE, INDEPENDENT				
4	Dr. Sudhir Kumar Goel (DIN- 02965596)	3	-	3	NIL
5	Ms. Aruna Bhinge (DIN-07474950)	4	-	2	1. Laurus Labs Limited (Independent Director) 2. Punjab Chemicals and Crop Protection Limited (Independent Director)
6	Mr. Nikhilesh Panchal (DIN-00041080)	5	1	3	1. NRB Industrial Bearing Limited (Independent Director)
7	Mr. Anand Daga (DIN-00696171)	1	1	-	NIL
	EXECUTIVE				
8	Mr. Ashok Sharma Managing Director (DIN-02766679)	3	-	1	NIL

Excludes private limited companies/ foreign companies and companies under Section 8 of the Companies Act, 2013.

\$ Includes Directorship in Mahindra EPC Irrigation Limited.

+ Committees considered are Audit Committee and Stakeholders Relationship Committee held in all the public companies including that of Mahindra EPC Irrigation Limited.

^ Ms. Sangeeta Prasad has resigned and shall cease to hold office of Director on 30th June, 2020 from the close of business hours.

(b) Number and dates of Board meetings held and Attendance of the Directors at Meetings of the Board and at the Annual General Meeting.

The Board meets atleast once in a quarter to consider among other business, quarterly performance of the Company and the financial results. During the financial year under review, four Board Meetings were held on the following dates – 30th April, 2019, 23rd July, 2019, 25th October, 2019 and 21st January, 2020. The gap between two Meetings did not exceed four months. These meetings were well attended. The 37th Annual General Meeting of the Company was held on 23rd July, 2019.

The attendance of the Directors at these meetings is as under:

Directors	Number of Board Meetings Attended	Attendance at the AGM
Mr. Ashok Sharma	4	Yes
Dr. Sudhir Kumar Goel	3	Yes
Mr. S. Durgashankar	4	Yes
Mr. Vinayak Patil *	2	Yes
Mr. Nikhilesh Panchal	3	Yes
Mr. Anand Daga	4	Yes
Ms. Sangeeta Prasad	2	No

* Mr. Vinayak Patil ceased to be a Director w.e.f. 24th July, 2019.

(c) Board Procedure

A detailed Agenda folder, alongwith necessary supporting papers are sent to each Director in advance of the Board Meetings and to the concerned Directors of the Committee Meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director appraises the Board at every meeting the overall performance of the Company. The Board also inter alia

reviews strategy and business plans, annual operating and capital expenditure budgets, compliance reports of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances, review of major legal issues, adoption of quarterly/half yearly/ annual results, risk management, significant labour issues, major accounting provisions and write-offs, minutes of meetings of the Audit and other Committees of the Board and information on recruitment of Officers just below the Board level, including the Company Secretary and Chief Financial Officer.

(d) Code of Conduct

Your Company had adopted Code of Ethics (“Code”) recommended by Bombay Chamber of Commerce and Industry for its Directors and Senior Management personnel and employees. The Code of Ethics has been posted on the Company’s website <http://www.mahindrairrigation.com>. This Code enunciates the underlying principles governing the conduct of the business and seeks to reiterate the fundamental precept that good governance must and would always be an integral part of the Company’s culture. The Code further provides the duties of Independent Directors as laid down in the Companies Act, 2013.

All Board Members and Senior Management Personnel have affirmed compliance with the Code. A declaration signed by Managing Director is enclosed at the end of this Report.

(e) The Company has received the certificate from Makarand M. Joshi & Co., Company Secretaries, Mumbai confirming as to confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors by SEBI, MCA or any other statutory authority.

(f) Key Board qualifications, expertise and attributes

The Board of Directors of the Company recognizes that qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees.

The table below summarises the key qualifications, skills and attributes which are taken into consideration while nominating candidates to serve on the Board.

Skill and its description	Mr. Shriprakash Shukla	Mr. Ashok Sharma	Mr. S Durgashankar	Mr. Nikhilesh Panchal	Dr. Sudhirkuamar Goel	Mr. Anand Daga	Ms. Aruna Bhinge	Ms. Sangeeta Prasad
Financial Proficiency in financial accounting and reporting, corporate finance and internal controls.	✓	✓	✓	✓		✓	✓	✓
Leadership Leadership experience for a significant enterprise, understanding of organisations, processes, strategic planning and risk management.	✓	✓	✓	✓	✓	✓	✓	✓
Technology A strong understanding of technology and innovation, and the development and implementation of initiatives to enhance production.	✓	✓					✓	
Corporate Governance Experience with a major organisation that demonstrates rigorous governance standards.	✓	✓	✓	✓	✓	✓	✓	✓
Mergers and Acquisition Experience in corporate transactions and actions and joint ventures.	✓	✓	✓	✓		✓	✓	
Environmental, Social and Governance Familiarity with issues associated with workplace health and safety, environment and social responsibility.	✓	✓	✓	✓		✓	✓	✓
Sales and Marketing Experience in developing strategies to grow sales, build brand awareness and equity.		✓			✓		✓	✓

(g) Directors seeking appointment/re-appointment

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board at its Meeting held on 14th May, 2020 appointed and designated Mr. Shriprakash Shukla as Non-Executive Chairman of the Company and approved the renewal of term of Mr. Ashok Sharma as Managing Director for a period of three years from 1st October, 2020.

Mr. S Durgashankar is liable to retire by rotation and being eligible for re-appointment at the ensuing AGM of your Company and has offered himself for re-appointment.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board at Meeting held on 23rd July, 2019 appointed Dr. Sudhir Kumar Goel as an Additional Director and on 14th May, 2020 appointed Ms. Aruna Bhinge as an Additional Director, both subject to approval of the Members of the Company at the ensuing AGM as a Non-Executive Independent Directors for a period of three years with effect from 24th July, 2019 and 14th May, 2020 respectively. The profiles of Mr. Shriprakash Shukla, Mr. Ashok Sharma, Mr. S Durgashankar, Dr. Sudhir Kumar Goel and Ms. Aruna Bhinge along with other details are as follows:

1) Mr. Shriprakash Shukla

Mr. Shriprakash Shukla has completed 60 years of age and is a Member of the Group Executive Board of Mahindra Group and as Group President, he is responsible for the Defence, Aero & Agri sector. In this position, he is Chairman of boards of several companies engaged in designing and producing armoured vehicles, radars, naval systems, aerostructures & special alloy steel. He has also recently taken over responsibility of several companies involved in Mahindra's agri-business portfolio. In that capacity, he is appointed as Chairman of Mahindra EPC Irrigation Limited. Additionally, he also serves as Chairman of Mahindra CIE Automotive Ltd.

After studying at IIT Bhubaneswar and IIM Ahmedabad, he has gained 38 years of rich, varied experience in managing large projects and operations. He has been a top professional in the field of Aerospace & Defence, Automotive Tyres, and Information & Communication Technology (ICT) sectors in India.

Prior to his current role, he served as President of Group Strategy and Chief Brand officer of the Mahindra Group. He oversaw and orchestrated a complete makeover of the visual identity of the Mahindra Group.

Mr. Shriprakash Shukla also served as Chairman of Group Brand Council & Member of the Investment Committee of Mahindra Partners whose portfolio

includes Retail, Solar Energy, Logistics and Boats. He has also served as Director on the Boards of Group companies such as Bristlecone, USA & Mahindra Retail & Mahindra First Choice Services, India. He is also a Director on the Boards of CIE Automotive, Spain. His other responsibilities in the Group including serving as Chairman of Group Sustainability Council and Chairman of Innovation Academy.

Mr. Shriprakash Shukla is affiliated with several renowned industry forums. He is a member of the Indo-French CEOs Forum, India-Israel CEOs Forum, India-Germany CEOs Forum, India-Spain CEOs Forum. He also holds the position of Chairman – FICCI Committee on Defence & Aerospace and Vice President – Society of Indian Defence Manufacturers (SIDM). He has also served as a member of the Technology Development Board, Department of Science & Technology, Govt. of India.

Mr. Shriprakash Shukla is also a Director in the following companies:

1. Mahindra Defence Systems Limited
2. Mahindra Telephonics Integrated Systems Limited
3. Mahindra Aerospace Private Limited
4. Mahindra Aerostructures Private Limited
5. Mahindra Sanyo Special Steel Private Limited
6. Mahindra CIE Automotive Limited
7. CIE Automotive SA
8. Mahindra Racing UK Ltd.
9. Mahindra Emirates Vehicle Armouring FZ LLC.

Mr. Shukla is a Member of the following Board Committees.

Sr. No.	Name of the Company	Name of the Committee	Position held
1	Mahindra CIE Automotive Limited	Nomination and Remuneration Committee	Member

Mr. Shriprakash Shukla does not hold any Equity Shares in the Company.

2) Mr. Ashok Sharma

Mr. Ashok Sharma has a Bachelor's Degree in Mechanical Engineering from Victoria Jubilee Technical Institute, Mumbai and has done his Masters in Management Studies from the Jamnalal Bajaj Institute, Mumbai. Mr. Ashok Sharma has completed 56 years of age. He has held successful leadership positions in various Indian and multinational corporations with over 33 years. He joined the Farm Equipment Sector of Mahindra and

Mahindra Ltd. in 1998 as General Manager Sales and since then has made significant contributions in the areas of Sales, Marketing, Quality, Strategic Planning and Business Excellence. More recently, he has played a key role in expanding and growing Mahindra's Powerol and Agri businesses. Under his leadership, Mahindra's Agri Business has grown to become one of India's largest grape exporters and has even launched several new products and brands including India's first premium fresh fruit brand Saboro, along with Saboro Dairy, NuPro Mustard Oil and NuPro Pulses.

Mr. Ashok Sharma was instrumental in developing an integrated strategy for the Automotive and Farm Equipment sectors in Africa and is leading the creation of a strong on-ground presence in the South Asian countries. He is an advisor to the Union of Japanese Scientists & Engineers (JUSE), Chairman of the CII TPM Club of India, and also serves as a Member, CII Africa Committee and CII Western Regional Council.

Mr. Sharma is currently the President of Agri business and Managing Director and CEO of Mahindra Agri Solutions Limited and Member of Group Executive Board of Mahindra and Mahindra Limited.

Mr. Sharma is also a Director in the following companies:

- i) Mahindra Agri Solutions Limited – Managing Director
- ii) Mahindra HZPC Private Limited
- iii) Mahindra Greenyard Private Limited
- iv) Merakisan Private Limited
- v) Origin Fruit Direct Holding B.V.
- vi) Mahindra Summit Agriscience Ltd.

Mr. Sharma is the member of the Stakeholders Relationship Committee, and Risk Management Committee and Chairman of the Corporate Social Responsibility Committee (CSR) of the Company and member of the CSR Committee of Mahindra Agri Solutions Ltd.

Mr. Ashok Sharma does not hold any shares in the Company.

3) Mr. S Durgashankar

Mr. S. Durgashankar has completed 60 years of age and has a Bachelor's Degree in Commerce and is a Member of the Institute of Chartered Accountants of India, New Delhi. Mr. S. Durgashankar is currently President – Group Controller of Finance and

Accounts and member of Group Executive Board at Mahindra & Mahindra Limited (M&M). During his overall work experience of over 35 years, he has handled a wide spectrum of Corporate Finance assignments at senior levels including Finance, Accounts, Treasury, and Commercial Operations, Project Evaluation and Risk Assessment in addition to tackling multiple complex matters like recasting the accounts for the past several years and handling legal cases. At M&M, he was instrumental in setting up the Mergers & Acquisitions (M&A) division and has rich M&A experience. The M&A division at M&M has successfully completed over 125+ inorganic transactions both (Domestic and International) for the Group. He was earlier Corporate Treasurer and Head of Treasury and Investor Relations at M&M.

He is an Alumni of Harvard Business School where he had attended the Advanced Management Program. He is also a speaker at many fora, including IIM Ahmedabad and IIM Nagpur, on varied topics in M&A, Finance, Governance and Business Disruption. He was the recipient of CFO 100 Awards in 2010, 2013 and 2014 for his contribution to Corporate Finance in the area of M&A. He was also the recipient of CFO India League of Excellence Award in March 2015.

Mr. S Durgashankar is on the Board of following Companies :

- i) Mahindra Integrated Business Solutions Private Limited
- ii) Mahindra HZPC Private Limited
- iii) Swaraj Engines Limited
- iv) Mahindra Mitsubishi Agricultural Machinery Co., Ltd.,
- v) Mahindra Vehicle Manufacturers Limited
- vi) Mahindra Agri Solutions Limited
- vii) Mahindra Holdings Limited
- viii) Mahindra Logistics Limited
- ix) Mahindra Rural Housing Finance Limited
- x) Mahindra USA Inc.
- xi) Peugeot Motorcycles S.A.S.
- xii) North American Technical Centre Inc.
- xiii) Mahindra Vehicle Sales and Services Inc.

Mr. S Durgashankar is the chairman/member of the following committees of the Company and of other companies.

Sr. No.	Name of the Company	Name of the Committee	Position held (Chairman/Member)
1	Mahindra EPC Irrigation Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
2	Mahindra HZPC Private Limited	Audit Committee	Chairman
3	Swaraj Engines Limited	Audit Committee	Member
4	Mahindra Vehicle Manufacturers Limited	Audit Committee	Member
		Committee of Strategic Investments	Member
5	Mahindra Agri Solutions Limited	Audit Committee	Chairman
		Risk Management Committee	Member
		Committee of Directors for Borrowing	Member
		Allotment Committee	Member

Mr. S Durgashankar does not hold any shares in the Company.

4) Dr. Sudhir Kumar Goel

Dr. Sudhir Kumar has completed 65 years of age. Dr. Goel is a Science Graduate and completed his Ph.D. in Physics from Bhabha Atomic Research Centre. He has also obtained a degree of M.Sc. in Development Studies from University of Bath, U.K.

Dr. Sudhir Kumar Goel has worked on various progressive positions at secretariat level in the Government of Maharashtra Viz. Commissioner Agriculture, Principal Secretary (Co-operative & Marketing), Additional Chief Secretary (Agriculture and Marketing).

He has a rich and varied experience of more than 40 years in Indian Administrative Service which is a premier service with Government, administering various development schemes for farmers for a comprehensive Agricultural development. The majority of his assignments for implementation were in the field of agriculture, cooperation and rural development.

Dr. Sudhir Kumar Goel does not hold any shares in the Company.

5) Ms. Aruna Bhinge

Ms. Aruna Bhinge has completed 62 years of age. She holds Bachelor's and Master's degree in Life Sciences from the University of Poona and the University of Bombay, respectively. She completed her Management studies (MMS) from Narsee Monjee Institute of Management Studies, Mumbai.

Ms. Aruna Bhinge started her career as Research Scientist at the Institute of Science and with Department of Atomic Energy, BAARC and the Department of Science and Technology, Government of Maharashtra.

Ms. Aruna Bhinge had held successful leadership positions in various Indian and multinational corporations. With over 30 years of experience as a Business Leader and Head of Strategy in Agri business, She led agri business projects in the Asia Pacific region as Head, Food Security Agenda, APAC at Syngenta India Limited.

Ms. Aruna Bhinge has made significant contributions in the area of financial restructuring, growth and profitability, partnerships in health care and agri business sector and marketing strategies in rural and agricultural markets.

She is on the Board of Punjab Chemicals & Crop Protection Ltd., Laurus Labs Ltd. and Mahindra Agri Solutions Ltd.

She is the chairman/member of the following committees of other companies.

Sr. No.	Name of the Company	Name of the Committee	Position held (Chairman/Member)
1	Laurus Labs Limited	Audit Committee	Member
		CSR Committee	Member
2	Punjab Chemicals and Crop Protection Limited	Audit Committee	Member
		Nomination & Remuneration Committee	Member
		CSR Committee	Member
3	Mahindra Agri Solutions Limited	CSR Committee	Chairman
		Audit Committee	Member
		Nomination & Remuneration Committee	Member

Ms. Aruna Bhinge does not hold any shares in the Company.

(h) Disclosure on relationships between Directors inter-se

The Directors have made disclosure that there are no relationships between directors inter-se.

(i) Number of Shares and Convertible instruments held by Non-executive Directors.

The Non-executive Directors have made disclosure that they are not holding any Shares of the Company.

(j) Web link where details of familiarization programmes imparted to independent directors is disclosed.

During the year under review, the Company has taken steps to familiarize its directors including Independent Directors by periodic presentations about the Company operations, business model, business strategy and risks involved, industry in which the Company operates and their roles and responsibilities. The details of such programme are posted on the Company website: <http://www.mahindrairrigation.com/corporategovernance.aspx>.

(3) Risk Management

The assessment of various risks pertaining to the various aspects of business and the steps taken to mitigate risks is reviewed and monitored in the meetings of the Risk Management Committee and the Meeting of the Board of Directors. The Company has adopted Risk Management Policy and the Risk Management Committee monitors the same. The details of the Risk Management Committee and its broad terms of reference are given in this report.

(4) Audit Committee

(a) Brief description of terms of reference

The Board of Directors of the Company has an Audit Committee which comprises three Non Executive Directors and majority of whom are Independent Directors namely, Mr. Anand Daga as the Chairman (w.e.f. 24th July, 2019) of the Committee and Mr. S Durgashankar and Dr. Sudhir Kumar Goel as other members of the Committee. During the year under review Mr. Vinayak Patil ceased to be member of the Committee from 24th July, 2019 upon completion of his term as Independent Director.

All the members of the Audit Committee possess accounting and financial management knowledge.

The Company Secretary is the Secretary of the Audit Committee.

The terms of reference of this Committee are very wide. The broad terms of reference of the Audit Committee include:

- a) Review of the Company's financial reporting process and its financial statements.
- b) Review of accounting and financial policies and practices.
- c) Review of the internal control and internal audit system.
- d) Discussing with statutory Auditors to ascertain any area of concern.
- e) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- f) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- g) examination of the financial statement and the auditors' report thereon;
- h) approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) valuation of undertakings or assets of the company, wherever necessary;
- k) evaluation of internal financial controls and risk management systems;
- l) Monitoring the end use of funds raised through public offers and related matters
- m) Review of the financial statements before their submission to the Board
- n) If required, discuss with the internal and statutory auditors and the management of the company any issues related to internal control system, scope of audit and financial statements and the observations of the auditors.
- o) Investigate into any matter in relation to the items specified above or matters which are referred to it by the Board and for this purpose, to obtain professional advice from external sources and have full access to information contained in the records of the Company.
- p) Establish vigil mechanism as may be prescribed to enable directors and employees to report genuine concerns and also shall provide for adequate safeguards against victimization of persons who use such mechanism.
- q) Review the uses/application of funds raised by the Company either by public / rights issue of shares or any other securities.

Generally all items under Regulation 18(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Listing Agreement are covered in the terms of reference and Role of the Audit Committee. The Audit Committee has been granted powers as prescribed under Regulation 18 (2) (c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) Meetings and Attendance during the year

The meetings of the Audit Committee are also attended by the Managing Director, Statutory Auditors, Chief Executive Officer, Chief Financial Officer, Internal Auditor and the Company Secretary. The Chairman of the Audit Committee was present at the 37th Annual General Meeting of the Company held on 23rd July, 2019.

The Committee met four times during the year under review. The Committee Meetings were held on the following dates – 30th April, 2019, 23rd July, 2019, 25th October, 2019 and 21st January, 2020. The attendance at the Meetings is as under:

Members	Number of Meetings attended
Mr. Vinayak Patil *	2
Mr. Anand Daga #	4
Mr. S. Durgashankar	4
Dr. Sudhir Kumar Goel ^	2

* Ceased to be a Director and member of the Committee w.e.f. 24th July, 2019.

appointed as the Chairman w.e.f. 24th July, 2019.

^ Appointed as member of the Committee w.e.f. 24th July, 2019.

5. Nomination and Remuneration Committee

(a) Brief description of terms of reference

The Company has Nomination and Remuneration Committee pursuant to Section 178 of the Companies Act, 2013.

The Terms of Reference of the Nomination and Remuneration Committee is to:

- i) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria to be laid down, recommend to the Board their appointment and removal; and shall carry out evaluation of every Director's performance.
- ii) Formulate the criteria for determining qualifications, positive attributes and

independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

- iii) Review performance of the Managing Director and recommend to the Board the remuneration payable to him and administering the Employees Stock Options Scheme.

The Committee also administers the Company's ESOP Scheme and takes appropriate decisions in terms of the said scheme.

The Company has adopted the policy on directors and Key Managerial Personnel and other employees, appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee has further determined the criteria for evaluation of Independent Directors performance and the performance of Chairman, Board and committees.

(b) Composition, Name of members and Chairperson

The Committee comprises three Non-Executive Directors majority of whom are Independent Directors namely Mr. Anand Daga – Chairman, Mr. S. Durgashankar and Dr. Sudhir Kumar Goel. During the year under review Mr. Vinayak Patil ceased to be member of the Committee from 24th July, 2019 upon completion of his term as Independent Director.

(c) Meetings and Attendance during the year

The Committee met on 30th April, 2019, 23rd July, 2019 and 21st January, 2020 and the meeting was generally attended by all the members of the Committee. The attendance of the meeting is as under.

Members	Number of Meetings attended
Mr. Vinayak Patil *	2
Mr. Anand Daga #	3
Mr. S. Durgashankar	3
Dr. Sudhir Kumar Goel ^	1

* Ceased to be a Director and member of the Committee w.e.f. 24th July, 2019.

appointed as the Chairman w.e.f. 24th July, 2019.

^ Appointed as member of the Committee w.e.f. 24th July, 2019.

(d) Independent Directors and performance evaluation

The Independent Directors of your Company had a meeting on 30th April, 2019 without the presence of

the Executive Chairman, Managing Director, other Non-Independent Director(s) or any other Management Personnel.

The Meeting was conducted in an informal and flexible manner to enable the Independent Directors to, inter alia, discuss matters pertaining to review of performance of Non-Independent Directors and the Board of Directors as a whole, review the performance of the Chairman of the Board (taking into account the views of Non-Executive Directors), assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Nomination and Remuneration Committee has laid down the evaluation criteria for Independent Directors and the same has been done by the entire Board of Directors. The performance criteria includes whether a directors possesses sufficient skills, experience and level of preparedness to add value to discussions and decisions, challenge views constructively, knowledge about Company's business, the industry in which company operates and global trends etc.

The Company had organized programmes at regular intervals to familiarize the independent directors with the company, their roles, rights and responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. Quarterly updates on relevant statutory changes on important laws are regularly circulated to Directors. Plant visits are organized for the Directors to enable them to understand the operations of the Company.

6. Stakeholders Relationship Committee:

The Company has Stakeholders Relationship Committee under the provisions of The Companies Act, 2013. The Committee functions under the Chairmanship of Mr. Nikhilesh Panchal (w.e.f. 24th July, 2019). Mr. Ashok Sharma and Dr. Sudhir Kumar Goel are the other Members of the Committee. Mr. Ratnakar Nawghare, Company Secretary is the Compliance Officer of the Company. The Stakeholders Relationship Committee resolves the grievances of security holders of the Company.

As per Section 178(7) of the Companies Act, 2013, the Chairperson of the Committee or, in his absence, any other member of the Committee authorised by him on his behalf shall attend the General Meetings of the Company.

During the year under review, there were two complaints received from the Shareholders. There were no investor complaints remaining unresolved and pending as at 31st March, 2020.

The Committee met once on 25th October, 2019 during the year under review. It was attended by all the members of the Committee.

During the year under review Mr. Vinayak Patil ceased to be member of the Committee from 24th July, 2019 upon completion of his term as Independent Director. Dr. Sudhir kumar Goel was appointed as member of the Committee.

7. Corporate Social Responsibility Committee

The Corporate Social Responsibility ("CSR") Committee is a committee constituted by the Board with powers, inter alia, to make donations/contributions to any charitable and / or CSR projects or programs to be implemented directly or through an executing agency or other Not for Profit Agency with minimum three years proven track record or through a corporate foundation or other reputed Non-Governmental Organisation, of atleast two percent of the Company's average net profits during the three immediately preceding financial years in pursuance of its CSR Policy for the Company's CSR initiatives.

The scope and functions of the Committee includes, inter alia, recommendation to the Board for its approval an amount of expenditure to be incurred on the CSR activities as enumerated in the Schedule VII of the Companies Act, 2013 and also referred to in the CSR Policy of the Company, as also to monitor the CSR Policy from time to time, etc.

The CSR Policy for your Company as duly amended is displayed on the Company's website: <http://www.mahindrairrigation.com>.

Mr. Ashok Sharma – Managing Director is the Chairman of the Committee. Dr. Sudhir Kumar Goel and Mr. S Durgashankar are the other members of the Committee. The Committee Meeting was held on 30th April, 2019 and it was attended by all the members of the Committee.

During the year under review, Mr. Vinayak Patil ceased to be member of the Committee from 24th July, 2019 upon completion of his term as Independent Director. Dr. Sudhir kumar Goel was appointed as member of the Committee.

8. Risk Management Committee

The Company has Risk Management Committee in accordance with the Companies Act, 2013. The Committee functions under the Chairmanship of Mr. Nikhilesh Panchal, Mr. Ashok Sharma and Mr. Anand Daga are the other members of the Committee. During the year, one meeting was held on 21st January, 2020 and was attended by all the members. The broad roles and responsibilities of the Committee would be:

- a) Assessment of the Company's risk profile and key areas of risk in particular.

- b) Recommending to the Board and adopting risk assessment and rating procedures.
- c) Examining and determining the sufficiency of the Company's internal processes for reporting on and managing key risk areas.
- d) Assessing and recommending to the Board acceptable levels of risk.
- e) Review and monitoring of Risk management and risk mitigations measures.

9. Remuneration of Directors

Your Company has a well-defined Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees. The Policy was approved by the Board of your Company on 30th March, 2015 based on the recommendations made by the Nomination and Remuneration Committee. This Policy is furnished in Annexure V to the Directors' Report.

(a) Pecuniary relationship or transactions of the non-executive directors.

Apart from reimbursement of expenses incurred and the commission paid in the discharge of their duties and the remuneration that a Director may receive for professional services rendered to the Company through a firm in which he is a partner, none of the Non- executive Independent Directors have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Affiliates which in their judgment would affect their independence. All the Non- executive independent Directors have given confirmation in this regard. None of the Directors of the Company are inter-se related to each other.

(b) Criteria of making payments to non-executive directors.

The Non-executive Independent Directors are paid sitting fees of Rs. 30,000 for attending the meetings of the Board of Directors and Rs. 20,000 for attending Committee meetings of the Board and reimbursement of expenses incurred for attending the Meetings of the Board of Directors of the Company and its Committees thereof. The sitting fees paid to Non-Executive Directors for the year ended 31st March, 2020 alongwith their shareholdings are as under:

Directors	Sitting Fees for the Board Meetings and Committee Meetings held during the year ended 31 st March, 2020 (Rs. in Lakhs)
Mr. Ashok Sharma	Nil
Mr. Vinayak Patil *	1.60
Dr. Sudhir Kumar Goel	1.70
Mr. S. Durgashankar	Nil
Mr. Nikhilesh Panchal	1.30
Mr. Anand Daga	2.80
Ms. Sangeeta Prasad	Nil

* Mr. Vinayak Patil ceased to be a Director with effect from 24th July, 2019.

Further the Independent Directors shall be entitled to receive a commission of Rs. 5 lacs each or 1% of annual Net Profit of the Company computed in accordance with the provisions of Section 197 read with Section 198 of the Act or Rules framed thereunder whichever is lower from time to time commencing from the FY – 2015-16 in lieu of their services to the Company. The Shareholders in the Annual General Meeting dated 31st July, 2015 had accorded their consent for the same. Accordingly, the commission of Rs. 15.00 lakhs was paid in the year 2018-19 and the commission of 1% of profit or Rs. 5.00 lakhs each whichever is lower is payable equally to Independent Directors for FY 2019-20.

(c) Disclosures with respect to Remuneration:

(i) Elements of remuneration package

During the year under review, the consolidated remuneration of Rs. 24.00 lakhs per annum (including taxes) was paid to Mr. Ashok Sharma.

(ii) Details of fixed component and performance linked incentives along with the performance criteria.

There are no variable components of the remuneration payable to Mr. Ashok Sharma and Mr. Ashok Sharma is also receiving remuneration from Mahindra and Mahindra Limited and Mahindra Agri Solutions Limited.

Mr. Ashok Sharma is re-appointed as Managing Director of the Company with effect from 1st October, 2017 till 30th September, 2020 on a consolidated remuneration of Rs. 28.14 lakhs per annum.

The detailed criteria for the evaluation of Board and Directors' performance is in place. All board members annually provide their assessment of the performance of the Board and its Committees by way of response to a questionnaire. Additionally, all Board members also provide a self-evaluation of their performance annually. The performance of executive director is being evaluated by the Nomination and Remuneration Committee and the performance of Independent Directors is evaluated by the Board. The Director being evaluated does not participate in the meeting at the time of their respective evaluation.

(iii) Service contracts, notice period, severance fees

The appointment letter is issued to the Managing Director as per the policy of the Company and the appointment can be terminated by either party by giving three month's notice in writing as per the Company's policy. There is no separate provision for payment of severance fees.

(iv) Stock option details

During the year under review, the Company has not issued any stock options to any Directors.

10. General Body Meetings:

(a) Location and time, where last three annual general meetings held and Special Resolution passed

Year ended	Date	Time	Special Resolution passed
31 st March, 2017	Friday 28 th July, 2017	2.30 p.m.	Re-appointment of Mr. Ashok Sharma (DIN: 02766679) as a Managing Director for a period of 3 years with effect from 1 st October, 2017 to 30 th September, 2020.
31 st March, 2018	Tuesday 31 st July, 2018	2.30 p.m.	No business was held to requiring the Special Resolution

Year ended	Date	Time	Special Resolution passed
31 st March, 2019	Tuesday 23 rd July, 2019	2.30 p.m.	1. Re-appointment of Mr. Anand Daga (DIN : 00696171) as an Independent Director of the Company for the second term of five years. 2. Re-appointment of Mr. Nikhilesh Panchal (DIN : 00041080) as an Independent Director of the Company for the second term of five years.

All the above Meetings were held at Plot No. H-109, MIDC Ambad, Nashik- 422 010.

No Extraordinary General Meeting was held during the past three years

(b) Postal Ballot

During the year under review, the Company has not passed any special resolution through postal ballot.

Further, the Company does not have any proposal for passing any special resolution through postal ballot, at the ensuing Annual General Meeting.

11. Means of Communication

Your Company from time to time and as may be required, communicates with its security-holders and investors through multiple channels of communications such as dissemination of information on the website of the Stock Exchange, press release, Annual Report, uploading relevant information on its website and publishing financial results in newspapers. The financial results are published in newspapers namely, Business Standard, Free Press Journal, and Navshakti which are national and local dailies respectively.

Your Company discloses to the Stock Exchange, all information required to be disclosed under Regulation 30 of the Listing Regulations, including material information having a bearing on the performance/ operations of the Company and other price sensitive information.

No presentations were made to institutional investors / analysts.

12. Auditors remuneration

The total fees for all services paid by the Company and its Subsidiary Company to the Statutory Auditors Messrs Deloitte Haskins and Sells – Chartered Accountants, on a consolidated basis for the financial year 2019-20 was Rs. 41.00 lacs plus applicable Goods and Services Tax and out of pocket expenses.

13. Details of complaints received if any Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

During the year under review, there were no complaints reported/ resolved pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder.

14. General Shareholder Information:

(a) 38th Annual General Meeting

Date: 3rd August, 2020
 Time : 3.00 p.m. by VC/OAVM
 Deemed
 Venue: Plot No. H – 109, MIDC Ambad,
 Nashik- 422 010

(b) Financial Year of the Company

The financial year covers the period from 1st April to 31st March.

Financial Reporting for:

Quarter ending

30th June, 2020 – Second week of August, 2020

Half-year ending

30th September, 2020 – Second week of November, 2020

Quarter ending

31st December, 2020 – Second week of February, 2021

Year ending

31st March, 2021 – End May, 2021

Note: The above dates are indicative.

(c) Listing of Equity Shares on Stock Exchange

Your Company's Shares are listed on BSE Limited, Mumbai and got further listed on National Stock Exchange of India Limited, Mumbai on 14th February, 2020. The requisite listing fees have been paid in full to both the Stock Exchanges.

(d) Stock Code

1. BSE Limited: 523754
2. National Stock Exchange Limited : MAHEPC
3. Demat International Securities Identification Number (ISIN) in NSDL and CDSL for Equity

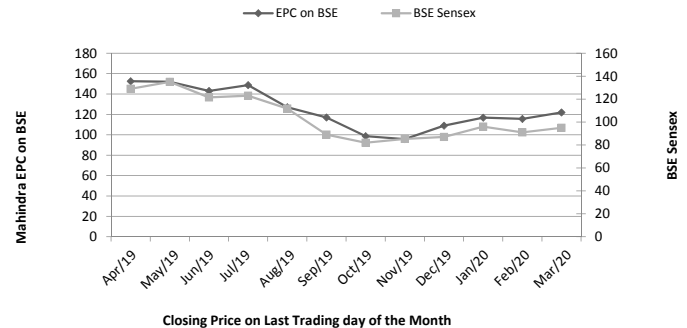
Shares: INE 215D01010

(e) Stock Price Data of Equity Shares listed on Bombay Stock Exchange Limited:

Month	High Price	Low Price
April, 2019	123.00	111.05
May, 2019	124.4	100.10
June, 2019	117.50	100.00
July, 2019	125.65	87.10
August, 2019	102.70	83.50
September, 2019	96.45	86.80
October, 2019	101.60	76.05
November, 2019	109.75	89.70
December, 2019	108.00	93.10
January, 2020	151.80	97.00
February, 2020	166.00	124.00
March, 2020	129.00	74.00

(f) Stock Performance

The performance of the Company's shares relative to the BSE Sensitive Index is given in the chart below:



(g) Suspension of Securities

Your Company's Shares were not suspended during the year under review.

(h) Registrar and Transfer Agent

**KFin Technologies Private Limited,
 Unit: Mahindra EPC Irrigation Limited**

Karvy Selenium, Tower B,
 Plot No. 31-32, Gachibowli,
 Financial District, Nanakramguda,
 Hyderabad, Telangana – 500 032.

Contact details:-

Telephone number: +91 40 67162222

Investor Service Toll Free No: 1800-3454-001

Fax number: +91 40 2342 0814

Email: einward.ris@karvy.com

(i) Share Transfer System

Trading in Equity Shares of the Company through Bombay Stock Exchange is permitted only in dematerialized form.

Shares sent for transfer in physical form are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects.

The Board of Directors with a view to expedite the process of share transfer had authorised Mr. Ashok Sharma, Managing Director to approve the share transfers, issue of duplicate shares etc. and the same gets confirmed by the Board in their subsequent meeting.

Securities and Exchange Board of India (SEBI) vide its notification dated 8th June, 2018 has notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 (Listing Regulations) and SEBI (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations 2018 (RTA Regulations) and amendment to Regulation 40 of the Listing Regulations and Clause 5(c) of Schedule III of the RTA Regulations. These amendments have mandated that the transfer of securities would be carried out only in dematerialized form.

According, attention of all the shareholders holding shares in physical form is brought to the following:

- Request for effecting transfer of securities shall not be processed by the Company or KFin Technologies Private Limited (KFin), Registrar and Share Transfer Agents (RTA) of the Company, unless the securities are held in dematerialized form with effect from 1st April, 2019.
- This restriction shall not be applicable to the request received for transmission or transposition of shares held in physical Mode.

(j) Distribution of Shareholding as on 31st March, 2020:

Shareholding	Shareholders		Shares	
	Number	% to total holders	Number	% to total capital
Upto 500	16502	84.43	2432620	8.76
501 – 1,000	1490	7.62	1180317	4.25
1,001 – 5,000	1289	6.59	2837833	10.21
5,001 – 10,000	140	0.72	1014086	3.65
10,001 – 1,00,000	114	0.58	3015977	10.86

Shareholding	Shareholders		Shares	
	Number	% to total holders	Number	% to total capital
1,00,001 & above	11	0.06	17300865	62.27
TOTAL	19546	100.00	27781698	100.00

Shareholding Pattern as on 31st March, 2020

Category	No. of shares held	%
Promoters	15144433	54.51
Banks	200	0.00
Private Corporate Bodies	1250264	4.50
Indian Public	9374530	33.74
NBFC	Nil	Nil
Mutual Funds	Nil	Nil
NRIs/ OCBs / Others	2012271	7.25
GRAND TOTAL	27781698	100

(k) Dematerialisation of Shares and liquidity

97.78% of the paid-up Equity Share Capital is held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited as on 31st March, 2020. The Company's Shares are liquid and actively traded on the BSE Limited and National Stock Exchange of India Limited.

(l) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion date and likely impact on equity

Nil

(m) Commodity price risk or foreign exchange risk and hedging activities

The Company is a net forex earner. This year under review, saw fluctuation in raw material prices led by increase in crude oil. The uptrend in raw material prices is expected in the coming financial year. Your Company continues to watch the market situation closely and continues to focus on mitigating inflationary impact through cost reduction measures.

The nature of business of the Company does not involve / require anyhedging activities.

(n) Plant Locations

Your Company's manufacturing facilities are located at Plot No. H - 109, MIDC Ambad, Nashik- 422 010 & at Plot No. 367-368, GIDC, Manjusar, Savli, Dist. Vadodara – 391775.

(o) Address for correspondence

Shareholders may correspond with the Registrar and Transfer Agents at:

KFin Technologies Private Limited,
Unit: Mahindra EPC Irrigation Limited
Karvy Selenium, Tower B,
Plot number 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad, Telangana – 500 032.

Contact details:-

Telephone number: +91 40 67162222

Investor Service Toll Free No: 1-800-3454-001

Fax number: +91 40 2342 0814

Email: einward.ris@karvy.com

For all matters relating to transfer/ dematerialization of shares and any other query relating to Equity Shares of the Company.

The Registrar and Transfer Agents also have an office at:

KFin Technologies Private Limited,
24-B, Raja Bahadur Mansion, Ground Floor,
Ambalal Doshi Marg, Behind BSE,
Fort, Mumbai – 400 023.

Tel.:+91 22 66235454 /412/427

Your Company has also designated **rvnawghare@mahindrairrigation.com** as an exclusive email ID for Investors for the purpose of registering complaints. Shareholders would have to correspond with the respective Depository Participants for Shares held in dematerialized form. For all investor related matters, the Company Secretary & Compliance Officer can be contacted at:

Mahindra EPC Irrigation Limited

Plot No. H-109, MIDC Ambad, Nashik – 422 010.

Telephone Nos.: +91-253-2381081 / 82

Fax: +91-253-2382975

email: rvnawghare@mahindrairrigation.com

Your Company can also be visited at its website: www.mahindrairrigation.com

(p) Dates of Book Closure and Dividend Payment Date

The Book Closure for dividend will be Thursday, 30th July, 2020 to Monday, 3rd August, 2020 (both days inclusive) and the Dividend would be paid/ dispatched after 3rd August, 2020.

(q) Registered Office

Plot No. H-109, MIDC Ambad, Nashik – 422 010.

(r) Corporate Identity Number:

L25200MH1981PLC025731

13. Other Disclosures

(a) Disclosure on materially significant Related Party transactions

During the financial year 2019-20 there were no materially significant transactions entered into between the Company and its Promoters, Directors or the Management etc. that may have potential conflict with the interest of the Company at large. Further details of related party transactions are given in Note No. 30 to the Financial Statements.

All the transactions with related parties were in the ordinary course of business and on arms length basis. In terms of Regulation 23 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company started obtaining prior approval of the audit committee for entering into any transaction with related parties. The audit committee granted omnibus approval for certain transactions to be entered with the related parties, during the year. The policy on Related Transaction is incorporated on the Company website: <http://www.epcmahindra.com/InvestorInformation.aspx>.

(b) Web link where policy on dealing with Related Party Transactions.

The policy on Related Party Transaction is incorporated on the Company website: <http://www.mahindrairrigation.com/InvestorInformation.aspx>

(c) Details of non-compliance etc.

Your Company has complied with all the requirements of regulatory authorities.

During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to the capital markets except as detailed below:

The Company and the erstwhile Promoter's group company had filed the revised consent application on 8th January, 2014, in terms of SEBI Circular dated May 25, 2012 (Ref CIR/EPD/1/2012) ("May Circular 2012") seeking settlement for non-disclosure in respect of the transaction dated 31st March, 2003 and for delay in yearly disclosure as of 31st March, 2005, under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

SEBI vide its letter dated 27th November, 2013 issued a notice of Inquiry against aforesaid delays. The Company in response to it, filed the consent application in January, 2014. The SEBI had returned

the Consent application, however, provided the opportunity for personal hearing to settle the matter. Accordingly, SEBI vide order dtd. 29-09-2017 has imposed the penalty of Rs. 2 lacs and the said penalty has been paid by the Company and closed the matter.

(d) Details of establishment of vigil mechanism, whistle blower policy etc.

In terms of the provisions of Section 177(9) of the Companies Act, 2013 the Company has implemented a vigil mechanism which includes implementation of the whistle blower policy. No employee has been denied access to the Chairman of the Audit Committee. The Company in conjunction with the Corporate Disclosure and Investigation policy of its ultimate holding Company has informed its employees that any non-compliant behaviour of directors or employees including the non-compliance of its code of conduct to the notice of the management for investigation and necessary action, may be reported by them using the speak-up line number provided therein. The policy is posted on the Company website: <http://www.mahindrairrigation.com/InvestorInformation.aspx>

(e) Disclosure on Director's performance evaluation criteria

The Company has introduced the Board and directors' performance evaluation criteria. All Board members are requested annually to provide their assessment of the performance of the Board and its Committees by way of response to a questionnaire. Additionally, all Board members are asked to do a self-evaluation of their performance annually. The performance of executive director is evaluated by the Nomination and Remuneration Committee and the performance of independent directors is evaluated by the Board. The director being evaluated does not participate in the meeting at the time of their respective evaluation.

(f) Code of Conduct for Prevention of Insider Trading

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has formulated, adopted and implemented the Code of Conduct for prevention of Insider Trading.

The Code lays down Guidelines, which advise designated employees on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations.

Under the said Code, the Company has appointed Mr. Ratnakar Nawghare as the Compliance Officer. All Board members and Senior Management personnel have affirmed compliance with the Code. The Code of Conduct of the Company is also posted on the investor relation page of the Company's website www.mahindrairrigation.com

(g) Details of Compliance with Mandatory requirements and adoption of the non-mandatory requirements.

Your Company has complied with the mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance. Your Company has adopted the non-mandatory requirements as mentioned below:

1) Unmodified Opinion in Audit Report

During the year under review, there is no audit qualification in your Company's financial statements. Your Company continues to adopt best practices, compliance with Accounting Standards and internal control over financial reporting to ensure financial statements with unmodified audit qualifications.

2) Reporting of Internal Auditor

The Internal Auditor of the Company reports to the Audit Committee.

(h) Disclosures with respect to demat suspense account/ unclaimed suspense account

There are no shares in the demat suspense account/ unclaimed suspense account at the beginning and at the end of the financial year 2019-20.

(i) CEO/CFO Certification

The Chief Executive Officer and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 (8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Chief Executive Officer and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 (2) (a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The annual certificate given by the Chief Executive Officer and the Chief Financial Officer is published in this Report.

Nashik, May 14, 2020

DECLARATION BY THE MANAGING DIRECTOR UNDER SCHEDULE V (D) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IS ANNEXED.

To
The Members of Mahindra EPC Irrigation Limited,

I, Ashok Sharma, Managing Director of Mahindra EPC Irrigation Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2020.

Nashik, May 14, 2020

Ashok Sharma
Managing Director

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

**TO
THE MEMBERS OF
MAHINDRA EPC IRRIGATION LIMITED**

1. This certificate is issued in accordance with the terms of our engagement letter dated October 1, 2019.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Mahindra EPC Irrigation Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under section 143(10) of the Companies Act 2013, in so far

as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2020.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117364W)

Kedar Rajee
Partner
Membership Number: 102637

Mumbai, May 14, 2020

INDEPENDENT AUDITOR'S REPORT

To The Members of Mahindra EPC irrigation Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Mahindra EPC irrigation Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows/ the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its profit total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the financial highlights, management discussion & analysis, Board Report and related annexure there to corporate governance, but does not include the standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements in accordance with generally accepted accounting principles;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm’s Registration No. 117364W)

Kedar Raje
Partner
(Membership Number: 102637)

Date: 14 May 2020
Place:- Mumbai

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Mahindra EPC Irrigation Limited (“the Company”) as of 31 March, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm’s Registration No. 117364W)

Kedar Rajee
Partner
(Membership Number: 102637)

Date: 14 May 2020

Place: Mumbai

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on other legal and regulatory requirements’ section of our report to the members of Mahindra EPC Irrigation Limited of even date.)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a programme of verification of property, plant and equipment to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of buildings whose title deeds have been pledged as security for loans availed from banks are held in the name of the Company based on the confirmation directly received by us from the bank. In respect of immovable properties of land that have been taken on lease and disclosed as prepaid asset in the Ind AS financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals except stock lying with third parties for which confirmations have been obtained and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- iv. The Company has not granted any loans, made investments or provided guarantees to which the provisions of Sections 185 and 186 of the Act apply, and hence reporting under clause (iv) of the Order is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended. According to the information and explanations given to us, no order has been passed by the Company

Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

- vi. The maintenance of cost records has been prescribed by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under Section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees’ state insurance, income-tax, goods and services tax, customs duty, cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, goods and services tax, customs duty, cess and other material statutory dues in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.
 - (c) Details of dues of income-tax, goods and services tax, sales-tax, service tax, customs duty, excise duty, and value added tax which have not been deposited as on 31 March 2020 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount unpaid (Rs. in lakhs)
Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise (Appeals)	FY 1996- 97	35.76
		Commissioner of Central Excise	FY 1997- 98	8.12
Madhya Pradesh Vat Act, 2002	Sales Tax	Addtl CCT/APP DC/DCAPP DC Bhopal	FY 2014- 15	286.81
Chhattisgarh VAT Act,2003	Sales Tax	Deputy Commissioner of Commercial Tax, Raipur	FY 2014- 15	8.39
Income Tax Act,1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2016- 17	113.31
		Commissioner of Income Tax (Appeals)	FY 2011- 12	172.58

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks and government. The Company has not borrowed from financial institutions and has not issued any debentures.
- ix. In our opinion and according to the information and explanations given to us, money raised by way of further public offer (rights offer) in the earlier years, have been applied by the Company during the year for the purposes as revised with appropriate approvals, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of public offer of debt instruments or term loans.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements etc. as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence, provisions of Section 192 of the Act are not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
 Chartered Accountants
 (Firm's Registration No. 117364W)

Kedar Raje
 Partner
 (Membership Number: 102637)

Date: 14 May 2020
 Place:- Mumbai

CEO AND CFO CERTIFICATION

We, the undersigned in our respective capacities as Chief Executive Officer and Chief Financial Officer, to the best of our knowledge and belief certify that:

- A) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2020 and that to the best of our knowledge and belief, We confirm that :
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2020 are fraudulent, illegal or violative of the Company's code of conduct/ethics.
- C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and

the Audit Committee, deficiencies in the design or operation of internal controls, over financial reporting, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- D) We have indicated to the Auditors and the Audit Committee that:
- 1) there has not been any significant change in internal control over financial reporting during the year under reference;
 - 2) there has not been any significant change in the accounting policies during the year requiring the disclosure in the notes to the financial statements; and
 - 3) We are not aware of any instance during the year of significant fraud with involvement therein of the Management or any employee having a significant role in the Company's internal control system over financial reporting.

Sunetra Ganesan
 Chief Financial Officer

Abhijit Page
 Chief Executive Officer

Nashik, 14th May, 2020

STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note No.	Rs. in Lakhs	
		As at March 31, 2020	As at March 31, 2019
ASSETS			
I NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2A	2,434.92	2,420.82
(b) Right of Use Assets	2B	311.33	—
(c) Capital Work-in-Progress		10.04	—
(d) Other Intangible Assets	3	11.27	23.37
(e) Financial Assets			
(i) Investments	4	180.00	180.00
(ii) Trade Receivables	5	3,510.40	2,270.03
(iii) Other Financial Assets	6	67.77	70.25
(f) Income Tax Assets (Net)		55.14	12.74
(g) Deferred Tax Assets (Net)	7	531.10	370.66
(h) Other Non-Current Assets	8	234.20	536.42
Total Non-Current Assets		7,346.17	5,884.29
II CURRENT ASSETS			
(a) Inventories	9	3,587.63	2,613.82
(b) Financial Assets			
(i) Trade Receivables	5	12,868.38	12,474.26
(ii) Cash and Cash Equivalents	10	1,110.80	40.53
(iii) Bank Balances other than (ii) above	10	172.87	251.83
(iv) Other Financial Assets	6	133.76	51.09
(c) Other Current Assets	8	1,173.39	821.39
Total Current Assets		19,046.83	16,252.92
III Total Assets (I + II)		26,393.00	22,137.21
EQUITY AND LIABILITIES			
IV EQUITY			
(a) Equity Share Capital	11A	2,778.37	2,774.78
(b) Other Equity	11B	14,288.40	12,237.51
Total Equity		17,066.77	15,012.29
LIABILITIES			
V NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	12	—	8.50
(ii) Lease Liabilities	27	2.99	—
(b) Provisions	15	36.99	87.49
Total Non-Current Liabilities		39.98	95.99
VI CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	14	1,300.00	327.52
(ii) Lease Liabilities	27	7.94	—
(iii) Trade Payables	16		
a) total outstanding dues of micro and small enterprises		234.56	98.82
b) total outstanding dues of creditors other than micro and small enterprises		6,319.94	5,152.72
(iv) Other Financial Liabilities	13	712.22	729.97
(b) Provisions	15	315.13	220.67
(c) Current Tax Liabilities (Net)		71.18	176.62
(d) Other Current Liabilities	17	325.28	322.61
Total Current Liabilities		9,286.25	7,028.93
VII Total Liabilities (V+VI)		9,326.23	7,124.92
VIII Total Equity and Liabilities (IV+VII)		26,393.00	22,137.21
See accompanying notes to the standalone financial statements.	1-36		

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered AccountantsAshok Sharma
Managing Director
DIN-2766679
Place : MumbaiAnand Daga
Director
DIN-696171
Place : NashikKedar Raje
PartnerAbhijit Page
Chief Executive Officer
Place : NashikSunetra Ganesan
Chief Financial Officer
Place : NashikR. V. Nawghare
Company Secretary
Place : NashikPlace : Mumbai
Date : May 14, 2020

Date: May 14, 2020

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

		Rs. in Lakhs	
Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from Operations	18	28,395.86	26,010.95
II Other Income	19	132.71	105.54
III Total Income (I + II)		28,528.57	26,116.49
IV EXPENSES			
(a) Cost of materials consumed	20(a)	13,651.62	13,479.16
(b) Purchases of Stock-in-trade	20(b)	7.31	138.47
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20(c)	(225.25)	458.75
(d) Employee benefit expense	21	2,649.35	2,457.98
(e) Finance costs	22	197.91	139.17
(f) Depreciation, amortisation and impairment expense	2A,2B,3	380.11	306.93
(g) Other expenses	23	8,627.52	7,441.96
Total Expenses (IV)		25,288.57	24,422.42
V Profit before tax (III - IV)		3,240.00	1,694.07
VI Tax Expense			
(1) Current tax	7	1,055.30	656.19
(2) Deferred tax	7	(160.30)	(149.33)
(3) Short/(Excess) provision for tax relating to prior years		16.35	42.82
Total tax expense (VI)		911.35	549.68
VII Profit after tax for the year from continuing operations (V - VI)		2,328.65	1,144.39
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		(0.50)	(10.47)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.14	3.05
Total Other comprehensive (loss) / income for the year		(0.36)	(7.42)
IX Profit for the year attributable to owners of the Company (VII+VIII)		2,328.29	1,136.97
X Earnings per equity share			
(1) Basic (Face value Rs.10 per share)	24	8.38	4.13
(2) Diluted	24	8.35	4.11
See accompanying notes to the standalone financial statements	1-36		

In terms of our report attached

For and on behalf of the Board of Directors

 For Deloitte Haskins & Sells
 Chartered Accountants

 Ashok Sharma
 Managing Director
 DIN-2766679
 Place : Mumbai

 Anand Daga
 Director
 DIN-696171
 Place : Nashik

 Kedar Rajee
 Partner

 Abhijit Page
 Chief Executive Officer
 Place : Nashik

 Sunetra Ganesan
 Chief Financial Officer
 Place : Nashik

 R. V. Nawghare
 Company Secretary
 Place : Nashik

 Place : Mumbai
 Date : May 14, 2020

Date: May 14, 2020

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax for the year	3,240.00	1,694.07
Adjustments for:		
Finance costs recognised in profit or loss	197.91	139.17
Interest Income recognised in profit or loss	(13.75)	(25.85)
Profit on sale of current investments	(5.94)	(7.87)
Liabilities no longer required written-off	(47.98)	(42.11)
(Profit)/Loss on disposal of property, plant and equipment	4.70	(6.16)
Impairment (Gain) / Loss recognised on financial assets	536.99	125.80
Bad trade and other receivables, loans and advances written off	71.18	199.62
Depreciation and amortisation expense	380.11	306.93
Expense recognised in respect of equity-settled share-based payments	55.49	44.35
	4,418.71	2,427.95
Movements in working capital:		
Increase in trade receivables	(2,242.67)	(3,345.74)
(Increase)/ Decrease in inventories	(973.81)	855.89
(Increase)/Decrease in other Non current assets	8.84	(45.63)
Increase in other current assets	(439.97)	(214.87)
Increase in trade payables	1,350.98	1,463.37
Increase / (Decrease) in provisions	43.46	(11.10)
Increase/(Decrease) in other current liabilities	17.74	(95.78)
	(2,235.43)	(1,393.86)
Cash generated from operations	2,183.28	1,034.09
Income taxes paid (net)	(1,219.49)	(552.55)
Net cash generated from operating activities	963.79	481.54
Cash flows from investing activities		
Payments to acquire non-current Investment - Joint Venture	—	(180.00)
Payments to acquire property, plant and equipment and other Intangible assets	(310.47)	(224.04)
Proceeds on sale of plant and equipment and other Intangible assets	0.37	2.92
Interest received	14.73	22.48
Purchase of Current Investment	(2,050.00)	(1,765.00)
Sale of Current Investment	2,055.94	1,772.87
Bank balance not considered as cash and cash equivalents matured (net)	78.96	120.25
Net cash generated from (used in) investing activities	(210.47)	(250.52)
Cash flows from financing activities		
Proceeds from issue of equity instruments	3.59	3.59
Proceeds from share application money received	1.60	—
Proceeds from borrowings	1,300.00	—
Repayment of borrowings	(342.14)	(25.31)
Interest paid	(270.41)	(87.56)
Dividend paid for Equity shares (Including tax thereon)	(329.13)	(163.92)
Repayment of lease liability	(46.56)	—
Net cash generated from (used in) financing activities	316.95	(273.20)
Net increase / (decrease) in cash and cash equivalents	1,070.27	(42.18)
Cash and cash equivalents at the beginning of the year	40.53	82.71
Cash and cash equivalents at the end of the year	1,110.80	40.53
See accompanying notes to the financial statements	1-36	

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered AccountantsAshok Sharma
Managing Director
DIN-2766679
Place : MumbaiAnand Daga
Director
DIN-696171
Place : NashikKedar Raje
PartnerAbhijit Page
Chief Executive Officer
Place : NashikSunetra Ganesan
Chief Financial Officer
Place : NashikR. V. Nawghare
Company Secretary
Place : NashikPlace : Mumbai
Date : May 14, 2020

Date: May 14, 2020

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

Rs. in Lakhs

A. Equity share capital	
As at March 31, 2018	2,771.00
Changes in equity share capital during the year	
Issue of equity shares under employee share option plan (Refer note 21)	3.59
As at March 31, 2019	2,774.59
Changes in equity share capital during the year	
Issue of equity shares under employee share option plan (Refer note 21)	3.59
As at March 31, 2020	2,778.18
B. Forfeited shares	
As at March 31, 2018	0.19
Changes during the year	-
As at March 31, 2019	0.19
Changes during the year	-
As at March 31, 2020	0.19
C. Other Equity	

Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Share based payments (ESOP)	Share Application Money Pending Allotment	Retained earnings	
Balances as at March 31, 2018	40.00	9,263.55	425.44	96.22	-	1,398.01	11,223.22
Profit for the year	-	-	-	-	-	1,144.39	1,144.39
Dividend paid for Equity Shares (including tax thereon)	-	-	-	-	-	(167.03)	(167.03)
Issue of Shares towards ESOP	-	51.75	-	(51.75)	-	-	-
Recognition of Share based payments	-	-	-	44.35	-	-	44.35
Other Comprehensive loss for the year (net of tax)	-	-	-	-	-	(7.42)	(7.42)
Balances as at March 31, 2019	40.00	9,315.30	425.44	88.82	-	2,367.95	12,237.51
Profit for the year	-	-	-	-	-	2,328.65	2,328.65
Dividend paid for Equity Shares (including tax thereon)	-	-	-	-	-	(334.49)	(334.49)
Issue of Shares towards ESOP	-	51.76	-	(51.76)	-	-	-
Recognition of Share based payments	-	-	-	55.49	-	-	55.49
Share Application money received	-	-	-	-	1.60	-	1.60
Other Comprehensive loss for the year (net of tax)	-	-	-	-	-	(0.36)	(0.36)
Balances as at March 31, 2020	40.00	9,367.06	425.44	92.55	1.60	4,361.75	14,288.40

Remeasurement loss (net) on defined benefit plans Rs. 0.36 lakhs (March 31, 2019 loss (net) Rs. 7.42 lakhs) is recognised as part of retained earnings. For nature of reserves refer note no. 11 B

In terms of our report attached

 For Deloitte Haskins & Sells
 Chartered Accountants

 Kedar Rajee
 Partner

 Place : Mumbai
 Date : May 14, 2020

For and on behalf of the Board of Directors

 Ashok Sharma
 Managing Director
 DIN-2766679
 Place : Mumbai

 Abhijit Page
 Chief Executive Officer
 Place : Nashik

 R. V. Nawghare
 Company Secretary
 Place : Nashik

Date: May 14, 2020

 Anand Daga
 Director
 DIN-696171
 Place : Nashik

 Sunetra Ganesan
 Chief Financial Officer
 Place : Nashik

Notes to the standalone financial statements for the year ended March 31, 2020

Note No. 1 - General information and Significant accounting policies

A. Corporate Information

Mahindra EPC Irrigation Limited (Formerly known as EPC Industrie Limited) is a Public Limited Company listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. It was incorporated on November 28, 1981 under the Companies Act, 1956. It is engaged in the business of Micro Irrigation Systems such as Drip and Sprinklers, Agricultural Pumps, Greenhouses and Land Scape Products. The Company is a subsidiary of Mahindra and Mahindra Limited.

The manufacturing facilities of the Company were closed on March 24, 2020 following countrywide lockdown due to COVID-19. The Company has since obtained required permissions and restored its manufacturing facilities partially in the last week of April 2020 in line with the terms and guidelines issued by the Ministry of Home Affairs as well as those of respective States. Based on immediate assessment and on the basis of available information of the impact of COVID-19 on the operations of the Company and ongoing discussions with customers, vendors and related service providers, the Company is hopeful of serving customer orders, obtaining regular supply of raw materials and logistics services after resumption of operations. In assessing the recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profile of customers, macroeconomic forecasts and internal and external information available up to the date of issuance of these financial results. In assessing recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Company is of the view that the carrying amounts of trade receivables, inventories are expected to be realisable. The impact of COVID-19 may be different from the estimates as at the date of approval of these standalone financial results and the Company will continue to closely monitor the developments.

B. Statement of compliance

The standalone financial statements have been prepared in accordance with IND AS's notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

C. Basis of preparation and presentation

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

D. Functional and presentation currency

These financial statements are presented in Indian Rupees ('Rupees') which is also the Company's functional currency. All amounts are rounded-off to the nearest rupee in lakhs (two decimals), unless otherwise indicated.

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

E. Recent Indian Accounting Standards

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

F. Property, Plant and equipment :

Property, Plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Cost includes cost of acquisition or construction and is stated at historical cost.

Depreciation on all property, plant and equipment, is provided on Straight Line Method as per the estimated useful life. Leasehold Assets are depreciated over the shorter of the lease term and their useful lives. Depreciation on additions to assets or on sale / disposal of assets is calculated from the date of such addition or up to the date of such sale / disposal as the case may be.

Property, Plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Estimated useful life of the assets are as follows:

Assets	Useful life
Buildings	
Factory Building	30 Years
Office Building	60 Years
Extrusion Machines	19 Years
Other Machineries	15 Years
Electrical Installations, factory Equipment's, furniture	10 Years
Vehicles - Two Wheelers	10 Years
Moulds and Dies	6 Years
Office Equipment	5 Years
Computers	3 Years
Vehicles - Cars	8 Years
Vehicles - Cars (For employee use)	5 Years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on prospective basis.

G. Intangible Assets:

Intangible assets are recognised only when economic benefit attributable to the assets will flow to the enterprise and cost can be measured reliably. They are being amortised over the estimated useful life of three years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit or loss when the asset is derecognised.

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

H. Impairment of Assets:

The carrying value of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss of the amount. They are arrived at cost less accumulated amortisation and accumulated impairment losses.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

I. Inventories:

Inventories comprise of raw materials, work in progress, finished goods and stock in trade, are valued at costs of purchase, conversion and other costs incurred if any in bringing the inventories to their present location and condition. Inventories are stated at lower of cost and net realisable value.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost is determined on the basis of the weighted average method.

J. Foreign Exchange Transactions:

In preparing the financial statements transactions in other than the company's functional currency are recorded at the exchange rates prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognised as income or expense, as the case may be. Non - Monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

K. Revenue recognition:

Revenue from contracts with customer

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset. Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax.

The Company recognises revenue from the following major sources:

- a) Sale of Products; and
- b) Sale of services.

a) Sale of Products

The company sells Micro irrigation systems (MIS) both to the Open market and Project market. Sales-related warranties associated with MIS cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets (refer note no. 15).

For sales of MIS to open market, revenue is recognised when control of the good has transferred, being when the goods have been delivered to the dealer based on the terms and conditions in his agreement. Following delivery, the

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

dealer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

For sales of MIS to project market, revenue is recognised when control of the good has transferred, being when the goods have been installed at the farmers' place as per the approved design and acknowledged by the farmer. Following which farmer has full control of the MIS.

A receivable is recognised by the Company when the goods are delivered to the distributor /MIS installation acknowledged by the farmers as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

b) Sale of Services

Revenue relating to the services is recognised at a point in time.

L. Other income:

Dividend income from investments is recognised in statement of profit and loss when the shareholders right to receive payment has been established.

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest method is a method of calculating the amortised cost of the financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets, to that asset's net carrying amount on initial recognition.

M. Government Grants:

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the statement profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to statement of profit or loss on a systematic and rational basis over the useful lives of the related assets.

N. Employee benefits:

a) Short term and other long term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that services. Liabilities recognised in respect of other long -term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees upto the reporting date.

b) Post-employment benefits

(i) Defined contribution plans

The Company's contribution to provident fund, employee state insurance scheme and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employee.

(ii) Defined benefit plans

The employees' gratuity fund scheme, managed by Life Insurance Corporation (LIC) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation carried out as at the end of each financial year using the Projected Unit Credit Method.

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities, of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

(iii) Share based payment

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 21.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate with a corresponding adjustment to the equity-settled employee benefits reserve.

O. Lease Policy:

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognise a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measure at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs. Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measure by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

As a lessor:

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term.

P. Borrowing Costs:

All borrowing costs are charged to the Statement of Profit and Loss except, borrowing costs that are attributable to the acquisition or construction of qualifying assets which are those that necessarily take a substantial period of time to get ready for their intended use or sale, which are capitalised as part of the cost of such assets.

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

Q. Product Warranty:

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are discounted when required and are reviewed and revisions are made as required by the management of the company.

R. Taxes on income:

• Current Tax

Income Taxes are accounted for in accordance with IND AS-12. Tax expenses comprise both current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act 1961, and other applicable tax laws.

• Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

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

S. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities and assets are not recognised but are disclosed in the notes.

T. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the company. The CODM operation of the company reviews the operation of the company as Precision Farming Products & Services.

U. Investment in Joint Venture

The company accounts for its investments in Joint Venture at cost less accumulated impairment, if any.

V. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

Classification and subsequent measurement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets:

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

W. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on going basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

- useful life of property, plant and equipment and intangible assets
- estimation of define benefit obligation (Refer Note 29)
- provision for warranty claims (Refer Note 15)
- income taxes - current and deferred taxes (Refer Note 7)
- impairment of trade receivables (Refer Note 5)
- impairment of investments

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 2A - PROPERTY, PLANT AND EQUIPMENT

Description of Assets	Rs. in Lakhs									
	Buildings	Plant and Equipment	Electrical Installations	Factory Equipments	Moulds and Dies	Office Equipment	Furniture and Fixtures	Computers	Vehicles	Total
I. Gross Carrying Amount										
Balance as at March 31, 2019	962.96	3,941.88	151.23	136.51	1,150.21	38.53	110.77	129.42	150.67	6,772.18
Additions	10.43	208.13	—	62.27	0.35	10.99	0.60	14.03	24.99	331.79
Disposals	—	17.32	1.19	13.04	19.45	—	—	2.54	—	53.54
Balance as at March 31, 2020	973.39	4,132.69	150.04	185.74	1,131.11	49.52	111.37	140.91	175.66	7,050.43
II. Accumulated depreciation										
Balance as at March 31, 2019	603.69	2,225.56	128.35	111.40	987.76	28.58	74.59	114.70	76.73	4,351.36
Depreciation expense for the year	34.26	185.75	7.61	6.66	38.21	3.22	5.92	7.78	23.20	312.61
Eliminated on disposal of assets	—	15.08	1.14	11.56	18.52	—	—	2.16	—	48.46
Balance as at March 31, 2020	637.95	2,396.23	134.82	106.50	1,007.45	31.80	80.51	120.32	99.93	4,615.51
III. Net carrying amount (I-II)	335.44	1,736.46	15.22	79.24	123.66	17.72	30.86	20.59	75.72	2,434.92

I. Gross Carrying Amount										
Balance as at March 31, 2018	958.76	3,736.34	148.75	135.48	1,150.21	33.54	102.80	56.63	158.21	6,480.72
Additions	4.20	205.54	2.48	1.03	—	6.01	9.59	6.89	—	235.74
Adjustments #	—	—	—	—	—	—	—	65.90	—	65.90
Disposals	—	—	—	—	—	1.02	1.62	—	7.54	10.18
Balance as at March 31, 2019	962.96	3,941.88	151.23	136.51	1,150.21	38.53	110.77	129.42	150.67	6,772.18
II. Accumulated depreciation										
Balance as at March 31, 2018	568.00	2,084.06	120.01	106.84	958.09	27.85	70.25	44.86	61.15	4,041.11
Depreciation expense for the year	35.69	141.50	8.34	4.56	29.67	2.07	5.64	8.90	21.45	257.82
Adjustments #	—	—	—	—	—	—	—	60.94	—	60.94
Eliminated on disposal of assets	—	—	—	—	—	1.34	1.30	—	5.87	8.51
Balance as at March 31, 2019	603.69	2,225.56	128.35	111.40	987.76	28.58	74.59	114.70	76.73	4,351.36
III. Net carrying amount (I-II)	359.27	1,716.32	22.88	25.11	162.45	9.95	36.18	14.72	73.94	2,420.82

Adjustments on account of physical verification.

NOTE NO. 2B - RIGHT OF USE ASSETS (REFER NOTE 27)

Description of Assets	Lease		Buildings	Total
	Hold	Land		
I. Gross Carrying Amount				
Balance as at March 31, 2019	—	—	—	—
Impact of adoption of Ind AS 116 (Refer Note 27)	305.33	—	55.21	360.55
Additions	—	—	—	—
Disposals	—	—	—	—
Balance as at March 31, 2020	305.33	—	55.21	360.55
II. Accumulated depreciation				
Balance as at March 31, 2019	—	—	—	—
Depreciation expense for the year	4.26	—	44.97	49.22
Disposals	—	—	—	—
Balance as at March 31, 2020	4.26	—	44.97	49.22
III. Net carrying amount (I-II)	301.07	—	10.24	311.33

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 3 - OTHER INTANGIBLE ASSETS

Description of Assets	Rs. in Lakhs	
	Computer Software	Total
I. Gross Carrying Amount		
Balance as at March 31, 2019	208.48	208.48
Additions	6.18	6.18
Disposals	—	—
Balance as at March 31, 2020	214.66	214.66
II. Accumulated amortisation		
Balance as at March 31, 2019	185.11	185.11
Amortisation expense for the year	18.28	18.28
Eliminated on disposal of assets	—	—
Balance as at March 31, 2020	203.39	203.39
III. Net carrying amount (I-II)	11.27	11.27
I. Gross Carrying Amount		
Balance as at March 31, 2018	204.52	204.52
Additions	4.88	4.88
Disposals	0.92	0.92
Balance as at March 31, 2019	208.48	208.48
II. Accumulated amortisation		
Balance as at March 31, 2018	136.86	136.86
Amortisation expense for the year	49.12	49.12
Eliminated on disposal of assets	0.87	0.87
Balance as at March 31, 2019	185.11	185.11
III. Net carrying amount (I-II)	23.37	23.37

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)
NOTE NO. 4 - INVESTMENTS

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Investment in Equity Instruments Unquoted - At cost		
In Joint Venture company - Mahindra Top Greenhouses Private Limited (18 lakhs shares of Rs.10 each)	180.00	180.00
Total	180.00	180.00

NOTE NO. 5 - TRADE RECEIVABLES

Particulars	Rs. in Lakhs			
	As at March 31, 2020		As at March 31, 2019	
	Current	Non Current	Current	Non Current
Unsecured, considered good	12,868.38	3,510.40	12,474.26	2,270.03
Doubtful	899.48	827.94	662.16	528.27
	<u>13,767.86</u>	<u>4,338.34</u>	<u>13,136.42</u>	<u>2,798.30</u>
Less: Allowance for doubtful debts (expected credit loss)	(899.48)	(827.94)	(662.16)	(528.27)
Total	12,868.38	3,510.40	12,474.26	2,270.03

Refer Note 25 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

Trade receivables are valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and possibilities of consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of industries, impact immediately seen in the demand outlook of these industries and the financial strength of the customers in respect of from whom amounts are receivable.

NOTE NO. 6 - OTHER FINANCIAL ASSETS

Particulars	Rs. in Lakhs			
	As at March 31, 2020		As at March 31, 2019	
	Current	Non- Current	Current	Non- Current
Security deposits	33.93	67.77	40.83	70.25
Interest accrued on deposits	9.28	—	10.26	—
Other Receivables	90.55	—	—	—
Total	133.76	67.77	51.09	70.25

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 7 - CURRENT TAX AND DEFERRED TAX

(a) Income Tax recognised in profit or loss

Particulars	Rs. in Lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax:		
In respect of current year	1,055.30	656.19
In respect of prior years	16.35	42.82
Deferred Tax:		
In respect of current year	(210.60)	(132.50)
In respect of prior years	50.30	(16.83)
Total income tax expense recognised in the current year relating to continuing operations	911.35	549.68

(b) Income tax recognised in other Comprehensive income

Particulars	Rs. in Lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019
Deferred Tax		
Remeasurement of defined benefit obligations	(0.50)	(10.47)
Income taxes related to items that will not be reclassified to profit or loss	0.14	3.05
Total	(0.36)	(7.42)

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Rs. in Lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax from continuing operations	3,240.00	1,694.07
Income tax expense calculated at 25.17% (2019: 29.12%)	815.51	496.53
Effect on expense that is non-deductible in determining taxable profit	29.19	27.16
Effect of tax rate difference	50.30	—
	895.00	523.69
Adjustments recognised in the current year in relation to the current tax of prior years	16.35	25.99
Income tax expense recognised In profit or loss from continuing operations	911.35	549.68

The Company has adopted option available under section 115BAA of Income Tax Act, 1961 as per the taxation laws (amendment) act, 2019 dated December 11, 2019. Accordingly tax expenses, deferred tax assets/liabilities have been recomputed and impact of this has been recognised in the year ended on March 31, 2020. The company has remeasured the deferred tax assets (net) balances as on April 1, 2019 and Rs 50.30 Lakhs of deferred assets has been reversed and charged to statement of profit and loss for the year ended March 31, 2020.

The tax rate used for the March 31, 2020 and March 31, 2019 reconciliations above is the corporate tax rate of 25.17% and 29.12% respectively on taxable profits under Indian Income Tax Laws.

(d) Amounts on which deferred tax asset has not been created: Nil

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

(e) Movement in deferred tax assets / (Liabilities) for the year ended March 31, 2020

Particulars	Rs. in Lakhs				
	Opening Balance	Recognised in profit and Loss (including for earlier year)	Recognised in OCI	Utilised	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>					
Property, Plant and Equipment	319.97	(67.26)	—	—	252.71
	319.97	(67.26)	—	—	252.71
<u>Tax effect of items constituting deferred tax assets</u>					
Employee Benefits	78.48	(2.51)	0.14	—	76.11
Provision for receivables and advances	360.41	87.46	—	—	447.87
Other items	251.74	8.09	—	—	259.83
	690.63	93.04	0.14	—	783.81
Net Deferred Tax Asset (Liabilities)	370.66	160.30	0.14	—	531.10
Total	370.66	160.30	0.14	—	531.10

(f) Movement in deferred tax assets / (Liabilities) for the year ended March 31, 2019

Particulars	Rs. in Lakhs				
	Opening Balance	Recognised in profit and Loss (including for earlier year)	Recognised in OCI	Utilised	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>					
Property, Plant and Equipment	344.29	(24.32)	—	—	319.97
	344.29	(24.32)	—	—	319.97
<u>Tax effect of items constituting deferred tax assets</u>					
Employee Benefits	65.90	9.54	3.05	—	78.48
Provision for receivables and advances	325.20	35.21	—	—	360.41
Other items	171.47	80.26	—	—	251.74
	562.57	125.01	3.05	—	690.63
Net Deferred Tax Asset (Liabilities)	218.28	149.33	3.05	—	370.66
Total	218.28	149.33	3.05	—	370.66

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 8 - OTHER NON FINANCIAL ASSETS

Particulars	Rs. in Lakhs			
	As at March 31, 2020		As at March 31, 2019	
	Current	Non- Current	Current	Non- Current
(a) Prepayments	33.27	5.26	25.02	7.10
(b) Prepayments Land Lease	—	—	4.32	301.01
(c) Balances with government authorities	877.83	216.88	610.00	221.41
(d) Others				
(i) Capital advances	—	12.06	—	6.91
(ii) Advance to Creditors				
Considered Good	256.86	—	177.46	—
Doubtful	—	21.92	—	21.92
Less : Provision for Doubtful advances	—	(21.92)	—	(21.92)
	256.86	—	177.46	—
(iii) Advances to employees				
Considered Good	5.43	—	4.59	—
Doubtful	25.31	—	25.31	—
Less : Provision for Doubtful advances	(25.31)	—	(25.31)	—
	5.43	—	4.59	—
Total	1,173.39	234.20	821.39	536.42

NOTE NO. 9 - INVENTORIES

[Lower of cost and net realisable value]

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
(a) Raw materials and components	2,049.59	1,301.03
(b) Work-in-progress	195.97	145.78
(c) Finished and semi-finished goods	1,131.15	845.29
(d) Stock-in-trade of goods acquired for trading	210.92	321.72
Total	3,587.63	2,613.82

Included above, goods-in-transit:

Raw materials and Components	—	38.25
Total	—	38.25

All inventories are pledged as security for credit facilities from banks.

Mode of valuation of inventories is stated in Note 1(J).

Out of the above Rs. 260.21 lakhs is lying with third party (year ended March 31, 2019 Rs. 125.15 Lakhs).

The amount of inventories recognised as an expense in respect of write-down of inventory to net realisable values is Rs. 156.10 lakhs (year ended March 31, 2019 Rs. 117.59 lakhs)

Inventories are valued considering provision for allowance for obsolescence, inventory carrying risk and possible delayed usage in view of lower production due to slowly pacing off-take in present situation. In addition to the historical pattern of inventory provision, we have considered the likelihood of variations in sales price, possibilities of cancellation of order, nature and aging of inventories due to Covid-19. This assessment is not based on any mathematical model but it is based on an assessment considering the product demand, expected price trend and sales plan. Based on the above assessment, the Company is of the view that the carrying amounts of inventories are expected to be realisable.

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 10 - CASH AND BANK BALANCES

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents		
Balances with banks - Current Accounts	1,110.53	40.40
Cash on hand	0.27	0.13
Total Cash and cash equivalents	1,110.80	40.53
Other Bank Balances		
Earmarked balances with banks	31.32	19.23
Balances with Banks - on margin accounts	141.55	232.60
Total Other Bank Balances	172.87	251.83

NOTE NO. 11 A - EQUITY SHARE CAPITAL

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
<u>Authorised</u>				
Equity shares of Rs. 10 each	32,000,000	3,200.00	32,000,000	3,200.00
Preference share of Rs. 100 each	1,800,000	1,800.00	1,800,000	1,800.00
<u>Issued</u>				
Equity shares of Rs. 10 each	27,785,598	2,778.56	27,749,721	2,774.97
<u>Subscribed and fully paid up</u>				
Equity shares of Rs. 10 each	27,781,698	2,778.18	27,745,821	2,774.59
Forfeited shares (Amount originally paid up)	3,900	0.19	3,900	0.19
Total	—	2,778.37	—	2,774.78

Fully paid equity shares, which have a par value of Rs. 10, carry one vote per share and carry a right to dividends.

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Rs. in Lakhs

Particulars		Opening Balance	Issued during the year	Closing Balance
		March 31, 2020	No. of Shares	27,745,821
	Amount	2,774.59	3.59	2,778.18
March 31, 2019	No. of Shares	27,709,950	35,871	27,745,821
	Amount	2,771.00	3.59	2,774.59

Rights, preferences and restrictions attached to equity shares

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of shares held by the holding company

Particulars	As at March 31, 2020	As at March 31, 2019
Mahindra and Mahindra Ltd, the Holding Company	15,144,433	15,144,433

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
Mahindra and Mahindra Limited	15,144,433	54.51%	15,144,433	54.58%

(iv) Shares reserved for issuance as follows:

Particulars	No. of shares	
	As at March 31, 2020	As at March 31, 2019
Outstanding employee stock options granted / available for grant.	415,431	451,308

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)
NOTE NO. 11 B - OTHER EQUITY

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Capital Reserve	40.00	40.00
Securities Premium	9,367.06	9,315.30
General Reserve	425.44	425.44
Share based payments (ESOP)	92.55	88.82
Share Application Money Pending Allotment	1.60	—
Retained Earnings	4,361.75	2,367.95
Total	14,288.40	12,237.51

Nature of Reserves

Securities Premium - The Securities Premium is created on issue of shares at a premium.

General Reserve - The general reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

Employee Stock Options Outstanding - The Employee Stock Options Outstanding represents reserve in respect of equity settled share options granted to the company's employees in pursuance of the Employee Stock Option Plan.

Details of Dividend Proposed

Particulars	Rs. in Lakhs	
	2020	2019
Dividend per share (Rupees)	1.20	1.00
Dividend on Equity Shares	333.38	277.46
Dividend Distribution Tax	—	57.03
Total Dividend including Dividend Distribution Tax	333.38	334.49

NOTE NO. 12 - NON-CURRENT BORROWINGS

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Unsecured Borrowings - at amortised Cost		
Deferred payment liabilities	—	8.50
Total	—	8.50

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 13 - OTHER CURRENT FINANCIAL LIABILITIES

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term debt	—	6.11
Interest payables to vendors/others	142.96	217.73
Unpaid matured deposits and interest accrued thereon (Refer note (i) below)	0.16	0.36
Unclaimed Dividend	8.48	3.11
Security Deposits	499.02	446.76
Subsidy Reimbursable to Customer	—	34.76
Others (Refer note (ii) below)	61.60	21.14
Total	712.22	729.97

Notes-

- (i) There are no amounts due for transfer to Investor Education and Protection Fund
- (ii) Others include payable for capital assets, retention money and accruals towards claims.

NOTE NO. 14 - SHORT TERM BORROWINGS

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Secured Borrowings - at amortised cost		
Loans repayable on demand from Bank	1,300.00	327.52
Total	1,300.00	327.52

Note:

Loans repayable on demand is secured by way of first charge on entire stock and debtors of the Company both present and future. The above loan is also secured by way of second charge on fixed assets.

The Interest rate is 7.5%

NOTE NO. 15 - PROVISIONS

Particulars	Rs. in Lakhs			
	As at March 31, 2020		As at March 31, 2019	
	Current	Non-Current	Current	Non-Current
a. Provision for employee benefits				
Compensated absences	210.89	—	189.25	—
b. Other Provisions				
Warranty	104.24	36.99	31.42	87.49
Total	315.13	36.99	220.67	87.49

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

Details of movement in Warranty Provisions is as follows:

Particulars	Rs. in Lakhs
Balance at March 31, 2018	143.22
Additional provisions recognised	42.06
Amounts used during the year	(34.46)
Unused amounts reversed during the year	(40.92)
Unwinding of discount	9.02
Balance at March 31, 2019	118.92
Additional provisions recognised	52.97
Amounts used during the year	(35.07)
Unused amounts reversed during the year	—
Unwinding of discount	4.41
Balance at March 31, 2020	141.23

Warranty Claims:

Provision for warranty represents present value of management's best estimate of the future outflow of economic benefits that will be required in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. Management estimates the related provision for future warranty claims based on historical warranty claim information and is adjusted regularly to reflect new information. The products are generally covered under a free warranty period ranging from 6 months to 5 years. It is expected that most of these costs will be incurred in the next two financial years and all will have been incurred within five years after the reporting date.

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 16 - TRADE PAYABLES

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Current		
a) Total outstanding dues of micro and small enterprises	234.56	98.82
b) Total outstanding dues of creditors other than micro and small enterprises	6,319.94	5,152.72
Total	6,554.50	5,251.54

Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as below:

(a) Dues remaining unpaid as at March 31		
Principal	234.56	98.82
Interest on the above	—	—
(b) Interest paid in terms of Section 16 of the Act, along with the amount of payment made to the supplier beyond the appointed day during the year		
Principal paid beyond the appointed date	3.98	82.05
Interest paid in terms of Section 16 of the Act	—	—
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	0.02	1.10
(d) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	1.02	73.93
(e) Amount of interest accrued and remaining unpaid as at March 31	1.04	75.04
Due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

The average credit period on purchases of goods and availment of services is 15 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. Interest is charged on the over due balances as per terms agreed with vendors.

NOTE NO. 17 - OTHER NON - FINANCIAL LIABILITIES

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
(a) Advances received from customers	142.63	110.55
(b) Statutory dues		
– taxes payable (other than income taxes)	40.70	61.70
– Employee Recoveries and Employer Contributions	4.31	5.52
(c) Provision for liabilities	—	7.07
(d) Deferred interest income	1.71	3.72
(e) Deferred revenue arising from government grant	110.85	117.96
(f) Balance with LIC (Gratuity)	25.08	16.09
Total	325.28	322.61

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)
NOTE NO. 18 - REVENUE FROM OPERATIONS

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
(a) Revenue from sale of products	28,287.94	25,891.30
(b) Revenue from rendering of services	38.06	67.94
(c) Other operating revenue	69.86	51.71
Total	28,395.86	26,010.95

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
(i) Sale of products comprises		
Manufactured goods	28,233.60	25,634.92
Total - Sale of manufactured goods	28,233.60	25,634.92
<u>Traded goods</u>		
Pumps	6.78	71.25
Green Houses	30.65	174.00
Landscape	16.91	11.13
Total - Sale of traded goods	54.34	256.38
Total - Sale of products	28,287.94	25,891.30
(ii) Sale of services comprises		
Agronomy Services	—	0.22
Installation Services	38.06	67.72
Landscape Projects	—	—
Total - Sale of services	38.06	67.94
(iii) Other operating revenues comprise:		
Sale of scrap	62.74	44.42
Government Grant Incentives	7.12	4.97
Processing Charges	—	2.32
Total - Other operating revenues	69.86	51.71

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

Accordingly, the Company recognises revenue when it transfers control of a product or service to a customer as and when it satisfies the performance obligation by transferring promised goods or services to a customer and customer obtains the control or benefit of the same.

The revenue is recognised on satisfaction of performance obligation / transferring control to the customer and hence the same is recognised at a point in time. The company believes that above disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

There is no material impact on account of applying Ind AS 115 Revenue from Contract with customers instead of the erstwhile IND AS 18 Revenue, on the financial statements of the company.

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 19 - OTHER INCOME

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
(a) Interest Income		
1) Bank deposits (at amortised cost)	10.25	23.42
2) Interest on Security Deposit (at amortised cost)	3.50	2.43
3) Interest on tax refunds	—	0.56
(b) Operating lease rental income	3.57	3.76
(c) Net Gain on sale of current investments	5.94	7.87
(d) Profit/(Loss) on sale of assets (net of loss on assets sold)	—	6.16
(e) Liabilities no longer required written back	47.98	42.11
(f) Miscellaneous income	56.56	14.27
(g) Foreign Exchange profit	4.91	4.96
Total	132.71	105.54

NOTE NO. 20 (A) - COST OF MATERIALS CONSUMED

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Opening stock	1,301.03	1,698.17
Add: Purchases	14,400.18	13,082.02
	15,701.21	14,780.19
Less: Closing stock	2,049.59	1,301.03
Cost of materials consumed	13,651.62	13,479.16

NOTE 20 (B) - PURCHASES OF FINISHED, SEMI-FINISHED AND OTHER PRODUCTS (TRADED GOODS)

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Stock-in-trade - Pumps, Greenhouses & Landscape	7.31	138.47
Total	7.31	138.47

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)**NOTE 20 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
<u>Inventories at the end of the year:</u>		
Finished goods	1,131.15	845.29
Work-in-progress	195.97	145.78
Stock-in-trade	210.92	321.72
	<u>1,538.04</u>	<u>1,312.79</u>
<u>Inventories at the beginning of the year:</u>		
Finished goods	845.29	1,245.90
Work-in-progress	145.78	91.16
Stock-in-trade	321.72	434.48
	<u>1,312.79</u>	<u>1,771.54</u>
Net (increase)/decrease	<u>(225.25)</u>	<u>458.75</u>

NOTE NO. 21 - EMPLOYEE BENEFITS EXPENSE

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
(a) Salaries and wages, including bonus	2,275.08	2,127.40
(b) Contribution to provident and other funds (Refer Note No. 29)	176.92	150.78
(c) Share based payment transactions expenses	55.49	44.35
(d) Staff welfare expenses	141.86	135.45
Total Employee Benefit Expense	<u>2,649.35</u>	<u>2,457.98</u>

Pursuant to the "Employees Stock Option Scheme – 2014" (ESOS) approved by the Shareholders in the Annual General Meeting held on July 31, 2014, the Company had granted 80,424, 3,228, 1,33,432, 11,129 and 80,110 stock options to the eligible employees on October 28, 2014, October 31, 2015, November 22, 2016, November 22, 2017 and February 28, 2019 respectively as per the recommendations of the Nomination and Remuneration Committee, at an exercise price of Rs 10/- each. In respect of the options granted in 2014, 2016, 2017 and 2019 the equity settled options vest in 5 tranches of 20% each upon the expiry of 12 months, 24 months, 36 months, 48 months and 60 months, respectively from the date of grant. Each tranche is exercisable within one year from the respective date of vesting. The number of options exercisable in each tranche is minimum 20% of the options vested, except in case of the last date of the exercise, where the employee can exercise all options vested but not exercised till that date. In respect of options granted in 2015, the equity settled options vest in 4 tranches of 25% each upon the expiry of 12 months, 24 months, 36 months and 48 months, respectively from the date of grant. Each tranche is exercisable within one year from the respective date of vesting. The number of options exercisable in each tranche is minimum 25% of the options vested, except in case of the last date of the exercise, where the employee can exercise all options vested but not exercised till that date.

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option representing share based payment expenses is expected over the vesting period.

	Number of Shares	Grant Date	Expiry Date	Exercise Price	Fair value at Grant Date
Equity Settled					
1 Series 1 Granted on October 28, 2014	80,424	October 28, 2014	October 28, 2019	10	170.97
2 Series 2 Granted on October 31, 2015	3,228	October 31, 2015	October 31, 2019	10	170.97
3 Series 3 Granted on November 22, 2016	133,432	November 22, 2016	November 22, 2021	10	131.75
4 Series 4 Granted on November 22, 2017	11,129	November 22, 2017	November 22, 2022	10	169.43
5 Series 5 Granted on February 28, 2019	80,110	February 28, 2019	February 28, 2024	10	83.51

Movement in Share Options

Particulars	Year ended 31 March, 2020		Year ended 31 March, 2019	
	Number of Shares	Weighted average exercise price	Number of Shares	Weighted average exercise price
1 Outstanding at the beginning of the year	169,641	10	129,850	10
2 Granted during the year	—	10	80,110	10
3 Exercised during the year	(35,877)	10	(35,871)	10
4 Expired during the year	(166)	10	(4,448)	10
5 Outstanding at the end of the year	133,598	10	169,641	10

Share Options Exercised in the Year

Particulars	Year end March 31, 2020			Year end March 31, 2019		
	Number Exercised	Exercise Date	Share Price at Exercise Date	Number Exercised	Exercise Date	Share Price at Exercise Date
Equity Settled						
1 Series 1 Granted on October 28, 2014	9,342	December 30, 2019	100.60	9,336	November 22, 2018	88.25
2 Series 2 Granted on October 31, 2015	807	December 30, 2019	100.60	807	November 22, 2018	88.25
3 Series 3 Granted on November 22, 2016	24,373	December 30, 2019	100.60	24,373	November 22, 2018	88.25
4. Series 4 Granted on November 22, 2017	1,355	December 30, 2019	100.60	1,355	November 22, 2018	88.25

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows.

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)**Share Option Programmes**

Particulars	Series 1		Series 2		Series 3		Series 4		Series 5	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Share price at grant date	177.75	177.75	158.30	158.30	135.40	135.40	172.55	172.55	92.80	92.80
Exercise price	10	10	10	10	10	10	10	10	10	10
Expected volatility (weighted-average)	55%	55%	55%	55%	49%	49%	46%	46%	43%	43%
Expected life/Option Life	3.50 Year	3.50 Year	3.50 Year	3.50 Year	3.50 Year	3.50 Year	3.50 Year	3.50 Year	3.50 Year	3.50 Year
Expected dividends yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.54%	0.54%
Risk-free interest rate (based on government bonds)	8.06%	8.06%	8.06%	8.06%	6.33%	6.33%	6.94%	6.94%	7.30%	7.30%

The fair value of the employee share options has been measured using the Black-Scholes option Pricing formula.

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

The Holding Company has recovered Rs. 0.88 lakhs (March 31, 2019 Rs. Nil) as ESOP cost from the Company in respect of employees deputed to the Company.

NOTE NO. 22 - FINANCE COST

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
(a) Interest Cost		
– On credit facilities from Banks	134.96	56.19
– On trade creditors	5.48	14.46
– On government Grant	14.98	14.33
– On delayed payment of taxes	15.74	19.09
– On Inter-company Loan	12.21	21.01
– On Lease Rental (Refer Note 27)	2.28	—
(b) Other borrowing cost		
Processing fees/Guarantee Commission	7.84	5.07
Unwinding of discount on provisions	4.42	9.02
Total finance costs	197.91	139.17

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Interest Expenses		
On Financial Liability at Amortised Cost	152.65	91.66

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 23 - OTHER EXPENSES

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Stores consumed	57.48	62.57
Power & Fuel	568.50	527.78
Rent including lease rentals	171.97	227.98
Rates and taxes	11.70	5.66
Insurance	30.35	13.96
Repairs and maintenance - Buildings	1.84	0.71
Repairs and maintenance - Machinery	58.50	51.00
Repairs and maintenance - Others	58.36	48.15
Commission on sales	3,168.70	2,774.98
Freight outward	1,053.35	1,090.94
Travelling and Conveyance Expenses	471.45	436.42
Sub-contracting, Hire and Service Charges	732.18	369.14
Expenditure on Corporate Social Responsibility (CSR)	25.08	20.60
Donations and Contributions for CSR activity	0.07	0.24
Provision for doubtful trade and other receivables and loans	536.99	125.80
Bad trade and other receivables, loans and advances written off	71.18	199.62
Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	32.75	32.75
(ii) For Other services	8.25	6.75
(iii) For Cost auditors for Cost audit	1.38	1.60
(iv) For reimbursement of expenses	0.78	0.61
Legal and other professional costs	471.64	497.01
Site Expenses	646.47	495.40
Warranty Claim	53.27	1.88
Loss on sale / written off assets	4.70	
Directors' Fees and Commission	20.46	24.24
Other General Expenses	370.12	426.17
Total Other Expenses	8,627.52	7,441.96

NOTE NO. 24 - EARNINGS PER SHARE

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Profit for the year for basic and diluted EPS (Rs. in Lakhs)	2328.65	1144.39
Weighted average number of Equity shares used in computing basic EPS	27,781,698	27,722,726
Effect of potential Equity share on employee stock options	120,888	154,715
Weighted average number of equity shares used in computing of diluted EPS	27,902,586	27,877,441
Basic Earnings per share (Rs.) (Face value of Rs. 10 per share)	8.38	4.13
Diluted Earnings per share	8.35	4.11

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)
NOTE NO. 25 - FINANCIAL INSTRUMENTS**I Capital management**

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern.
- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars	Rs. in Lakhs	
	March 31, 2020	March 31, 2019
Equity	17,066.77	15,012.29
Less: Cash and cash equivalents	(1,110.80)	(40.53)
	<u>15,955.97</u>	<u>14,971.76</u>

II Categories of financial assets and financial liabilities

Particulars	As at March 31, 2020			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investment	180.00			180.00
Trade Receivables	3,510.40	—	—	3,510.40
Other Financial Assets	67.77			67.77
Current Assets				
Trade Receivables	12,868.38	—	—	12,868.38
Cash and Cash Equivalents	1,110.80	—	—	1,110.80
Other Bank Balances	172.87	—	—	172.87
Other Financial Assets	133.76	—	—	133.76
Non-current Liabilities				
Lease Liability	2.99	—	—	2.99
Current Liabilities				
Lease Liability	7.94			7.94
Borrowings	1,300.00	—	—	1,300.00
Trade Payables	6,554.50	—	—	6,554.50
Other Financial Liabilities	712.22	—	—	712.22

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

As at March 31, 2019

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investment	180.00			180.00
Trade Receivables	2,270.03	—	—	2,270.03
Other Financial Assets	70.25	—	—	70.25
Current Assets				
Trade Receivables	12,474.26	—	—	12,474.26
Cash and Cash Equivalents	40.53	—	—	40.53
Other Bank Balances	251.83	—	—	251.83
Other Financial Assets	51.09	—	—	51.09
Non—current Liabilities				
Borrowings	8.50	—	—	8.50
Current Liabilities				
Borrowings	327.52	—	—	327.52
Trade Payables	5,251.54	—	—	5,251.54
Other Financial Liabilities	729.97	—	—	729.97

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. The company has dealings with government organisation for subsidy related transaction and with private parties. For private non government parties credit limits are set quarterly. The Company has adopted a policy of only dealing with creditworthy non government parties and obtaining security cheques, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and credit worthiness of such parties are continuously monitored and controlled by counterparty limits that are reviewed by Credit Control function based on the approved process.

No interest is charged on overdue balance.

Trade receivables consist of a large number of customers, spread across geographical areas. On going credit evaluation is performed on the financial condition of accounts receivable. There are no non government customers who represent more than 5% of the total balance of trade receivable.

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

The Company applies the simplified approach to provide expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. The Company has taken dealer deposit of Rs. 499.02 lakhs (March 31, 2019 Rs. 441.01 lakhs) and bank guarantees of Rs. 26.09 lakhs (March 31, 2019 Rs. 37.05 lakhs) which is considered as collateral and these are considered in determination of expected credit losses, where applicable.

The loss allowance provision is determined as follows:

Rs. in Lakhs
As at March 31, 2020

Particulars	Not due	Less than 1 Year	Non-Current	Total
Project				
Expected loss rate	0.00%	4.32%	17.16%	
Gross carrying amount	102.71	12,616.84	4,012.67	16,732.22
Loss allowance provision	—	544.95	688.67	1,233.62
Non Project				
Expected loss rate	0.00%	33.82%	42.76%	
Gross carrying amount	—	1,048.31	325.67	1,373.98
Loss allowance provision	—	354.53	139.27	493.80

Rs. in Lakhs
As at March 31, 2019

Particulars	Not due	Less than 1 Year	Non-Current	Total
Project				
Expected loss rate	0.00%	5.06%	13.31%	
Gross carrying amount	59.88	12,291.95	2,409.08	14,760.91
Loss allowance provision	—	622.43	320.65	943.08
Non Project				
Expected loss rate	0.00%	5.07%	53.34%	
Gross carrying amount	—	784.60	389.21	1,173.81
Loss allowance provision	—	39.74	207.61	247.35

Reconciliation of loss allowance provision for Trade Receivables

Particulars	Rs. in Lakhs	
	March 31, 2020	March 31, 2019
Balance as at beginning of the year	1,190.43	1,069.19
Impairment losses recognised in the year based on lifetime expected credit loss		
– On receivables originated in the year	608.17	320.86
– Amounts written off during the year as uncollectible	(71.18)	(199.62)
– Amounts Recovered during the year	—	—
Balance at end of the year	<u>1,727.42</u>	<u>1,190.43</u>

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

The loss allowance provision has changed during the year due to recovery from debtors and business circumstances.

During the year, the company has made written off Rs. 71.18 lakhs (March 31, 2019 Rs. 199.62 lakhs) of trade receivables.

The Credit risk on bank balances and investment in mutual funds is limited as the counterparties are banks and fund houses with high credit ratings.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short - medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Rs. in Lakhs			
	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
March 31, 2020				
Non-interest bearing	7,274.66	2.99	—	—
Interest bearing	1,300.00	—	—	—
Total	8,574.66	2.99	—	—
March 31, 2019				
Non-interest bearing	5,981.51	8.51	—	—
Interest bearing	327.52	—	—	—
Total	6,309.03	8.51	—	—

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Rs. in Lakhs			
	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
March 31, 2020				
Non-interest bearing	14,140.55	3,510.40	26.90	180.00
Fixed interest rate instruments	145.26	—	40.87	—
Total	14,285.81	3,510.40	67.77	180.00

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

Particulars	Rs. in Lakhs			
	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
March 31, 2019				
Non-interest bearing	12,585.11	2,251.19	49.74	180.00
Fixed interest rate instruments	232.60	—	39.35	—
Total	12,817.71	2,251.19	89.09	180.00

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. As at the year end, there were no material foreign currency exposure.

NOTE NO. 26 - FAIR VALUE MEASUREMENT

a) The directors consider that the carrying amounts of financial assets and financial liabilities that are not measured at fair value, recognised in the financial statement approximate their fair values.

NOTE NO. 27 - LEASES (REFER NOTE 2B)

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. In adopting Ind AS 116, the Company has applied the below practical expedients:

The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics

The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"

The Company has not applied the requirements of Ind AS 116 for leases of low value assets (assets of less than Rs. 3.5 lakhs in value)

The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition

The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease

On transition to Ind AS 116, the Company has followed the Modified Retrospective Approach, accordingly recognised right-of-use assets amounting to Rs. 360.55 lakhs, lease liabilities amounting to Rs. 55.21 lakhs as at April 1, 2019. The Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019, which is 8.50% for measuring the lease liability. In view of this, the operating lease rent which was hitherto accounted under 'Other expenses' in previous periods has now been accounted as depreciation and finance costs.

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

Reconciliation of operating lease commitments as at March 31, 2019 with the lease liabilities recognized in the Balance Sheet as at April 1, 2019:

Particulars	For the year ended March 31, 2020
A. Operating lease commitments disclosure as per Ind AS 17 as of March 31, 2019	18.01
Weighted average incremental borrowing rate	8.50
B. Present value using incremental borrowing rate as on April 1, 2019	227.18
Recognition exemption for short term leases	(171.97)
Recognition exemption for low value assets	—
Total lease liabilities on transition date	55.21

Impact of adoption of Ind AS 116 on the statement of profit and loss:

Particulars	For the year ended March 31, 2020
Depreciation - Right of use assets (Refer Note 2B)	49.22
Interest expense on Lease Liability (Refer Note 22)	2.28
Payment of Lease Liability	(46.56)
Amortization of Land Lease	(4.25)
Net Impact (loss) due to adoption of Ind AS 116	0.69

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	For the year ended March 31, 2020
Lease liabilities recognised at April 1, 2019	55.21
Additions	—
Finance cost accrued during the period	2.28
Deletions	—
Payment of lease liabilities	(46.56)
Balance as at March 31, 2020	10.93

The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Particulars	For the year ended March 31, 2020
Current lease liabilities (Refer Note 27)	7.94
Non-current lease liabilities (Refer Note 27)	2.99
Balance as at March 31, 2020	10.93

Carrying Value of Right of use assets (Refer Note 2B) **311.33**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 :

Particulars	For the year ended March 31, 2020
Less than one year	7.94
One to Three years	2.99

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 28 - SEGMENT INFORMATION

The Company is engaged in the business of Precision Farming Products and Services and in a single geography viz, India. The Information reported to the chief operating decision maker (CODM) [Viz, The Managing Director] for assessment of performance of business and allocation of resources is under this segment.

Accordingly, The Company has identified a single segment under Ind AS 108 - "Operating Segments".

There is no single customer who accounts for 10% more of the company revenues.

Refer Note 18 for the analysis of revenue from it major products and services.

NOTE NO. 29 - EMPLOYEE BENEFITS

(a) Defined Contribution Plan

The Company's contribution to Provident Fund Rs.102.85 lakhs (year ended March 31, 2019 : Rs. 79.13 lakhs) and Superannuation Fund Rs. 31.60 lakhs (year ended March 31, 2019 : Rs.28.38 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

Through its defined plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets under perform compared to the government bond discount rate, this will create or increase a deficit. The defined benefit plans hold on investment with LIC, which are expected to perform in line with government bonds in the long- term.

The company believes that due to the long-term nature of the plan liabilities, investments of funds with LIC is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan assets.

Life expectancy

The plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

Defined benefit plans - as per actuarial valuation

Particulars	Rs. in Lakhs	
	Funded Plan	
	Gratuity	
	2020	2019
Ia. Expense recognised in the Statement of Profit and Loss		
1. Current service cost	27.55	26.86
2. Interest cost	15.69	16.20
3. Expected return on plan assets	(15.59)	(16.91)
	<u>27.65</u>	<u>26.15</u>

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

Particulars	Rs. in Lakhs	
	Funded Plan	
	Gratuity	
	2020	2019
Ib. Included in other Comprehensive Income		
1. Return on plan assets	(6.50)	0.87
2. Actuarial (Gain)/Loss on account of:		
– Demographic Assumptions	1.44	–
– Financial Assumptions	8.14	3.43
– Experience Adjustments	(2.58)	6.17
	<u>0.50</u>	<u>10.47</u>
Re-measurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	(6.50)	0.87
Actuarial gains and loss arising from changes in financial assumptions	8.14	3.43
Actuarial gains and loss arising from experience adjustments	(2.58)	6.17
Others (describe)	–	–
– Demographic Assumptions	1.44	–
Actuarial gains and loss arising from components of defined benefit costs recognised in other comprehensive income	<u>0.50</u>	<u>10.47</u>
Total	<u>28.15</u>	<u>36.61</u>
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31 March	302.38	261.30
2. Fair value of plan assets as at 31 March	277.30	245.20
3. Surplus/(Deficit)	(25.08)	(16.09)
4. Current portion of the above	–	–
5. Non current portion of the above	(25.08)	(16.09)
II. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year	261.30	235.88
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	–	–
3. Expenses Recognised in Profit and Loss Account	–	–
– Current Service Cost	27.55	26.86
– Interest Cost	15.69	16.20
4. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
– Actuarial Gain (Loss) arising from:		
– Demographic Assumptions	1.44	–
– Financial Assumptions	8.14	3.43
– Experience Adjustments	(2.58)	6.17
5. Benefit payments	(9.16)	(27.24)
6. Present value of defined benefit obligation at the end of the year	<u>302.38</u>	<u>261.30</u>
III. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	245.20	240.32
2. Adjustment to Opening Fair Value of the Asset	–	(2.35)
3. Expenses Recognised in Profit and Loss Account	–	–
– Expected return on plan assets	15.59	16.91
4. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)	–	–
– Actual Return on plan assets in excess of the expected return	6.50	(0.87)
– Others (specify)	–	–
5. Contributions by employer (including benefit payments recoverable)	10.00	–

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

Particulars	Rs. in Lakhs	
	Funded Plan	
	Gratuity	
	2020	2019
6. Benefit payments	—	(8.80)
7. Fair value of plan assets at the end of the year	277.29	245.20
IV. The Major categories of plan assets		
- Funds Managed By Insurer (LIC of India)	277.29	245.20
V. Actuarial assumptions		
1. Discount rate	5.59%	6.65%
2. Salary escalation	5.36%	5.70%

The sensitivity analysis of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Rs. in Lakhs		
		Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	2020	1.00%	12.22	13.34
	2019	1.00%	8.75	9.41
Salary growth rate	2020	1.00%	12.23	11.41
	2019	1.00%	8.40	7.95

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute Rs. 25.08 lakhs to the gratuity trusts during the next financial year of 2020.

Maturity profile of defined benefit obligation:	Rs. in Lakhs	
	2020	2019
Within 1 year	60.79	51.30
1 - 2 year	47.37	59.87
2 - 3 year	35.15	42.70
3 - 4 year	35.26	31.19
4 - 5 year	35.36	28.59
5 - 10 year	112.84	87.06

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 30 - RELATED PARTY DISCLOSURES

Name of the parent Company	Relationship
Mahindra and Mahindra Ltd.	Parent Company
Other related parties with whom transaction have been undertaken	
Mahindra Logistics Ltd.	Fellow subsidiary
Mahindra Susten Pvt Ltd.	Fellow subsidiary
Mahindra Agri Solutions Ltd.	Fellow subsidiary
Mahindra Lifespace Developers Ltd.	Fellow subsidiary
Mahindra Integrated Business Solutions Pvt Ltd.	Fellow subsidiary
Mahindra and Mahindra Ltd -Swaraj	Fellow subsidiary
Mahindra World City (Jaipur) Limited	Joint Venture of Parent
Mahindra Top Greenhouses Private Limited	Joint Venture
Mr. Ashok Sharma	Key Management Personnel (Managing Director)
Mr. Abhijit Page	Key Management Personnel (Chief Executive Officer) w.e.f. April 02, 2020
Ms. Sunetra Ganesan	Key Management Personnel (Chief Financial Officer)
Mr. Sanjeev Mohoni	Key Management Personnel (Chief Executive Officer) upto April 01, 2020

Details of transaction between the Company and its related parties are disclosed below:

Nature of transactions with Related Parties	Rs. in Lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of goods		
Mahindra Lifespace Developers Ltd.	—	2.85
Mahindra Susten Pvt Ltd.	—	—
Mahindra World City Jaipur Limited	1.00	1.40
Mahindra & Mahindra South Africa (Pty.) Ltd.	—	—
Mahindra and Mahindra Ltd -Swaraj	3.09	20.53
Mahindra Top Greenhouses Private Limited	26.71	25.92
Purchase of Goods /Services /Cars		
Mahindra & Mahindra Ltd.	9.09	—
Mahindra Top Greenhouses Private Limited	0.28	—
Investment in Equity Shares of Joint Venture		
Mahindra Top Greenhouses Private Limited	—	180.00
Interest on Inter Corporate Deposits		
Mahindra and Mahindra Ltd.	12.21	21.02
Remuneration		
Mr. Ashok Sharma	24.00	24.00*
Mr. Sanjeev Mohoni	149.93	124.99*
Ms. Sunetra Ganesan	64.22	56.48
Management contract fees expenses (Including for deputation of personnel)		
Mahindra and Mahindra Limited	188.75	190.42
Mahindra Logistics Limited	4.11	4.11
Management contract fees income (Including for deputation of personnel)		
Mahindra Top Greenhouses Private Limited	100.16	18.35

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

Nature of transactions with Related Parties	Rs. in Lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Travelling Expense		
Mahindra and Mahindra Limited	0.69	0.91
Business Support Services		
Mahindra Agri Solutions Ltd.		100.00
Reimbursement of Expenses to Mahindra and Mahindra Limited	25.69	1.48
Reimbursement of Expenses from Mahindra Top Greenhouses Private Limited	13.97	7.29
Mahindra Agri Solutions Ltd.	—	1.42
Professional Fees		
Mahindra and Mahindra Limited	61.64	92.54
Mahindra Integrated Business Solutions Pvt Ltd.	2.60	4.02
Credit Note given for Expenses		
Mahindra Susten Pvt Ltd.	—	34.33

Nature of Balances with Related Parties	As at	
	March 31, 2020	March 31, 2019
Trade payables		
Mahindra and Mahindra Limited	164.91	167.68
Mahindra Integrated Business Solutions Pvt Ltd.	0.28	0.51
Mahindra Agri Solutions Ltd.	—	9.00
Mahindra Top Greenhouses Private Limited	—	21.81
Mahindra Logistics Limited	0.40	0.40
Trade Receivables		
Mahindra and Mahindra Limited	—	13.42
Mahindra Agri Solutions Ltd.	—	3.59
Mahindra Lifespace Developers Ltd.	2.68	16.95
Mahindra World City (Jaipur) Limited	27.16	40.54
Mahindra Top Greenhouses Private Limited	66.03	60.75
Investments		
Investment in Joint Venture - Mahindra Top Greenhouses Private Limited	180.00	180.00

* Company has incurred Rs. 173.93 lakhs (March 31, 2019 Rs. 148.99 lakhs) for key managerial personnel services provided by Mahindra and Mahindra Limited.

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	Directors	Managing Director	Chief Executive Officer	Chief Financial Officer	Directors	Managing Director	Chief Executive Officer	Chief Financial Officer
	Rs. in Lakhs							
Remuneration	—	24.00	149.93	64.22	—	24.00	124.99	56.48
Fees for attending board committee meetings	7.40	—	—	—	7.30	—	—	—
Commission to independent directors	15.00	—	—	—	16.94	—	—	—
Legal Services	0.53	—	—	—	—	—	—	—
Share-based payment	—	—	—	—	—	—	—	—

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. Post employment benefits accounted as per actuarial valuation.

NOTE NO. 31 - CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities (to the extent not provided for)	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt	32.31	31.15
(b) Interest on account of commitment to Export, under Export Promotion Capital Goods Scheme	13.26	19.18
(c) Demands against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal / Department is in appeal Excise Duty:	43.88	43.88
(d) Non-current non-financial asset includes refund claim made for excise duty paid under protest consequent upon the judicial pronouncement made by CESTAT in favour of the Company, which was disputed by the department before higher authorities.	166.79	166.79
<p>The Commissioner (Appeals), Central Excise and Customs, Nashik has sanctioned the claim on merit but taking recourse to the principle of “Unjust Enrichment” has ordered the claim to be transferred to the credit of the “Consumer Welfare Fund”. The Company had filed an appeal against the order. On hearing the appeal the Hon’ CESTAT, Mumbai remanded back the case to the adjudicating authorities to examine the issue afresh. The Adjudicating Authority issued a Show Cause Notice and after personal hearing passed an order rejecting the claim without following the guidelines given by the Hon’ CESTAT. The Company had filed an appeal against the order with the Commissioner (Appeals), Central Excise & Customs, Nashik. The order Passed by the Commissioner (Appeals), Central Excise & Customs, Nashik is similar to order as given in order in appeal. The Company has filed an appeal to CESTAT Mumbai and no hearing has happened thereafter. The Claim is still tenable, no provision has been considered.</p>		
(e) Determination of Turnover ignoring return filed 15-16- VAT/ CST / Entry Tax M P state Ex-party Assesment by Dy .Comm .VAT Audit Wing at Bhopal since they found the Bhopal premises vacated Appeal filed and rehearing is ordered by Appellate Authority vide order dated 07/09/2018.	301.91	301.91
(f) Determination of Turnover ignoring return filed 12-13 VAT/ CST / Entry Tax C G state Ex-party Assessment by ,VAT Comm Appeal filed.	—	7.56

Notes to the standalone financial statements for the year ended March 31, 2020 (Contd.)

	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Contingent liabilities (to the extent not provided for)		
(g) Determination of demand ignoring CST return filed for F.Y. 13-14	9.47	9.47
(h) Determination of Turnover ignoring return filed 14-15 VAT/ CST / Entry Tax C G state	9.86	—
(i) Income Tax demand for A.Y. 17-18 against the Company, relating to issues of deductibility and taxability in respect of which the Company is in appeal.	113.31	113.31
(j) Income Tax demand for A.Y. 12-13 u/s section 143(3) r.w.s. 147 against the Company, relating to issues of deductibility and taxability in respect of which the Company is in appeal.	215.72	—

Note: In respect of items mentioned above, till the matters are finally decided, the timing of outflows of economic benefits cannot be ascertained.

NOTE NO. 32 - COMMITMENTS

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for in respect of Tangible assets.	6.68	42.67

NOTE NO. 33

In February 2019, Supreme Court of India in its judgement opined on the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and therefore has currently not considered any probable obligations for past periods. Accordingly, the Company has made a provision for provident fund contribution from the date of the Supreme Court order.

NOTE NO. 34

The Board has recommended a dividend of Rs.1.20 per equity share, subject to the approval of shareholders of the Company at the forthcoming Annual General Meeting.

NOTE NO. 35 - EVENT OCCURRING AFTER THE REPORTING PERIOD

No material events have occurred between the Balance sheet date and before the approvals of financials statements by Board of Directors.

NOTE NO. 36 - APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Company were approved by the Board of Directors and authorised for issue on May 14, 2020

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kedar Raje
Partner

Place : Mumbai
Date : May 14, 2020

For and on behalf of the Board of Directors

Ashok Sharma
Managing Director
DIN-2766679
Place : Mumbai

Abhijit Page
Chief Executive Officer
Place : Nashik

R. V. Nawghare
Company Secretary
Place : Nashik

Date: May 14, 2020

Anand Daga
Director
DIN-696171
Place : Nashik

Sunetra Ganesan
Chief Financial Officer
Place : Nashik

INDEPENDENT AUDITOR'S REPORT

To The Members of Mahindra EPC Irrigation Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Mahindra EPC Irrigation Limited ("the Company") and the Company's share of loss in its joint venture ("the Company and its Joint Venture together referred to as the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2020 and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the

consolidated financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the Financial Highlights, Management Discussion & Analysis, Board Report and related annexures thereto Corporate Governance, but does not include the consolidated financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work, we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error,

which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent/ Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such branches or entities or business activities included in the consolidated financial statements of which we are the independent auditors.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accountant) Rules, 2014
- e) On the basis of the written representations received from the directors of the Parent Company as on 31 March, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of joint venture company incorporated in India, none of the directors of the Group is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls refer to our separate Report in "Annexure A" which is based on auditors report of the company and Joint Venture Company incorporated in India. Our report expresses an

unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies. Reporting on the adequacy of Internal Financial Control Over Financial Reporting and the operating effectiveness of such controls, under section 143(3)(i) of the Act is not applicable to the Joint Venture company incorporated in India in view of the exemption available in terms of the notification no. G.S.R. 583(E) dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated 25 July, 2017.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in accordance with generally accepted accounting principles;
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company, and its joint venture company incorporated in India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117364W)

Kedar Raje
Partner
(Membership Number: 102637)

Mumbai, 14 May 2020

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March, 2020, we have audited the internal financial controls over financial reporting of Mahindra EPC Irrigation Limited (hereinafter referred to as “the Company/ the Parent”) and joint venture, which are companies incorporated in India, as of that date. Reporting on internal financial controls over financial reporting is not applicable to the Joint venture as per the auditor’s report of the said Joint venture.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal

financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the

internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Company and joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on the criteria for internal financial

control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117364W)
Kedar Rajee
Partner
(Membership Number: 102637)

Mumbai, 14 May 2020

CEO AND CFO CERTIFICATION

We, the undersigned in our respective capacities as Chief Executive Officer and Chief Financial Officer, to the best of our knowledge and belief certify that:

- A) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2020 and that to the best of our knowledge and belief, We confirm that :
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2020 are fraudulent, illegal or violative of the Company's code of conduct/ethics.
- C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the

design or operation of internal controls, over financial reporting, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- D) We have indicated to the Auditors and the Audit Committee that:
- 1) there has not been any significant change in internal control over financial reporting during the year under reference;
 - 2) there has not been any significant change in the accounting policies during the year requiring the disclosure in the notes to the financial statements; and
 - 3) We are not aware of any instance during the year of significant fraud with involvement therein of the Management or any employee having a significant role in the Company's internal control system over financial reporting.

Sunetra Ganesan
Chief Financial Officer

Sanjeev Mohoni
Chief Executive Officer

Nashik, 14th May 2020

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note No.	Rs. in Lakhs	
		As at March 31, 2020	As at March 31, 2019
ASSETS			
I NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2A	2,434.92	2,420.82
(b) Right of Use Assets	2B	311.33	—
(c) Capital Work-in-Progress		10.04	—
(d) Other Intangible Assets	3	11.27	23.37
(e) Financial Assets			
(i) Investments	4	140.37	165.04
(ii) Trade Receivables	5	3,510.40	2,270.03
(iii) Other Financial Assets	6	67.77	70.25
(f) Income Tax Assets (Net)		55.14	12.74
(g) Deferred Tax Assets (Net)	7	531.10	370.66
(h) Other Non-Current assets	8	234.20	536.42
Total Non-Current Assets		7,306.54	5,869.33
II CURRENT ASSETS			
(a) Inventories	9	3,587.63	2,613.82
(b) Financial Assets			
(i) Trade Receivables	5	12,868.38	12,474.26
(ii) Cash and Cash Equivalents	10	1,110.80	40.53
(iii) Bank Balances other than (ii) above	10	172.87	251.83
(iv) Other Financial Assets	6	133.76	51.09
(c) Other Current Assets	8	1,173.39	821.39
Total Current Assets		19,046.83	16,252.92
III Total Assets (I + II)		26,353.37	22,122.25
EQUITY AND LIABILITIES			
IV EQUITY			
(a) Equity Share Capital	11A	2,778.37	2,774.78
(b) Other Equity	11B	14,248.77	12,222.55
Total Equity		17,027.14	14,997.33
LIABILITIES			
V NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	12	—	8.50
(ii) Lease Liabilities	27	2.99	—
(b) Provisions	15	36.99	87.49
Total Non-Current Liabilities		39.98	95.99
VI CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	14	1,300.00	327.52
(ii) Lease Liabilities	27	7.94	—
(iii) Trade Payables	16	—	—
a) total outstanding dues of micro and small enterprises		234.56	98.82
b) total outstanding dues of creditors other than micro and small enterprises		6,319.94	5,152.72
(iv) Other Financial Liabilities	13	712.22	729.97
(b) Provisions	15	315.13	220.67
(c) Current Tax Liabilities (Net)		71.18	176.62
(d) Other Current Liabilities	17	325.28	322.61
Total Current Liabilities		9,286.25	7,028.93
VII Total Liabilities (V+VI)		9,326.23	7,124.92
VIII Total Equity and Liabilities (IV+VII)		26,353.37	22,122.25
See accompanying notes to the financial statements.	1-36		

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered AccountantsAshok Sharma
Managing Director
DIN-2766679
Place : MumbaiAnand Daga
Director
DIN-696171
Place : NashikKedar Rajee
PartnerAbhijit Page
Chief Executive Officer
Place : NashikSunetra Ganesan
Chief Financial Officer
Place : NashikR. V. Nawghare
Company Secretary
Place : NashikPlace : Mumbai
Date : May 14, 2020

Date: May 14, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Note No.	Rs. in Lakhs	
		For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from Operations	18	28,395.86	26,010.95
II Other Income	19	132.71	105.54
III Total Income (I + II)		28,528.57	26,116.49
IV EXPENSES			
(a) Cost of materials consumed	20(a)	13,651.62	13,479.16
(b) Purchases of Stock-in-trade	20(b)	7.31	138.47
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20(c)	(225.25)	458.75
(d) Employee benefit expense	21	2,649.35	2,457.98
(e) Finance costs	22	197.91	139.17
(f) Depreciation, amortisation and impairment expense	2A,2B,3	380.11	306.93
(g) Other expenses	23	8,627.52	7,441.96
Total Expenses (IV)		25,288.57	24,422.42
V Profit before Profit/(Loss) of Joint Venture and Tax (III - IV)		3,240.00	1,694.07
VI Share of Profit/(Loss) of Joint Venture (Net)		(24.67)	(14.96)
VII Profit before tax (V + VI)		3,215.33	1,679.11
VIII Tax Expense			
(1) Current tax	7	1,055.30	656.19
(2) Deferred tax	7	(160.30)	(149.33)
(3) Short/(Excess) provision for tax relating to prior years		16.35	42.82
Total tax expense (VIII)		911.35	549.68
IX Profit after tax for the year from continuing operations (VII - VIII)		2,303.98	1,129.43
X Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(0.50)	(10.47)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.14	3.05
Total Other comprehensive (loss) / income for the year		(0.36)	(7.42)
XI Profit for the year attributable to owners of the Company (IX + X)		2,303.62	1,122.01
XII Earnings per equity share			
(1) Basic (Face value Rupees 10 per share)	24	8.29	4.07
(2) Diluted	24	8.26	4.05
See accompanying notes to the financial statements	1-36		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kedar Rajee
Partner

Place : Mumbai
Date : May 14, 2020

For and on behalf of the Board of Directors

Ashok Sharma
Managing Director
DIN-2766679
Place : Mumbai

Abhijit Page
Chief Executive Officer
Place : Nashik

R. V. Nawghare
Company Secretary
Place : Nashik

Date: May 14, 2020

Anand Daga
Director
DIN-696171
Place : Nashik

Sunetra Ganesan
Chief Financial Officer
Place : Nashik

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2020

Particulars	For the Year ended March 31, 2020	Rs. in Lakhs For the Year ended March 31, 2019
Profit before tax for the year	3,240.00	1,694.07
Adjustments for:		
Finance costs recognised in profit or loss	197.91	139.17
Interest Income recognised in profit or loss	(13.75)	(25.85)
Profit on sale of current investments	(5.94)	(7.87)
Liabilities no longer required written-off	(47.98)	(42.11)
(Profit)/Loss on disposal of property, plant and equipment	4.70	(6.16)
Impairment Loss recognised on financial assets	536.99	125.80
Bad trade and other receivables, loans and advances written off	71.18	199.62
Depreciation and amortisation expense	380.11	306.93
Expense recognised in respect of equity-settled share-based payments	55.49	44.35
	<u>4,418.71</u>	<u>2,427.95</u>
Movements in working capital:		
Increase in trade receivables	(2,242.67)	(3,345.74)
(Increase)/ Decrease in inventories	(973.81)	855.89
(Increase)/Decrease in other Non current assets	8.84	(45.63)
(Increase) in other current assets	(439.97)	(214.87)
Increase in trade payables	1,350.98	1,463.37
Increase / (Decrease) in provisions	43.46	(11.10)
Increase/(Decrease) in other current liabilities	17.74	(95.78)
	<u>(2,235.43)</u>	<u>(1,393.86)</u>
Cash generated from operations	2,183.28	1,034.09
Income taxes paid (net)	(1,219.49)	(552.55)
Net cash generated from operating activities	<u>963.79</u>	<u>481.54</u>
Cash flows from investing activities		
Payments to acquire non-current Investment- Joint Venture	—	(180.00)
Payments to acquire property, plant and equipment and other Intangible assets	(310.47)	(224.04)
Proceeds on sale of plant and equipment and other Intangible assets	0.37	2.92
Interest received	14.73	22.48
Purchase of Current Investment	(2,050.00)	(1,765.00)
Sale of Current Investment	2,055.94	1,772.87
Bank balance not considered as cash and cash equivalents matured (net)	78.96	120.25
Net cash used in investing activities	<u>(210.47)</u>	<u>(250.52)</u>
Cash flows from financing activities		
Proceeds from issue of equity instruments	3.59	3.59
Proceeds from share application money received	1.60	—
Proceeds from borrowings	1,300.00	—
Repayment of borrowings	(342.14)	(25.31)
Interest paid	(270.41)	(87.56)
Dividend paid for Equity shares (Including tax thereon)	(329.13)	(163.92)
Repayment of lease liability	(46.56)	—
Net cash generated from (used in) financing activities	<u>316.95</u>	<u>(273.20)</u>
Net (decrease) in cash and cash equivalents	<u>1,070.27</u>	<u>(42.18)</u>
Cash and cash equivalents at the beginning of the year	40.53	82.71
Cash and cash equivalents at the end of the year	<u>1,110.80</u>	<u>40.53</u>
See accompanying notes to the financial statements	1-36	

In terms of our report attached

For Deloitte Haskins & Sells
Chartered AccountantsKedar Rajee
PartnerPlace : Mumbai
Date : May 14, 2020

For and on behalf of the Board of Directors

Ashok Sharma
Managing Director
DIN-2766679
Place : MumbaiAbhijit Page
Chief Executive Officer
Place : NashikR. V. Nawghare
Company Secretary
Place : Nashik

Date: May 14, 2020

Anand Daga
Director
DIN-696171
Place : NashikSunetra Ganesan
Chief Financial Officer
Place : Nashik

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

Rs. in Lakhs

A. Equity share capital		
As at March 31, 2018	2,771.00	
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan (Refer note 21)	3.59	
As at March 31, 2019	2,774.59	
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan (Refer note 21)	3.59	
As at March 31, 2020	2,778.18	
B. Forfeited shares		
As at March 31, 2018	0.19	
Changes during the year	—	
As at March 31, 2019	0.19	
Changes during the year	—	
As at March 31, 2020	0.19	

C. Other Equity

Rs. in Lakhs

Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium	General Reserve	Share based payments (ESOP)	Share Application Money Pending Allotment	Retained earnings	
Balances as at March 31, 2018	40.00	9,263.55	425.44	96.22	—	1,398.01	11,223.22
Profit for the year	—	—	—	—	—	1,129.43	1,129.43
Dividend paid for Equity Shares (including tax thereon)	—	—	—	—	—	(167.03)	(167.03)
Issue of Shares towards ESOP	—	51.75	—	(51.75)	—	—	—
Recognition of Share based payments	—	—	—	44.35	—	—	44.35
Other Comprehensive loss for the year (net of tax)	—	—	—	—	—	(7.42)	(7.42)
Balances as at March 31, 2019	40.00	9,315.30	425.44	88.82	—	2,352.99	12,222.55
Profit for the year	—	—	—	—	—	2,303.98	2,303.98
Dividend paid for Equity Shares (including tax thereon)	—	—	—	—	—	(334.49)	(334.49)
Issue of Shares towards ESOP	—	51.76	—	(51.76)	—	—	—
Recognition of Share based payments	—	—	—	55.49	—	—	55.49
Share Application money received	—	—	—	—	1.60	—	1.60
Other Comprehensive loss for the year (net of tax)	—	—	—	—	—	(0.36)	(0.36)
Balances as at March 31, 2020	40.00	9,367.06	425.44	92.55	1.60	4,322.12	14,248.77
Remeasurement loss (net) on defined benefit plans Rs. 0.36 lakhs (March 31, 2019 loss (net) Rs. 7.42 lakhs) is recognised as part of retained earnings. For nature of reserves refer note no. 11B							

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kedar Rajee
Partner

Place : Mumbai
Date : May 14, 2020

For and on behalf of the Board of Directors

Ashok Sharma
Managing Director
DIN-2766679
Place : Mumbai

Abhijit Page
Chief Executive Officer
Place : Nashik

R. V. Nawghare
Company Secretary
Place : Nashik

Date: May 14, 2020

Anand Daga
Director
DIN-696171
Place : Nashik
Sunetra Ganesan
Chief Financial Officer
Place : Nashik

Notes to the consolidated financial statements for the year ended March 31, 2020

Note No. 1 - General information and Significant accounting policies

A. Corporate Information

Mahindra EPC Irrigation Limited (Formerly known as EPC Industrie Limited) is a Public Limited Company listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. It was incorporated on November 28, 1981 under the Companies Act, 1956. It is engaged in the business of Micro Irrigation Systems such as Drip and Sprinklers, Agricultural Pumps, Greenhouses and Land Scape Products. The Company is a subsidiary of Mahindra and Mahindra Limited.

The manufacturing facilities of the group were closed on March 24, 2020 following countrywide lockdown due to COVID-19. The group has since obtained required permissions and restored its manufacturing facilities partially in the last week of April 2020 in line with the terms and guidelines issued by the Ministry of Home Affairs as well as those of respective States. Based on immediate assessment and on the basis of available information of the impact of COVID-19 on the operations of the group and ongoing discussions with customers, vendors and related service providers, the group is hopeful of serving customer orders, obtaining regular supply of raw materials and logistics services after resumption of operations. In assessing the recoverability of trade receivables, the group has considered subsequent recoveries, past trends, credit risk profile of customers, macroeconomic forecasts and internal and external information available up to the date of issuance of these financial results. In assessing recoverability of inventories, the group has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the group is of the view that the carrying amounts of trade receivables, inventories are expected to be realisable. The impact of COVID-19 may be different from the estimates as at the date of approval of these consolidated financial results and the Company will continue to closely monitor the developments.

B. Statement of compliance

The consolidated financial statements have been prepared in accordance with IND AS's notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

C. Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

D. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its Joint Venture for the year ended March 31, 2020.

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

A Joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have the rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities required unanimous consent of the parties sharing controls. The results, assets and liabilities of a joint venture are incorporated using the equity method of accounting.

E. Functional and presentation currency

These financial statements are presented in Indian Rupees ('Rupees') which is also the Company's functional currency. All amounts are rounded-off to the nearest rupee in lakhs (two decimals), unless otherwise indicated.

F. Recent Indian Accounting Standards

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

G. Property, Plant and equipment :

Property, Plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Cost includes cost of acquisition or construction and is stated at historical cost.

Depreciation on all property, plant and equipment, is provided on Straight Line Method as per the estimated useful life. Leasehold Assets are depreciated over the shorter of the lease term and their useful lives. Depreciation on additions to assets or on sale / disposal of assets is calculated from the date of such addition or up to the date of such sale / disposal as the case may be.

Property, Plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Estimated useful life of the assets are as follows:

Assets	Useful life
Buildings	
Factory Building	30 Years
Office Building	60 Years
Extrusion Machines	19 Years
Other Machineries	15 Years
Electrical Installations, Factory Equipment's, Furniture	10 Years
Vehicles - Two Wheelers	10 Years
Moulds and Dies	6 Years
Office Equipment	5 Years
Computers	3 Years
Vehicles - Cars	8 Years
Vehicles - Cars (For employee use)	5 Years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on prospective basis.

H. Intangible Assets:

Intangible assets are recognised only when economic benefit attributable to the assets will flow to the enterprise and cost can be measured reliably. They are being amortised over the estimated useful life of three years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit or loss when the asset is derecognised.

I. Impairment of Assets:

The carrying value of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss of the amount. They are arrived at cost less accumulated amortisation and accumulated impairment losses.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

J. Inventories:

Inventories comprise of raw materials, work in progress, finished goods and stock in trade, are valued at costs of purchase, conversion and other costs incurred if any in bringing the inventories to their present location and condition. Inventories are stated at lower of cost and net realisable value.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost is determined on the basis of the weighted average method.

K. Foreign Exchange Transactions:

In preparing the financial statements transactions in other than the company's functional currency are recorded at the exchange rates prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognised as income or expense, as the case may be. Non - Monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

L. Revenue recognition:

Revenue from contracts with customer

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax.

The Company recognises revenue from the following major sources:

- a) Sale of Products; and
- b) Sale of services.

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

a) Sale of Products

The company sells Micro irrigation systems (MIS) both to the Open market and Project market. Sales-related warranties associated with MIS cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets (refer note no. 15).

For sales of MIS to open market, revenue is recognised when control of the good has transferred, being when the goods have been delivered to the dealer based on the terms and conditions in his agreement. Following delivery, the dealer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

For sales of MIS to project market, revenue is recognised when control of the good has transferred, being when the goods have been installed at the farmers' place as per the approved design and acknowledged by the farmer. Following which farmer has full control of the MIS.

A receivable is recognised by the Company when the goods are delivered to the distributor /MIS installation acknowledged by the farmers as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

b) Sale of Services

Revenue relating to the services is recognised at a point in time.

M. Other income:

Dividend income from investments is recognised in statement of profit and loss when the shareholders right to receive payment has been established.

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest method is a method of calculating the amortised cost of the financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets, to that asset's net carrying amount on initial recognition.

N. Government Grants:

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the statement profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to statement of profit or loss on a systematic and rational basis over the useful lives of the related assets.

O. Employee benefits:

a) Short term and other long term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that services. Liabilities recognised in respect of other long -term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees upto the reporting date.

b) Post-employment benefits

(i) Defined contribution plans

The Company's contribution to provident fund, employee state insurance scheme and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employee.

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

(ii) Defined benefit plans

The employees' gratuity fund scheme, managed by Life Insurance Corporation (LIC) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation carried out as at the end of each financial year using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities, of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

(iii) Share based payment

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 21.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate with a corresponding adjustment to the equity-settled employee benefits reserve.

P. Lease Policy:

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognise a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measure at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measure by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

As a lessor:

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term.

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

Q. Borrowing Costs:

All borrowing costs are charged to the Statement of Profit and Loss except, borrowing costs that are attributable to the acquisition or construction of qualifying assets which are those that necessarily take a substantial period of time to get ready for their intended use or sale, which are capitalised as part of the cost of such assets.

R. Product Warranty:

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are discounted when required and are reviewed and revisions are made as required by the management of the company.

S. Taxes on income:

- Current Tax

Income Taxes are accounted for in accordance with IND AS-12. Tax expenses comprise both current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act 1961, and other applicable tax laws.

- Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

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

T. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities and assets are not recognised but are disclosed in the notes.

U. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the company. The CODM operation of the company reviews the operation of the company as Precision Farming Products & Services.

V. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets:

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

W. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on going basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

- useful life of property, plant and equipment and intangible assets
- estimation of define benefit obligation (Refer Note 29)
- provision for warranty claims (Refer Note 15)
- income taxes - current and deferred taxes (Refer Note 7)
- impairment of trade receivables (Refer Note 5)
- impairment of investments

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)
NOTE NO. 2A - PROPERTY, PLANT AND EQUIPMENT

Description of Assets	Rs. in Lakhs										
	Buildings	Plant and Equipment	Electrical Installations	Factory Equipments	Moulds and Dies	Office Equipment	Furniture and Fixtures	Computers	Vehicles	Total	
I. Gross Carrying Amount											
Balance as at March 31, 2019	962.96	3,941.88	151.23	136.51	1,150.21	38.53	110.77	129.42	150.67	6,772.18	
Additions	10.43	208.13	-	62.27	0.35	10.99	0.60	14.03	24.99	331.79	
Disposals	-	17.32	1.19	13.04	19.45	-	-	2.54	-	53.54	
Balance as at March 31, 2020	973.39	4,132.69	150.04	185.74	1,131.11	49.52	111.37	140.91	175.65	7,050.43	
II. Accumulated depreciation											
Balance as at March 31, 2019	603.69	2,225.56	128.35	111.40	987.76	28.58	74.59	114.70	76.73	4,351.36	
Depreciation expense for the year	34.26	185.75	7.61	6.66	38.21	3.22	5.92	7.78	23.20	312.61	
Eliminated on disposal of assets	-	15.08	1.14	11.56	18.52	-	-	2.16	-	48.46	
Balance as at March 31, 2020	637.95	2,396.23	134.82	106.50	1,007.45	31.80	80.51	120.32	99.93	4,615.51	
III. Net carrying amount (I-II)	335.44	1,736.46	15.22	79.24	123.66	17.72	30.86	20.59	75.72	2,434.92	
I. Gross Carrying Amount											
Balance as at March 31, 2018	958.76	3,736.34	148.75	135.48	1,150.21	33.54	102.80	56.63	158.21	6,480.72	
Additions	4.20	205.54	2.48	1.03	-	6.01	9.59	6.89	-	235.74	
Adjustments #	-	-	-	-	-	-	-	65.90	-	65.90	
Disposals	-	-	-	-	-	1.02	1.62	-	7.54	10.18	
Balance as at March 31, 2019	962.96	3,941.88	151.23	136.51	1,150.21	38.53	110.77	129.42	150.67	6,772.18	
II. Accumulated depreciation											
Balance as at March 31, 2018	568.00	2,084.06	120.01	106.84	958.09	27.85	70.25	44.86	61.15	4,041.11	
Depreciation expense for the year	35.69	141.50	8.34	4.56	29.67	2.07	5.64	8.90	21.45	257.82	
Adjustments #	-	-	-	-	-	-	-	60.94	-	60.94	
Eliminated on disposal of assets	-	-	-	-	-	1.34	1.30	-	5.87	8.51	
Balance as at March 31, 2019	603.69	2,225.56	128.35	111.40	987.76	28.58	74.59	114.70	76.73	4,351.36	
III. Net carrying amount (I-II)	359.27	1,716.32	22.88	25.11	162.45	9.95	36.18	14.72	73.94	2,420.82	

Adjustment on account of physical verification.

Note No. 2B - Right of Use Assets (Refer Note 27)

Description of Assets	Lease Hold Land	Buildings	Total
	I. Gross Carrying Amount		
Balance as at March 31, 2019	-	-	-
Impact of adoption of Ind AS 116 (Refer Note 27)	305.33	55.21	360.55
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2020	305.33	55.21	360.55
II. Accumulated depreciation			
Balance as at March 31, 2019	-	-	-
Depreciation expense for the year	4.26	44.97	49.22
Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2020	4.26	44.97	49.22
III. Net carrying amount (I-II)	301.07	10.24	311.33

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 3 - OTHER INTANGIBLE ASSETS

Description of Assets	Rs. in Lakhs	
	Computer Software	Total
I. Gross Carrying Amount		
Balance as at March 31, 2019	208.48	208.48
Additions	6.18	6.18
Disposals	—	—
Balance as at March 31, 2020	214.66	214.66
II. Accumulated amortisation		
Balance as at March 31, 2019	185.11	185.11
Amortisation expense for the year	18.28	18.28
Eliminated on disposal of assets	—	—
Balance as at March 31, 2020	203.39	203.39
III. Net carrying amount (I-II)	11.27	11.27
I. Gross Carrying Amount		
Balance as at March 31, 2018	204.52	204.52
Additions	4.88	4.88
Disposals	0.92	0.92
Balance as at March 31, 2019	208.48	208.48
II. Accumulated amortisation		
Balance as at March 31, 2018	136.86	136.86
Amortisation expense for the year	49.12	49.12
Eliminated on disposal of assets	0.87	0.87
Balance as at March 31, 2019	185.11	185.11
III. Net carrying amount (I-II)	23.37	23.37

NOTE NO. 4 - INVESTMENTS

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Investment in Equity Instruments		
Unquoted - At cost		
In Joint Venture company - Mahindra Top Greenhouses Private Limited (18 lakhs shares of Rs.10 each)	140.37	165.04
Total	140.37	165.04

NOTE NO. 5 - TRADE RECEIVABLES

Particulars	Rs. in Lakhs			
	As at March 31, 2020		As at March 31, 2019	
	Current	Non Current	Current	Non Current
Unsecured, considered good	12,868.38	3,510.40	12,474.26	2,270.03
Doubtful	899.48	827.94	662.16	528.27
	13,767.86	4,338.34	13,136.42	2,798.30
Less: Allowance for doubtful debts (expected credit loss)	(899.48)	(827.94)	(662.16)	(528.27)
Total	12,868.38	3,510.40	12,474.26	2,270.03

Refer Note 25 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

Trade receivables are valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and possibilities of consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of industries, impact immediately seen in the demand outlook of these industries and the financial strength of the customers in respect of from whom amounts are receivable.

NOTE NO. 6 - OTHER FINANCIAL ASSETS

Particulars	Rs. in Lakhs			
	As at March 31, 2020		As at March 31, 2019	
	Current	Non-Current	Current	Non-Current
Security deposits	33.93	67.77	40.83	70.25
Interest accrued on deposits	9.28	—	10.26	—
Other Receivables	90.55	—	—	—
Total	133.76	67.77	51.09	70.25

NOTE NO. 7 - CURRENT TAX AND DEFERRED TAX**(a) Income Tax recognised in profit or loss**

Particulars	Rs. in Lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax:		
In respect of current year	1,055.30	656.19
In respect of prior years	16.35	42.82
Deferred Tax:		
In respect of current year	(210.60)	(132.50)
In respect of prior years	50.30	(16.83)
Total income tax expense recognised in the current year relating to continuing operations	911.35	549.68

(b) Income tax recognised in other Comprehensive income

Particulars	Rs. in Lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019
Deferred Tax		
Remeasurement of defined benefit obligations	(0.50)	(10.47)
Income taxes related to items that will not be reclassified to profit or loss	0.14	3.05
Total	(0.36)	(7.42)

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Rs. in Lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax from continuing operations	3,240.00	1,694.07
Income tax expense calculated at 25.17% (2019: 29.12%)	815.51	496.53
Effect on expense that is non-deductible in determining taxable profit	29.19	27.16
Effect of tax rate difference	50.30	—
	895.00	523.69
Adjustments recognised in the current year in relation to the current tax of prior years	16.35	25.99
Income tax expense recognised In profit or loss from continuing operations	911.35	549.68

The Company has adopted option available under section 115BAA of Income Tax Act, 1961 as per the taxation laws (amendment) act, 2019 dated December 11, 2019. Accordingly tax expenses, deferred tax assets/liabilities have been recomputed and impact of this has been recognised in the year ended on March 31, 2020. The company has remeasured the deferred tax assets (net) balances as on April 1, 2019 and Rs 50.30 Lakhs of deferred assets has been reversed and charged to statement of profit and loss for the year ended March 31, 2020.

The tax rate used for the March 31, 2020 and March 31, 2019 reconciliations above is the corporate tax rate of 25.17% and 29.12% respectively on taxable profits under Indian Income Tax Laws.

(d) Amounts on which deferred tax asset has not been created: Nil

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 7 - CURRENT TAX AND DEFERRED TAX (CONTD.)

(e) Movement in deferred tax assets/(Liabilities) for the year ended March 31, 2020

Particulars	Rs. in Lakhs				
	Opening Balance	Recognised in profit and Loss (including for earlier year)	Recognised in OCI	Utilised	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>					
Property, Plant and Equipment	319.97	(67.26)	—	—	252.71
	<u>319.97</u>	<u>(67.26)</u>	<u>—</u>	<u>—</u>	<u>252.71</u>
<u>Tax effect of items constituting deferred tax assets</u>					
Employee Benefits	78.48	(2.51)	0.14	—	76.11
Provision for receivables and advances	360.41	87.46	—	—	447.87
Other items	251.74	8.09	—	—	259.83
	<u>690.63</u>	<u>93.04</u>	<u>0.14</u>	<u>—</u>	<u>783.81</u>
Net Deferred Tax Asset (Liabilities)	<u>370.66</u>	<u>160.30</u>	<u>0.14</u>	<u>—</u>	<u>531.10</u>
Total	<u>370.66</u>	<u>160.30</u>	<u>0.14</u>	<u>—</u>	<u>531.10</u>

(f) Movement in deferred tax assets/(Liabilities) for the year ended March 31, 2019

Particulars	Rs. in Lakhs				
	Opening Balance	Recognised in profit and Loss (including for earlier year)	Recognised in OCI	Utilised	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>					
Property, Plant and Equipment	344.29	(24.32)	—	—	319.97
	<u>344.29</u>	<u>(24.32)</u>	<u>—</u>	<u>—</u>	<u>319.97</u>
<u>Tax effect of items constituting deferred tax assets</u>					
Employee Benefits	65.90	9.54	3.05	—	78.48
Provision for receivables and advances	325.20	35.21	—	—	360.41
Other items	171.47	80.26	—	—	251.74
	<u>562.57</u>	<u>125.01</u>	<u>3.05</u>	<u>—</u>	<u>690.63</u>
Net Deferred Tax Asset (Liabilities)	<u>218.28</u>	<u>149.33</u>	<u>3.05</u>	<u>—</u>	<u>370.66</u>
Total	<u>218.28</u>	<u>149.33</u>	<u>3.05</u>	<u>—</u>	<u>370.66</u>

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)**NOTE NO. 8 - OTHER NON FINANCIAL ASSETS**

Particulars	Rs. in Lakhs			
	As at March 31, 2020		As at March 31, 2019	
	Current	Non-Current	Current	Non-Current
(a) Prepayments	33.27	5.26	25.02	7.10
(b) Prepayments Land Lease	—	—	4.32	301.01
(c) Balances with government authorities	877.83	216.88	610.00	221.41
(d) Others				
(i) Capital advances	—	12.06	—	6.91
(ii) Advance to Creditors				
Considered Good	256.86	—	177.46	—
Doubtful	—	21.92	—	21.92
Less : Provision for Doubtful advances	—	(21.92)	—	(21.92)
	256.86	—	177.46	—
(iii) Advances to employees				
Considered Good	5.43	—	4.59	—
Doubtful	25.31	—	25.31	—
Less : Provision for Doubtful advances	(25.31)	—	(25.31)	—
	5.43	—	4.59	—
Total	1,173.39	234.20	821.39	536.42

NOTE NO. 9 - INVENTORIES

[Lower of cost and net realisable value]

Particulars	Rs. in Lakhs	
	As at	As at
	March 31, 2020	March 31, 2019
(a) Raw materials and components	2,049.59	1,301.03
(b) Work-in-progress	195.97	145.78
(c) Finished and semi-finished goods	1,131.15	845.29
(d) Stock-in-trade of goods acquired for trading	210.92	321.72
Total	3,587.63	2,613.82
Included above, goods-in-transit:		
Raw materials and Components	—	38.25
Total	—	38.25

All inventories are pledged as security for credit facilities from banks.

Mode of valuation of inventories is stated in Note 1(J).

Out of the above Rs. 260.21 lakhs is lying with third party (year ended March 31, 2019 Rs. 125.15 Lakhs).

The amount of inventories recognised as an expense in respect of write-down of inventory to net realisable values is Rs. 156.10 lakhs (year ended March 31, 2019 Rs. 117.59 lakhs)

Inventories are valued considering provision for allowance for obsolescence, inventory carrying risk and possible delayed usage in view of lower production due to slowly pacing off-take in present situation. In addition to the historical pattern of inventory provision, we have considered the likelihood of variations in sales price, possibilities of cancellation of order, nature and aging of inventories due to Covid-19. This assessment is not based on any mathematical model but it is based on an assessment considering the product demand, expected price trend and sales plan. Based on the above assessment, the Company is of the view that the carrying amounts of inventories are expected to be realisable.

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 10 - CASH AND BANK BALANCES

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents		
Balances with banks - Current Accounts	1,110.53	40.40
Cash on hand	0.27	0.13
Total Cash and cash equivalents	1,110.80	40.53
Other Bank Balances		
Earmarked balances with banks	31.32	19.23
Balances with Banks - on margin accounts	141.55	232.60
Total Other Bank Balances	172.87	251.83

NOTE NO. 11 A - EQUITY SHARE CAPITAL

Particulars	Rs. in Lakhs			
	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
Authorised				
Equity shares of Rs. 10 each	3,20,00,000	3,200.00	32,000,000	3,200.00
Preference share of Rs. 100 each	1,800,000	1,800.00	1,800,000	1,800.00
Issued				
Equity shares of Rs. 10 each	27,785,598	2,778.56	27,749,721	2,774.97
Subscribed and fully paid up				
Equity shares of Rs. 10 each	27,781,698	2,778.18	27,745,821	2,774.59
Forfeited shares (Amount originally paid up)	3,900	0.19	3,900	0.19
Total		2,778.37		2,774.78

Fully paid equity shares, which have a par value of Rs. 10, carry one vote per share and carry a right to dividends.

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars		Rs. in Lakhs		
		Opening Balance	Issued during the year	Closing Balance
March 31, 2020	No. of Shares	2,77,45,821	35,877	27,781,698
	Amount	2,774.59	3.59	2,778.18
March 31, 2019	No. of Shares	2,77,09,950	35,871	2,77,45,821
	Amount	2,771.00	3.59	2,774.59

Rights, preferences and restrictions attached to equity shares

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)**(ii) Details of shares held by the holding company**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Mahindra and Mahindra Ltd, the Holding Company	1,51,44,433	1,51,44,433

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
Mahindra and Mahindra Limited	1,51,44,433	54.51%	1,51,44,433	54.58%

(iv) Shares reserved for issuance as follows:

Particulars	No. of shares	
	As at March 31, 2020	As at March 31, 2019
Outstanding employee stock options granted/available for grant.	4,15,431	4,51,308

NOTE NO. 11 B - OTHER EQUITY

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Capital Reserve	40.00	40.00
Securities Premium	9,367.06	9,315.30
General Reserve	425.44	425.44
Share based payments (ESOP)	92.55	88.82
Share Application Money Pending Allotment	1.60	—
Retained Earnings	4,322.12	2,352.99
Total	14,248.77	12,222.55

**Nature of Reserves Securities Premium -
General Reserve -**

The Securities Premium is created on issue of shares at a premium.
The general reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

Employee Stock Options Outstanding -

The Employee Stock Options Outstanding represents reserve in respect of equity settled share options granted to the company's employees in pursuance of the Employee Stock Option Plan.

Details of Dividend Proposed

Particulars	Rs. in Lakhs	
	2020	2019
Dividend per share (Rupees)	1.20	1.00
Dividend on Equity Shares	333.38	277.46
Dividend Distribution Tax	—	57.03
Total Dividend including Dividend Distribution Tax	333.38	334.49

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 12 - NON-CURRENT BORROWINGS

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Unsecured Borrowings - at amortised Cost		
Deferred payment liabilities	—	8.50
Total	—	8.50

NOTE NO. 13 - OTHER CURRENT FINANCIAL LIABILITIES

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term debt	—	6.11
Interest payables to vendors/others	142.96	217.73
Unpaid matured deposits and interest accrued thereon (Refer note (i) below)	0.16	0.36
Unclaimed Dividend	8.48	3.11
Security Deposits	499.02	446.76
Subsidy Reimbursable to Customer	—	34.76
Others (Refer note (ii) below)	61.60	21.14
Total	712.22	729.97

Notes-

- (i) There are no amounts due for transfer to Investor Education and Protection Fund.
- (ii) Others include payable for capital assets, retention money and accruals towards claims.

NOTE NO. 14 - SHORT TERM BORROWINGS

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Secured Borrowings - at amortised cost		
Loans repayable on demand from Bank	1,300.00	327.52
Total	1,300.00	327.52

Note:

Loans repayable on demand is secured by way of first charge on entire stock and debtors of the Company both present and future. The above loan is also secured by way of second charge on fixed assets.

The average Interest rate is 7.5%

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)
NOTE NO. 15 - PROVISIONS

Particulars	Rs. in Lakhs			
	As at		As at	
	March 31, 2020		March 31, 2019	
	Current	Non-Current	Current	Non-Current
a. Provision for employee benefits				
Compensated absences	210.89	—	189.25	—
b. Other Provisions				
Warranty	104.24	36.99	31.42	87.49
Total	315.13	36.99	220.67	87.49

Details of movement in Warranty Provisions is as follows:

Particulars	Rs. in Lakhs
Balance at March 31, 2018	143.22
Additional provisions recognised	42.06
Amounts used during the year	(34.46)
Unused amounts reversed during the year	(40.92)
Unwinding of discount	9.02
Balance at March 31, 2019	118.92
Additional provisions recognised	52.97
Amounts used during the year	(35.07)
Unused amounts reversed during the year	—
Unwinding of discount	4.41
Balance at March 31, 2020	141.23

Warranty Claims:

Provision for warranty represents present value of management's best estimate of the future outflow of economic benefits that will be required in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. Management estimates the related provision for future warranty claims based on historical warranty claim information and is adjusted regularly to reflect new information. The products are generally covered under a free warranty period ranging from 6 months to 5 years. It is expected that most of these costs will be incurred in the next two financial years and all will have been incurred within five years after the reporting date.

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 16 - TRADE PAYABLES

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Current		
a) total outstanding dues of micro and small enterprises	234.56	98.82
b) total outstanding dues of creditors other than micro and small enterprise	6,319.94	5,152.72
Total	6,554.50	5,251.54

Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as below:

(a) Dues remaining unpaid as at March 31		
Principal	234.56	98.82
Interest on the above	—	—
(b) Interest paid in terms of Section 16 of the Act, along with the amount of payment made to the supplier beyond the appointed day during the year		
Principal paid beyond the appointed date	3.98	82.05
Interest paid in terms of Section 16 of the Act	—	—
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	0.02	1.10
(d) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	1.02	73.93
(e) Amount of interest accrued and remaining unpaid as at March 31	1.04	75.04

Due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

The average credit period on purchases of goods and avilment of services is 15 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. Interest is charged on the over due balances as per terms agreed with vendors.

NOTE NO. 17 - OTHER NON - FINANCIAL LIABILITIES

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
(a) Advances received from customers	142.63	110.55
(b) Statutory dues		
– taxes payable (other than income taxes)	40.70	61.70
– Employee Recoveries and Employer Contributions	4.31	5.52
(c) Provision for liabilities	—	7.07
(d) Deferred interest income	1.71	3.72
(e) Deferred revenue arising from government grant	110.85	117.96
(f) Balance with LIC (Gratuity)	25.08	16.09
Total	325.28	322.61

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)**NOTE NO. 18 - REVENUE FROM OPERATIONS**

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
(a) Revenue from sale of products	28,287.94	25,891.30
(b) Revenue from rendering of services	38.06	67.94
(b) Other operating revenue	69.86	51.71
Total	28,395.86	26,010.95
Particulars	As at March 31, 2020	As at March 31, 2019
(i) Sale of products comprises		
Manufactured goods	28,233.60	25,634.92
Total - Sale of manufactured goods	28,233.60	25,634.92
<u>Traded goods</u>		
Pumps	6.78	71.25
Green Houses	30.65	174.00
Landscape	16.91	11.13
Total - Sale of traded goods	54.34	256.38
Total - Sale of products	28,287.94	25,891.30
(ii) Sale of services comprises		
Agronomy Services	—	0.22
Installation Services	38.06	67.72
Landscape Projects	—	—
Total - Sale of services	38.06	67.94
(iii) Other operating revenues comprise		
Sale of scrap	62.74	44.42
Government Grant Incentives	7.12	4.97
Processing Charges	—	2.32
Total - Other operating revenues	69.86	51.71

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

Accordingly, the Company recognises revenue when it transfers control of a product or service to a customer as and when it satisfies the performance obligation by transferring promised goods or services to a customer and customer obtains the control or benefit of the same.

The revenue is recognised on satisfaction of performance obligation / transferring control to the customer and hence the same is recognised at a point in time. The company believes that above disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

There is no material impact on account of applying Ind AS 115 Revenue from Contract with customers instead of the erstwhile IND AS 18 Revenue, on the financial statements of the company.

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 19 - OTHER INCOME

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
(a) Interest Income		
1) Bank deposits (at amortised cost)	10.25	23.42
2) Interest on Security Deposit (at amortised cost)	3.50	2.43
3) Interest on tax refunds	—	0.56
(b) Operating lease rental income	3.57	3.76
(c) Net Gain on sale of current investments	5.94	7.87
(d) Profit/(Loss) on sale of assets (net of loss on assets sold)	—	6.16
(e) Liabilities no longer required written back	47.98	42.11
(f) Miscellaneous income	56.56	14.27
(g) Foreign Exchange profit	4.91	4.96
Total	132.71	105.54

NOTE NO. 20 (A) - COST OF MATERIALS CONSUMED

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Opening stock	1,301.03	1,698.17
Add: Purchases	14,400.18	13,082.02
	15,701.21	14,780.19
Less: Closing stock	2,049.59	1,301.03
Cost of materials consumed	13,651.62	13,479.16

NOTE NO 20. (B) PURCHASES OF FINISHED, SEMI-FINISHED AND OTHER PRODUCTS (TRADED GOODS)

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Stock-in-trade - Pumps, Greenhouses & Landscape	7.31	138.47
Total	7.31	138.47

NOTE NO 20. (C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
<u>Inventories at the end of the year:</u>		
Finished goods	1,131.15	845.29
Work-in-progress	195.97	145.78
Stock-in-trade	210.92	321.72
	1,538.04	1,312.79

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

Particulars	As at March 31, 2020	As at March 31, 2019
<u>Inventories at the beginning of the year:</u>		
Finished goods	845.29	1,245.90
Work-in-progress	145.78	91.16
Stock-in-trade	321.72	434.48
	<u>1,312.79</u>	<u>1,771.54</u>
Net (increase)/ decrease	(225.25)	458.75

NOTE NO. 21 - EMPLOYEE BENEFITS EXPENSE

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
(a) Salaries and wages, including bonus	2,275.08	2,127.40
(b) Contribution to provident and other funds (Refer Note No. 29)	176.92	150.78
(c) Share based payment transactions expenses	55.49	44.35
(d) Staff welfare expenses	141.86	135.45
Total Employee Benefit Expense	2,649.35	2,457.98

Pursuant to the "Employees Stock Option Scheme – 2014" (ESOS) approved by the Shareholders in the Annual General Meeting held on July 31, 2014, the Company had granted 80,424, 3,228, 1,33,432, 11,129 and 80,110 stock options to the eligible employees on October 28, 2014, October 31, 2015, November 22, 2016, November 22, 2017 and February 28, 2019 respectively as per the recommendations of the Nomination and Remuneration Committee, at an exercise price of Rs 10/- each. In respect of the options granted in 2014, 2016, 2017 and 2019 the equity settled options vest in 5 tranches of 20% each upon the expiry of 12 months, 24 months, 36 months, 48 months and 60 months, respectively from the date of grant. Each tranche is exercisable within one year from the respective date of vesting. The number of options exercisable in each tranche is minimum 20% of the options vested, except in case of the last date of the exercise, where the employee can exercise all options vested but not exercised till that date. In respect of options granted in 2015, the equity settled options vest in 4 tranches of 25% each upon the expiry of 12 months, 24 months, 36 months and 48 months, respectively from the date of grant. Each tranche is exercisable within one year from the respective date of vesting. The number of options exercisable in each tranche is minimum 25% of the options vested, except in case of the last date of the exercise, where the employee can exercise all options vested but not exercised till that date.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option representing share based payment expenses is expected over the vesting period.

		Number of Shares	Grant Date	Expiry Date	Exercise Price	Fair value at Grant Date
Equity Settled						
1	Series 1 Granted on October 28, 2014	80,424	October 28, 2014	October 28, 2019	10	170.97
2	Series 2 Granted on October 31, 2015	3,228	October 31, 2015	October 31, 2019	10	170.97
3	Series 3 Granted on November 22, 2016	1,33,432	November 22, 2016	November 22, 2021	10	131.75
4	Series 4 Granted on November 22, 2017	11,129	November 22, 2017	November 22, 2022	10	169.43
5	Series 5 Granted on February 28, 2019	80,110	February 28, 2019	February 28, 2024	10	83.51

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

Movement in Share Options

Particulars	Year ended 31 March, 2020		Year ended 31 March, 2019	
	Number of Shares	Weighted average exercise price	Number of Shares	Weighted average exercise price
1 Outstanding at the beginning of the year	1,69,641	10	1,29,850	10
2 Granted during the year	–	10	80,110	10
3 Exercised during the year	(35,877)	10	(35,871)	10
4 Expired during the year	(166)	10	(4,448)	10
5 Outstanding at the end of the year	1,33,598	10	1,69,641	10

Share Options Exercised in the Year

Particulars	Year end March 31, 2020			Year end March 31, 2019		
	Number Exercised	Exercise Date	Share Price at Exercise Date	Number Exercised	Exercise Date	Share Price at Exercise Date
Equity Settled						
1 Series 1 Granted on October 28, 2014	9,342	December 30, 2019	100.60	9,336	November 22, 2018	88.25
2 Series 2 Granted on October 31, 2015	807	December 30, 2019	100.60	807	November 22, 2018	88.25
3 Series 3 Granted on November 22, 2016	24,373	December 30, 2019	100.60	24,373	November 22, 2018	88.25
4 Series 4 Granted on November 22, 2017	1,355	December 30, 2019	100.60	1,355	November 22, 2018	88.25

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows.

Share Option programmes

Particulars	Series 1		Series 2		Series 3		Series 4		Series 5	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Share price at grant date	177.75	177.75	158.30	158.30	135.40	135.40	172.55	172.55	92.80	92.80
Exercise price	10	10	10	10	10	10	10	10	10	10
Expected volatility (weighted-average)	55%	55%	55%	55%	49%	49%	46%	46%	43%	43%
Expected life/Option Life	3.50 Year	3.50 Year	3.50 Year	3.50 Year	3.50 Year	3.50 Year	3.50 Year	3.50 Year	3.50 Year	3.50 Year
Expected dividends yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.54%	0.54%
Risk-free interest rate (based on government bonds)	8.06%	8.06%	8.06%	8.06%	6.33%	6.33%	6.94%	6.94%	7.30%	7.30%

The fair value of the employee share options has been measured using the Black-Scholes option Pricing formula.

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

The Holding Company has recovered Rs. 0.88 lakhs (March 31, 2019 Rs. Nil) as ESOP cost from the Company in respect of employees deputed to the Company.

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 22 - FINANCE COST

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
(a) Interest Cost		
– On credit facilities from Banks	134.96	56.19
– On trade creditors	5.48	14.46
– On government Grant	14.98	14.33
– On delayed payment of taxes	15.74	19.09
– On Intercompany Loan	12.21	21.01
– On Lease Rental (Refer Note 27)	2.28	—
(b) Other borrowing cost		
Processing fees/Guarantee Commission	7.84	5.07
Unwinding of discount on provisions	4.42	9.02
Total finance costs	197.91	139.17

Particulars	As at March 31, 2020	As at March 31, 2019
Interest Expenses		
On Financial Liability at Amortised Cost	152.65	91.66

NOTE NO. 23 - OTHER EXPENSES

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Stores consumed	57.48	62.57
Power & Fuel	568.50	527.78
Rent including lease rentals	171.97	227.98
Rates and taxes	11.70	5.66
Insurance	30.35	13.96
Repairs and maintenance - Buildings	1.84	0.71
Repairs and maintenance - Machinery	58.50	51.00
Repairs and maintenance - Others	58.36	48.15
Commission on sales	3,168.70	2,774.98
Freight outward	1,053.35	1,090.94
Travelling and Conveyance Expenses	471.45	436.42
Subcontracting, Hire and Service Charges	732.18	369.14
Expenditure on Corporate Social Responsibility (CSR)	25.08	20.60
Donations and Contributions for CSR activity	0.07	0.24
Provision for doubtful trade and other receivables, loans	536.99	125.80
Bad trade and other receivables, loans and advances written off	71.18	199.62

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	32.75	32.75
(ii) For Other services	8.25	6.75
(iii) For Cost auditors for Cost audit	1.38	1.60
(iv) For reimbursement of expenses	0.78	0.61
Legal and other professional costs	471.64	497.01
Site expenses	646.47	495.40
Warranty Claim	53.27	1.88
Loss on sale / written off assets	4.70	
Directors' Fees and Commission	20.46	24.24
Other General Expenses	370.12	426.17
Total Other Expenses	8,627.52	7,441.96

NOTE NO. 24 - EARNINGS PER SHARE

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Profit for the year for basic and diluted EPS (Rs. in Lakhs)	2303.98	1129.43
Weighted average number of Equity shares used in computing basic EPS	27,781,698	27,722,726
Effect of potential Equity share on employee stock options	120,888	154,715
Weighted average number of equity shares used in computing of diluted EPS	27,902,586	27,877,441
Basic Earnings per share (Rs.) (Face value of Rs. 10 per share)	8.29	4.07
Diluted Earnings per share	8.26	4.05

NOTE NO. 25 - FINANCIAL INSTRUMENTS

I Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern.
- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

Particulars	Rs. in Lakhs	
	March 31, 2020	March 31, 2019
Equity	17,027.14	14,997.33
Less: Cash and cash equivalents	(1,110.80)	(40.53)
	<u>15,916.34</u>	<u>14,956.80</u>

II Categories of financial assets and financial liabilities

Particulars	As at March 31, 2020			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investment	140.37			140.37
Trade Receivables	3,510.40	—	—	3,510.40
Other Financial Assets	67.77			67.77
Current Assets				
Trade Receivables	12,868.38	—	—	12,868.38
Cash and Cash Equivalents	1,110.80	—	—	1,110.80
Other Bank Balances	172.87	—	—	172.87
Other Financial Assets	133.76	—	—	133.76
Non-current Liabilities				
Lease Liability	2.99	—	—	2.99
Current Liabilities				
Lease Liability	7.94			7.94
Borrowings	1,300.00	—	—	1,300.00
Trade Payables	6,554.50	—	—	6,554.50
Other Financial Liabilities	712.22	—	—	712.22
Particulars	As at March 31, 2019			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investment	165.04			165.04
Trade Receivables	2,270.03	—	—	2,270.03
Other Financial Assets	70.25	—	—	70.25
Current Assets				
Trade Receivables	12,474.26	—	—	12,474.26
Cash and Cash Equivalents	40.53	—	—	40.53
Other Bank Balances	251.83	—	—	251.83
Other Financial Assets	51.09	—	—	51.09
Non-current Liabilities				
Borrowings	8.50	—	—	8.50
Current Liabilities				
Borrowings	327.52			327.52
Trade Payables	5,251.54	—	—	5,251.54
Other Financial Liabilities	729.97	—	—	729.97

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. The company has dealings with government organisation for subsidy related transaction and with private parties. For private non government parties credit limits are set quarterly. The Company has adopted a policy of only dealing with creditworthy non government parties and obtaining security cheques, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and credit worthiness of such parties are continuously monitored and controlled by counterparty limits that are reviewed by Credit Control function based on the approved process.

No interest is charged on overdue balance.

Trade receivables consist of a large number of customers, spread across geographical areas. On going credit evaluation is performed on the financial condition of accounts receivable. There are no non government customers who represent more than 5% of the total balance of trade receivable.

The Company applies the simplified approach to provide expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. The Company has taken dealer deposit of Rs. 499.02 lakhs (March 31, 2019 Rs. 441.01 lakhs) and bank guarantees of Rs. 26.09 lakhs (March 31, 2019 Rs. 37.05 lakhs) which is considered as collateral and these are considered in determination of expected credit losses, where applicable.

The loss allowance provision is determined as follows:

Rs. in Lakhs
As at March 31, 2020

Particulars	Not due	Less than 1 Year	Non-Current	Total
Project				
Expected loss rate	0.00%	4.32%	17.16%	
Gross carrying amount	102.71	12,616.84	4,012.67	16,732.22
Loss allowance provision	—	544.95	688.67	1,233.62
Non Project				
Expected loss rate	0.00%	33.82%	42.76%	
Gross carrying amount	—	1,048.31	325.67	1,373.98
Loss allowance provision	—	354.53	139.27	493.80

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

Rs. in Lakhs
As at March 31, 2019

Particulars	Not due	Less than 1 Year	Non-Current	Total
Project				
Expected loss rate	0.00%	5.06%	13.31%	
Gross carrying amount	59.88	12,291.95	2,409.08	14,760.91
Loss allowance provision	—	622.43	320.65	943.08
Non Project				
Expected loss rate	0.00%	5.07%	53.34%	
Gross carrying amount	—	784.60	389.21	1,173.81
Loss allowance provision	—	39.74	207.61	247.35

Reconciliation of loss allowance provision for Trade Receivables

Particulars	Rs. in Lakhs	
	March 31, 2020	March 31, 2019
Balance as at beginning of the year	1,190.43	1,069.19
Impairment losses recognised in the year based on lifetime expected credit loss		
– On receivables originated in the year	608.17	320.86
– Amounts written off during the year as uncollectible	(71.18)	(199.62)
– Amounts Recovered during the year	—	—
Balance at end of the year	1,727.42	1,190.43

The loss allowance provision has changed during the year due to recovery from debtors and business circumstances.

During the year, the company has made written off Rs. 71.18 lakhs (March 31, 2019 Rs. 199.62 lakhs) of trade receivables.

The Credit risk on bank balances and investment in mutual funds is limited as the counterparties are banks and fund houses with high credit ratings.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short - medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

Particulars	Rs. in Lakhs			
	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
March 31, 2020				
Non-interest bearing	7,274.66	2.99	—	—
Interest bearing	1,300.00	—	—	—
Total	8,574.66	2.99	—	—
March 31, 2019				
Non-interest bearing	5,981.51	8.51	—	—
Interest bearing	327.52	—	—	—
Total	6,309.03	8.51	—	—

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Rs. in Lakhs			
	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
March 31, 2020				
Non-interest bearing	14,140.55	3,510.40	26.90	140.37
Fixed interest rate instruments	145.26	—	40.87	—
Total	14,285.81	3,510.40	67.77	140.37
March 31, 2019				
Non-interest bearing	12,585.11	2,251.19	49.74	165.04
Fixed interest rate instruments	232.60	—	39.35	—
Total	12,817.71	2,251.19	89.09	165.04

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. As at the year end, there were no material foreign currency exposure.

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 26 - FAIR VALUE MEASUREMENT

a) The directors consider that the carrying amounts of financial assets and financial liabilities that are not measured at fair value, recognised in the financial statement approximate their fair values.

NOTE NO. 27 - LEASES (REFER NOTE 2B)

The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. In adopting Ind AS 116, the Group has applied the below practical expedients:

The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics

The Group has treated the leases with remaining lease term of less than 12 months as if they were “short term leases”

The Group has not applied the requirements of Ind AS 116 for leases of low value assets (assets of less than Rs. 3.5 lakhs in value)

The Group has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition

The Group has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease

On transition to Ind AS 116, the Group has followed the Modified Retrospective Approach, accordingly recognised right-of-use assets amounting to Rs. 360.55 lakhs, lease liabilities amounting to Rs. 55.21 lakhs as at April 1, 2019. The Group has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019, which is 8.50% for measuring the lease liability. In view of this, the operating lease rent which was hitherto accounted under 'Other expenses' in previous periods has now been accounted as depreciation and finance costs.

Reconciliation of operating lease commitments as at March 31, 2019 with the lease liabilities recognized in the Balance Sheet as at April 1, 2019:

Particulars	For the year ended March 31, 2020
A. Operating lease commitments disclosure as per Ind AS 17 as of March 31, 2019	18.01
Weighted average incremental borrowing rate	8.50
B. Present value using incremental borrowing rate as on April 1, 2019	227.18
Recognition exemption for short term leases	(171.97)
Recognition exemption for low value assets	—
Total lease liabilities on transition date	55.21

Impact of adoption of Ind AS 116 on the statement of profit and loss:

Particulars	For the year ended March 31, 2020
Depreciation - Right of use assets (Refer Note 2B)	49.22
Interest expense on Lease Liability (Refer Note 22)	2.28
Payment of Lease Liability	(46.56)
Amortization of Land Lease	(4.25)
Net Impact (loss) due to adoption of Ind AS 116	0.69

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	For the year ended March 31, 2020
Lease liabilities recognised at April 1, 2019	55.21
Additions	—
Finance cost accrued during the period	2.28
Deletions	—
Payment of lease liabilities	(46.56)
Balance as at March 31, 2020	10.93

The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Particulars	For the year ended March 31, 2020
Current lease liabilities (Refer Note 27)	7.94
Non-current lease liabilities (Refer Note 27)	2.99
Balance as at March 31, 2020	10.93
Carrying Value of Right of use assets (Refer Note 2B)	311.33

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 :

Particulars	Rs. in Lakhs For the year ended March 31, 2020
Less than one year	7.94
One to Three years	2.99

NOTE NO. 28 - SEGMENT INFORMATION

The Company is engaged in the business of Precision Farming Products and Services and in a single geography viz, India. The Information reported to the chief operating decision maker (CODM) [Viz, The Managing Director] for assessment of performance of business and allocation of resources is under this segment.

Accordingly, The Company has identified a single segment under Ind AS 108 -“Operating Segments”.

There is no single customer who accounts for 10% more of the company revenues.

Refer Note 18 for the analysis of revenue from its major products and services.

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)**NOTE NO. 29 - EMPLOYEE BENEFITS****(a) Defined Contribution Plan**

The Company's contribution to Provident Fund Rs.102.85 lakhs (year ended March 31, 2019 : Rs. 79.13 lakhs) and Superannuation Fund Rs. 31.60 lakhs (year ended March 31, 2019 : Rs.28.38 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits.

(b) Defined Benefit Plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

Through its defined plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets under perform compared to the government bond discount rate, this will create or increase a deficit. The defined benefit plans hold on investment with LIC, which are expected to perform in line with government bonds in the long- term.

The company believes that due to the long-term nature of the plan liabilities, investments of funds with LIC is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan assets.

Life expectancy

The plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

Defined benefit plans - as per actuarial valuation

Particulars	Rs. in Lakhs	
	Funded Plan	
	Gratuity	
	2020	2019
Ia. Expense recognised in the Statement of Profit and Loss		
1. Current service cost	27.55	26.86
2. Interest cost	15.69	16.20
3. Expected return on plan assets	(15.59)	(16.91)
	27.65	26.15
Ib. Included in other Comprehensive Income		
1. Return on plan assets	(6.50)	0.87
2. Actuarial (Gain)/Loss on account of:		
– Demographic Assumptions	1.44	–
– Financial Assumptions	8.14	3.43
– Experience Adjustments	(2.58)	6.17
	0.50	10.47

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

Particulars	Rs. in Lakhs	
	Funded Plan	
	Gratuity	
	2020	2019
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	(6.50)	0.87
Actuarial gains and loss arising from changes in financial assumptions	8.14	3.43
Actuarial gains and loss arising from experience adjustments	(2.58)	6.17
Others (describe)	—	—
- Demographic Assumptions	1.44	—
Actuarial gains and loss arising from components of defined benefit costs recognised in other comprehensive income	0.50	10.47
Total	28.15	36.61
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31 March	302.38	261.30
2. Fair value of plan assets as at 31 March	277.30	245.20
3. Surplus/(Deficit)	(25.08)	(16.09)
4. Current portion of the above	—	—
5. Non current portion of the above	(25.08)	(16.09)
II. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year	261.30	235.88
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	—	—
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	27.55	26.86
- Interest Cost	15.69	16.20
4. Recognised in Other Comprehensive Income	—	—
Remeasurement gains/(losses)	—	—
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	—	—
- Demographic Assumptions	1.44	—
- Financial Assumptions	8.14	3.43
- Experience Adjustments	(2.58)	6.17
5. Benefit payments	(9.16)	(27.24)
6. Present value of defined benefit obligation at the end of the year	302.38	261.30
III. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	245.20	240.32
2. Adjustment to Opening Fair Value of the Asset	—	(2.35)
3. Expenses Recognised in Profit and Loss Account	—	—
- Expected return on plan assets	15.59	16.91
4. Recognised in Other Comprehensive Income	—	—
Remeasurement gains/(losses)	—	—
- Actual Return on plan assets in excess of the expected return	6.50	(0.87)
- Others (specify)	—	—
5. Contributions by employer (including benefit payments recoverable)	—	—
6. Benefit payments	—	(8.80)
7. Fair value of plan assets at the end of the year	277.29	245.20
IV. The Major categories of plan assets		
- Funds Managed By Insurer (LIC of India)	277.29	245.20
V. Actuarial assumptions		
1. Discount rate	5.59%	6.65%
2. Salary escalation	5.36%	5.70%

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

The sensitivity analysis of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
	2020	1.00%	12.22	13.34
Discount rate	2019	1.00%	8.75	9.41
	2020	1.00%	12.23	11.41
Salary growth rate	2019	1.00%	8.40	7.95

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute Rs. 25.08 lakhs to the gratuity trusts during the next financial year of 2020.

Maturity profile of defined benefit obligation:	Rs. in Lakhs	
	2020	2019
Within 1 year	60.79	51.30
1 - 2 year	47.37	59.87
2 - 3 year	35.15	42.70
3 - 4 year	35.26	31.19
4 - 5 year	35.36	28.59
5 - 10 year	112.84	87.06

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTE NO. 30 - RELATED PARTY DISCLOSURES

Name of the parent Company	Relationship
Mahindra and Mahindra Ltd.	Parent Company
Other related parties with whom transaction have been undertaken	
Mahindra Logistics Ltd.	Fellow subsidiary
Mahindra Susten Pvt Ltd.	Fellow subsidiary
Mahindra Agri Solutions Ltd.	Fellow subsidiary
Mahindra Lifespace Developers Ltd.	Fellow subsidiary
Mahindra Integrated Business Solutions Pvt Ltd.	Fellow subsidiary
Mahindra and Mahindra Ltd -Swaraj	Fellow subsidiary
Mahindra World City (Jaipur) Limited	Joint Venture of Parent
Mahindra Top Greenhouses Private Limited	Joint Venture
Mr. Ashok Sharma	Key Management Personnel (Managing Director)
Mr. Abhijit Page	Key Management Personnel (Chief Executive Officer) w.e.f. April 02, 2020
Ms. Sunetra Ganesan	Key Management Personnel (Chief Financial Officer)
Mr. Sanjeev Mohoni	Key Management Personnel (Chief Executive Officer) upto April 01, 2020

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

Details of transaction between the Company and its related parties are disclosed below:

Nature of transactions with Related Parties	Rs. in Lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of goods		
Mahindra Lifespace Developers Ltd.	—	2.85
Mahindra World City Jaipur Limited	1.00	1.40
Mahindra and Mahindra Ltd. -Swaraj	3.09	20.53
Mahindra Top Greenhouses Private Limited	26.71	25.92
Purchase of Goods /Services /Cars		
Mahindra & Mahindra Ltd.	9.09	—
Mahindra Top Greenhouses Private Limited	0.28	—
Investment in Equity Shares of Joint Venture		
Mahindra Top Greenhouses Private Limited	—	180.00
Interest on Inter Corporate Deposits		
Mahindra and Mahindra Ltd.	12.21	21.02
Remuneration		
Mr. Ashok Sharma	24.00	24.00*
Mr. Sanjeev Mohoni	149.93	124.99*
Ms. Sunetra Ganesan	64.22	56.48
Management contract fees expenses (Including for deputation of personnel)		
Mahindra and Mahindra Limited	188.75	190.42
Mahindra Logistics Limited	4.11	4.11
Management contract fees income (Including for deputation of personnel)		
Mahindra Top Greenhouses Private Limited	100.16	18.35
Travelling Expense		
Mahindra and Mahindra Limited	0.69	0.91
Business Support Services		
Mahindra Agri Solutions Ltd.		100.00
Reimbursement of Expenses to		
Mahindra and Mahindra Limited	25.69	1.48
Reimbursement of Expenses from		
Mahindra Top Greenhouses Private Limited	13.97	7.29
Mahindra Agri Solutions Ltd.	—	1.42
Professional Fees		
Mahindra and Mahindra Limited	61.64	92.54
Mahindra Integrated Business Solutions Pvt Ltd.	2.60	4.02
Credit Note given for Expenses		
Mahindra Susten Pvt Ltd.	—	34.33

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

Nature of Balances with Related Parties	As at March 31, 2020	As at March 31, 2019
Trade payables		
Mahindra and Mahindra Limited	164.91	167.68
Mahindra Integrated Business Solutions Pvt Ltd.	0.28	0.51
Mahindra Agri Solutions Ltd.	—	9.00
Mahindra Top Greenhouses Private Limited	—	21.81
Mahindra Logistics Limited	0.40	0.40
Trade Receivables		
Mahindra and Mahindra Limited	—	13.42
Mahindra Agri Solutions Ltd.	—	3.59
Mahindra Lifespace Developers Ltd.	2.68	16.95
Mahindra World City (Jaipur) Limited	27.16	40.54
Mahindra Top Greenhouses Private Limited	66.03	60.75
Investments		
Investment in Joint Venture - Mahindra Top Greenhouses Private Limited	140.37	165.04

* The company has incurred Rs. 173.93 lakhs (March 31, 2019 Rs.148.99 lakhs) for key managerial personnel services provided by Mahindra and Mahindra Limited.

Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	Directors	Managing Director	Chief Executive Officer	Chief Financial Officer	Directors	Managing Director	Chief Executive Officer	Chief Financial Officer
Remuneration	—	24.00	149.93	64.22	—	24.00	124.99	56.48
Fees for attending board committee meetings	7.40	—	—	—	7.30	—	—	—
Commission to independent directors	15.00	—	—	—	16.94	—	—	—
Legal Services	0.53	—	—	—	—	—	—	—
Share-based payment	—	—	—	—	—	—	—	—

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. Post employment benefits accounted as per actuarial valuation.

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 31 - CONTINGENT LIABILITIES AND COMMITMENTS

	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Contingent liabilities (to the extent not provided for)		
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt	32.31	31.15
(b) Interest on account of commitment to Export, under Export Promotion Capital Goods Scheme	13.26	19.18
(c) Demands against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal / Department is in appeal	43.88	43.88
Excise Duty:		
(d) Non-current non-financial asset includes refund claim made for excise duty paid under protest consequent upon the judicial pronouncement made by CESTAT in favour of the Company, which was disputed by the department before higher authorities.	166.79	166.79
<p>The Commissioner (Appeals), Central Excise and Customs, Nashik has sanctioned the claim on merit but taking recourse to the principle of "Unjust Enrichment" has ordered the claim to be transferred to the credit of the "Consumer Welfare Fund".</p> <p>The Company had filed an appeal against the order. On hearing the appeal the Hon' CESTAT, Mumbai remanded back the case to the adjudicating authorities to examine the issue afresh. The Adjudicating Authority issued a Show Cause Notice and after personal hearing passed an order rejecting the claim without following the guidelines given by the Hon' CESTAT.</p> <p>The Company had filed an appeal against the order with the Commissioner (Appeals), Central Excise & Customs, Nashik. The order Passed by the Commissioner (Appeals), Central Excise & Customs, Nashik is similar to order as given in order in appeal. The Company has filed an appeal to CESTAT Mumbai and no hearing has happened thereafter. The Claim is still tenable, no provision has been considered.</p>		
(e) Determination of Turnover ignoring return filed 15-16- VAT/ CST / Entry Tax M P state Ex-party Assesment by Dy .Comm .VAT Audit Wing at Bhopal since they found the Bhopal premises vacated Appeal filed and rehearing is ordered by Appellate Authority vide order dated 07/09/2018 .	301.91	301.91
(f) Determination of Turnover ignoring return filed 12-13 VAT/ CST / Entry Tax C G state Ex-party Assessment by ,VAT Comm Appeal filed.	—	7.56
(g) Determination of demand ignoring CST return filed for F.Y. 13-14	9.47	9.47
(h) Determination of Turnover ignoring return filed 14-15 VAT/ CST / Entry Tax C G state	9.86	—
(i) Income Tax demand for A.Y. 17-18 against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal.	113.31	113.31
(j) Income Tax demand for A.Y. 12-13 u/s section 143(3) r.w.s. 147 against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal.	215.72	

Note: In respect of items mentioned above, till the matters are finally decided, the timing of outflows of economic benefits cannot be ascertained.

Notes to the consolidated financial statements for the year ended March 31, 2020 (Contd.)

NOTE NO. 32 - COMMITMENTS

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for in respect of Tangible assets.	6.68	42.67

NOTE NO. 33

In February 2019, Supreme Court of India in its judgement opined on the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and therefore has currently not considered any probable obligations for past periods. Accordingly, the Company has made a provision for provident fund contribution from the date of the Supreme Court order.

NOTE NO. 34

The Board has recommended a dividend of Rs.1.20 per equity share, subject to the approval of shareholders of the company at the forthcoming Annual General Meeting.

NOTE NO. 35 - EVENT OCCURRING AFTER THE REPORTING PERIOD

No material events have occurred between the Balance sheet date and before the approvals of financials statements by Board of Directors.

NOTE NO. 36 - APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the group were approved by the Board of Directors and authorised for issue on May 14, 2020.

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Ashok Sharma
Managing Director
DIN-2766679
Place : Mumbai

Anand Daga
Director
DIN-696171
Place : Nashik

Kedar Raje
Partner

Abhijit Page
Chief Executive Officer
Place : Nashik

Sunetra Ganesan
Chief Financial Officer
Place : Nashik

R. V. Nawghare
Company Secretary
Place : Nashik

Place : Mumbai
Date : May 14, 2020

Date: May 14, 2020

Form AOC-1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	-
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	-
4.	Share capital	-
5.	Reserves & surplus	-
6.	Total assets	-
7.	Total Liabilities	-
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	-
11.	Provision for taxation	-
12.	Profit after taxation	-
13.	Proposed Dividend	-
14.	% of shareholding	-

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations - Not Applicable
- Names of subsidiaries which have been liquidated or sold during the year - Not Applicable

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Mahindra Top Greenhouses Private Limited
1. Latest audited Balance Sheet Date	31-03-2020
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	18,00,000.00
Amount of Investment in Associates/Joint Venture	1,80,00,000.00
Extend of Holding %	60%
3. Description of how there is significant influence	Joint Venture
4. Reason why the associate/joint venture is not consolidated	Consolidated
5. Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. In Lakhs)	140.37
6. Profit / Loss for the year (Rs. In Lakhs)	(41.11)
i. Considered in Consolidation	(24.67)
ii. Not Considered in Consolidation	(16.44)

- Names of associates or joint ventures which are yet to commence operations - Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year - Not Applicable

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For and on behalf of the Board of Directors

Ashok Sharma
 Managing Director
 DIN-2766679
 Place : Mumbai

Anand Daga
 Director
 DIN-696171
 Place : Nashik

Abhijit Page
 Chief Executive Officer
 Place : Nashik

Sunetra Ganesan
 Chief Financial Officer
 Place : Nashik

R. V. Nawghare
 Company Secretary
 Place : Nashik

Date: May 14, 2020

FORMAT FOR FURNISHING THE PAN AND BANK DETAILS

To
 KFin Technologies Private Limited
 Selenium, Tower B, Plot 31-32,
 Gachibowli, Financial District, Nanakramguda,
 Hyderabad - 500 032

Dear Sir,

Unit: MAHINDRA EPC IRRIGATION LIMITED

I/ We furnish below my/our folio details along with PAN and/or Bank account details for updation and confirmation of same in the records. **I/we are enclosing the self-attested copies of PAN card(s) of all the holders, original cancelled cheque leaf showing the name of the account holder / original cancelled cheque along with self attested copy of the pass book first page or Bank account statement duly attested by the Bank, showing name of the account holder and address proof viz., self attested copy of Aadhaar cards of all the holders, as required for updation of the details:**

Folio No.	
Address of the first named shareholder as per the share certificate	
Mobile No.	
E-Mail id	

Bank Account Details : (for electronic credit of unpaid dividends and all future dividends)									
Name of the Bank									
Name of the Branch									
Account Number (as appearing in your cheque book)									
Account Type (Saving / Current / Cash Credit)	Saving			Current			Cash Credit		
9 Digit MICR Number (as appearing on the MICR cheque issued by the bank)									
11 Digit IFSC Code									

	PAN No	Name	Signature
First Holder :			
Joint Holder 1 :			
Joint Holder 2 :			

Date:

Place:

Notes:

1. Ensure that all the required details are filled in this form including folio no. and details of all joint-holder(s).
2. Ensure that supporting documents attached with the application are self-attested by respective holder(s).
3. Ensure that details filled in this form match with supporting documents provided.
4. Ensure that this form is signed by all the holder(s) of the share(s) as per folio.

FIN-DRIP
TECHNOLOGY
FLAT INLINE DRIPPER

MAKES CROPS STRONGER FROM WITHIN.



Inline PC Inline OD LPC

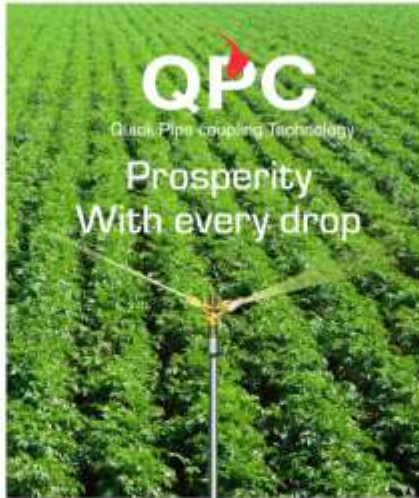
The Irrigation technology that brings prosperity to farmers.



QPC

Quick Pipe Coupling Technology

Prosperity
With every drop



Nozzle

Nozzle

GPC Bend

GPC Pump Connector

GPC Tee



EPC GRO HOUSE

A TRUSTWORTHY PARTNER
THAT BRINGS PROSPERITY
TO FARMERS



**TRUST AND
TECHNOLOGY**
GET BEST OF BOTH THE WORLDS



LANDSCAPE
IRRIGATION SYSTEMS



Mahindra Group

Fineflo
by Mahindra

LIFE LINE OF
YOUR FARM



Smartflo
by Mahindra

SMART IRRIGATION SYSTEM

SENSOR-BASED IRRIGATION CONTROLLER

TEMPERATURE



HUMIDITY

RAIN DETECTION



SOIL MOISTURE

TIME & VOLUME BASED IRRIGATION CONTROLLER



Affordable Automation
Controllers and Solutions



Samriddhi



A Mahindra Group Company

Mahindra EPC Irrigation Limited

Plot No. H-109, MIDC Ambad, Nashik 422010 Maharashtra, India.

Tel.: No. +91 0253 238 1081/ 82, 6642000

Email : info@mahindrainirrigation.com Web : www.mahindrainirrigation.com

CIN NO.:L25200MH1981PLC025731