Mahindra
Rise.

Samriddhi

A Mahindra Group Company

Mahindra EPC Irrigation Limited

(Formerly known as EPC Industrié Limited)

37th ANNUAL REPORT 2018-19

TMW
The Mahindra Way

Mahindra EPC receiving trophy at Annual Mahindra Rise Award for getting Stage-3 in first year of The Mahindra Way (TMW) Assessment for Business Excellence.

THE MAHINDRA WAY

RISE AWARDS 2018

HAPPY FARMERS THROUGH PRECISION AND SUSTAINABLE FARMERS SOLUTIONS

COMPANY NAME	**MAHINDRA EPC IRRIGATION LIMITED** **(Formerly known as EPC Industrié Limited)**
BOARD OF DIRECTORS	Ashok Sharma – Managing Director S. Durgashankar Sangeeta Prasad Nikhilesh Panchal Anand Daga Vinayak Patil
CHIEF EXECUTIVE OFFICER	Sanjeev Mohoni
CHIEF FINANCIAL OFFICER	Sunetra Ganesan
COMPANY SECRETARY	Ratnakar Nawghare
AUDITORS	Deloitte Haskins & Sells, Chartered Accountants
BANKERS	YES Bank Ltd. HDFC Bank Ltd.
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, Nagpur, Raipur, Vadodara
REGISTRARS & TRANSFER AGENTS	Karvy Fintech 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

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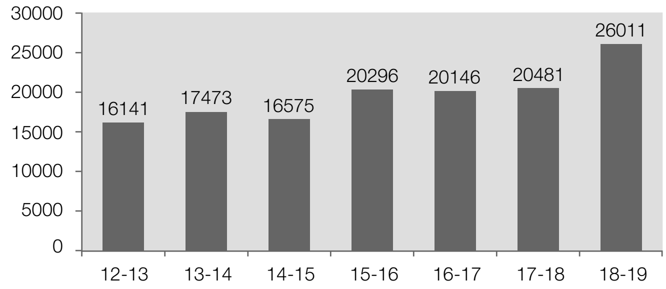
Financial Highlights

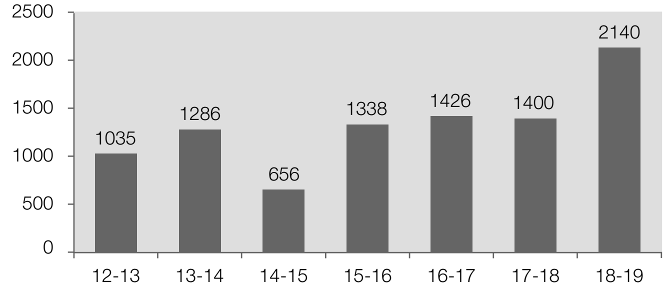
Sales

Rs. in Lakhs



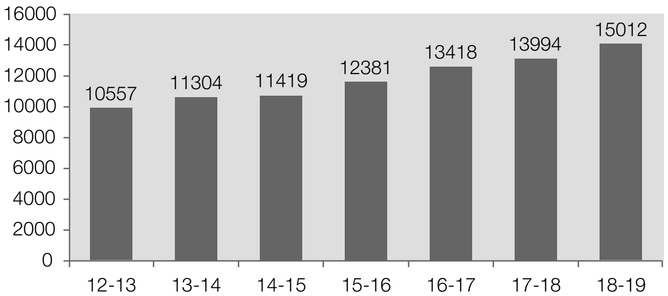
EBIDTA

Rs. in Lakhs



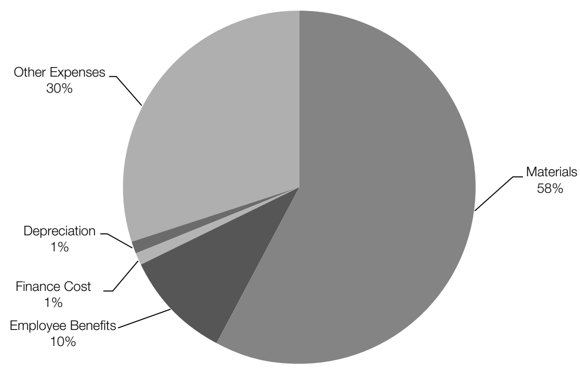
Shareholders' Fund

Rs. in Lakhs



Distribution of Income

In %



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

Financial Highlights

Rs. in Lakhs

	2018-19	2017-18
Sales	**26,011.0**	20,480.7
Other Income	**105.5**	179.4
Total Revenue	**26,116.5**	20,660.0
Profit Before Tax	**1,694.1**	1,036.4
PBT as a % to Sales	**6.5**	5.1
Profit After Tax	**1,144.4**	493.9
PAT as % of Sales	**4.4**	2.4
Earning per Share (Rs.)		
Basic	**4.13**	1.78
Diluted	**4.11**	1.77

Working Results at a Glance

Rs. in Lakhs

Year	**2018-19**	2017-18	**2016-17**	**2015-16**	**2014-15**	**2013-14**	**2012-13**
Sales	**26,011.0**	20,480.7	20,146.5	20,295.7	16,575.1	17,472.5	16,140.8
EBDITA	**2,140.2**	1,400.4	1,425.6	1,338.2	656.3	1,285.7	1,035.2
Interest	**139.2**	50.1	152.9	46.0	119.6	235.3	246.4
Depreciation	**306.9**	313.9	304.8	265.5	269.4	279.4	254.6
Profit Before Tax	**1,694.1**	1,036.4	967.9	1,026.7	267.3	771.0	534.2
Tax	**549.7**	542.5	(22.6)	152.2	88.0	–	–
Profit After Tax	**1,144.4**	493.9	990.5	874.5	179.3	771.0	534.2
Earning per Share (Rs.)	**4.13**	1.78	3.58	3.16	0.65	2.79	2.01

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

NOTICE

NOTICE is hereby given that the 37th Annual General Meeting ("AGM") of the Members of MAHINDRA EPC IRRIGATION LIMITED ("Company") will be held at the Registered Office of the Company at Plot No. H-109, MIDC Ambad, Nashik-422 010 on Tuesday, 23rd July, 2019 at 2.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statement (including Audited Consolidated Financial Statement) of the Company for the Financial Year ended 31st March, 2019 and the Reports of the Board of Directors of the Company (the "Board of Directors") and Auditors thereon.
2. To declare a dividend on Equity Shares.
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. **Ratification of Remuneration of Cost Auditors**

   To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 148, of the Companies Act, 2013 (the "Act"), the Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions of the Act and the rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), Messrs Shilpa and Company, Cost Accountants, Nashik appointed as Cost Auditor by the Board of Directors of the Company, for conducting the cost audit of the Company for the Financial Year 2018-19, if applicable, at a remuneration of Rs. 1,60,000 (Rupees One Lac Sixty Thousand Only) plus applicable taxes and out of pocket expenses be and is hereby approved."

5. **Re-appointment of Mr. Anand Daga as an Independent Director**

   To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Special 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 and the 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], Mr. Anand Daga (holding DIN 00696171), Director of the Company who was appointed as an Independent Director of the Company at the 32nd Annual General Meeting of the Company and who holds office of the Independent Director upto the conclusion of 37th Annual General Meeting and who is eligible for being re-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, be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from 24th July, 2019 to 23rd July, 2024."

6. **Re-appointment of Mr. Nikhilesh Panchal as an Independent Director**

   To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Special 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 and the 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], Mr. Nikhilesh Panchal (holding DIN 00041080), Director of the Company who was appointed as an Independent Director of the Company at the 32nd Annual General Meeting of the Company and who holds office of the Independent Director upto the conclusion of 37th Annual General Meeting and who is eligible for being re-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, be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from 24th July, 2019 to 23rd July, 2024."

By Order of the Board

Ratnakar Nawghare
Company Secretary

Registered Office:

Plot No.H-109, MIDC Ambad,
Nashik- 422 010
Tel: (0253) 2381081/82/83, 6642000

CIN: L25200MH1981PLC025731
e-mail: info@mahindrairrigation.com
website: www.mahindrairrigation.com

Mumbai, 30th April, 2019

NOTES

A. Explanatory Statement as required under section 102(1) of the Companies Act, 2013 is annexed hereto.

Messrs. Deloitte Haskins and Sells, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 35th Annual General Meeting held on 29th July, 2016. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Companies Act, 2013 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, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.

B. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS A PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

C. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.

No instrument of proxy shall be valid unless:

i) it is signed by the member or by his / her attorney duly authorised in writing or, in the case of joint holders, it is signed by the member first named in the register of members or his / her attorney duly authorised in writing or, in the case of body corporate, it is executed under its common seal, if any, or signed by its attorney duly authorised in writing; provided that an instrument of proxy shall be sufficiently signed by any member, who for any reason is unable to write his/her name, if his / her thumb impression is affixed thereto, and attested by a judge, magistrate, registrar or sub-registrar of assurances or other government gazette officers or any officer of a Nationalised Bank;

ii) it is duly stamped and deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting i.e. by 2.30 p.m. on 23rd July, 2019, together with the power of attorney or other authority (if any), under which it is signed or a copy of that power of attorney certified by a notary public or a magistrate unless such a power of attorney or the other authority is previously deposited and registered with the Company / Registrar & Share Transfer Agent.

D. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on its behalf at the Meeting.

E. Members / proxies are requested to bring duly filled attendance slips sent herewith to attend the Meeting.

F. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are Karvy Fintech Private Limited, Karvy Selenium, Tower B, Plot no. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana-500 032.

G. The Register of Members and Transfer Books of the Company will be closed from 19th July, 2019 to 23rd July, 2019 (both days inclusive).

H. The dividend, if declared at the AGM, would be paid / dispatched after 23rd July, 2019 to those Shareholders or their mandates:

(i) whose names appear as Beneficial Owners at the end of the business hours on Friday, 19th July, 2019 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and

(ii) whose names appear as Members in Registrar of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/ its Registrar and Transfer Agents on or before Friday, 19th July, 2019.

I. Members can avail of the facility of nomination in respect of the Shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Karvy Fintech Private Limited at the above mentioned address. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.

J. The Securities and Exchange Board of India ("SEBI") 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.

K. 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 and thus prevent fraudulent encashment.

L. 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. 3.11 lacs being unclaimed/unpaid dividend of the Company for the financial year ended 31st March, 2018. Members, who have not encashed the dividend warrants so far in respect of the aforesaid period, are requested to make their claim to Karvy at the earliest.

M. Pursuant to sections 101 and 136 of the Companies Act, 2013 read with the rules framed there under, the Notice calling this AGM alongwith the Annual Report 2018-19 would be sent by electronic mode to those Members whose e-mail addresses are registered with the Depository or the Company's Registrar and Transfer Agents, unless the Members have requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies would be sent by permitted mode.

Members are requested to support this Green Initiative by registering/ updating their e-mail address, with the Depository Participant (in case of shares held in dematerialised form) or with Karvy Fintech Private Limited (in case of shares held in physical form).

N. Members are requested to:

i) intimate to the Company's Registrar and Transfer Agents, Karvy Fintech Private Limited, at the above mentioned address, changes, if any, in their registered addresses at an early date, in case of shares held in physical form;

ii) intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of shares held in dematerialised form;

iii) quote their folio numbers/Client ID/DP ID in all correspondence; and

iv) consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.

O. 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.

P. 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.

Q. 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.

R. Electronic copy of the Notice of this AGM of the Company inter alia indicating the process and manner of e-voting alongwith Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of this AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

S. 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.

T. Members may also note that the Notice of this AGM and the Annual Report for 2019 will also be available on the Company's website www.mahindrairrigation.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Nashik, for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post at free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: rvnawghare@ mahindrairrigation.com

U. The route map of the venue of the AGM forms part of this Notice and is published elsewhere in the Annual Report of the Company.

V. 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.

W. Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at this AGM by electronic means and the business may be transacted through e-Voting Services provided by Karvy Fintech Private Limited.

The instructions for e-voting are as under:

A. In case a Member receives an email from Karvy Fintech Private Limited [for members whose email IDs are registered with the Company/Depository Participant(s)]

(i) Launch an internet browser and open https:// evoting.karvy.com

(ii) Enter the login credentials i.e. User ID and password, provided in the email received from Karvy Fintech Private Limited. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

(iii) After entering the above details, click on–Login.

(iv) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z),one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.) The system will also prompt you to 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. After changing the password, you need to login again with the new credentials.

(v) On successful login, the system will prompt you to select the E-Voting Event

(vi) Select 'EVENT' of Mahindra EPC Irrigation Limited - AGM and click on - Submit

(vii) Now you are ready for e-voting as 'Ballot Form' page opens.

(viii) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.

(ix) Upon confirmation, the message 'Vote cast successfully' will be displayed.

(x) Once you have confirmed your vote on the resolution, you cannot modify your vote.

(xi) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at cssujata.rajebahadur@gmail.com or evoting@ mahindrairrigation.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."

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy]:

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (E Voting Event Number) USER ID PASSWORD

(ii) Please follow all steps from Sl. No. (A)(ii) to Sl. No. (A)(xi) above, to cast vote.

I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual available in the Downloads section of the e-voting website of Karvy Fintech Private Limited https://evoting.karvy.com or Mr. Prem Kumar M. Manager, Karvy at Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana-500 032 or at the email i.d.evoting@ karvy.com or on phone No.: 040-67161500 or call Karvy's toll free number 1800-3454-001 for any further clarifications.

II. Members who have acquired shares after dispatch of the Annual Report and before the book closure may obtain the user ID and password by sending a request at evoting@karvy.com

III. If you are already registered with Karvy for e-voting then you can use your existing user ID and password for casting your vote.

If you have forgotten your password, you can reset your password by using "Forgot Password" option available on https://evoting. karvy.com or contact Karvy Fintech Private Limited at toll free no. 1800-3454-001 or email at evoting@karvy.com

IV. The e-voting period commences on 20th July, 2019 (9:00 a.m.) and ends on 22nd July, 2019

(5:00 p.m.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 18th July, 2019, may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 18th July, 2019.

VI. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

VII. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.mahindrairrigation.com and on the website of Karvy Fintech Private Limited within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

VIII. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 a.m. to 5.00 p.m.) on all working days except Sundays up to and including the date of this AGM of the Company.

By Order of the Board

Ratnakar Nawghare
Company Secretary

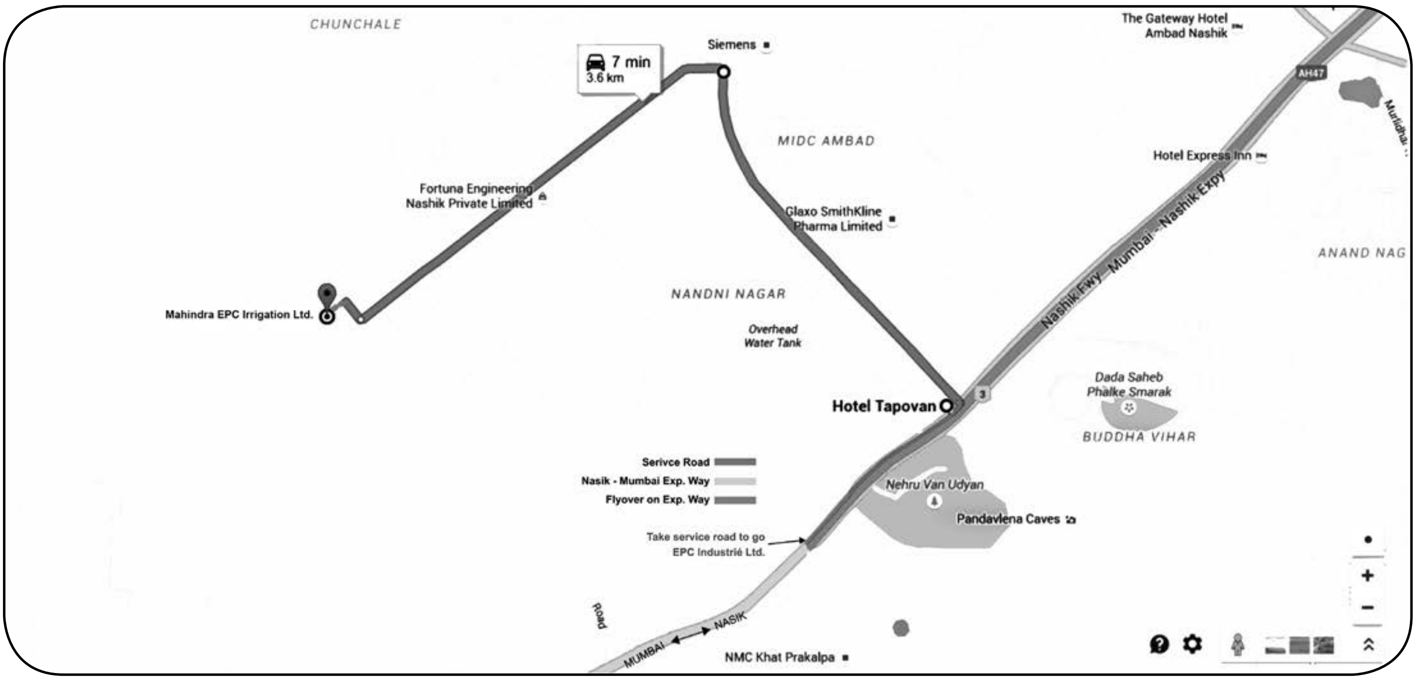
Registered Office:

Plot No. H-109, MIDC Ambad,
Nashik-422010
Tel: (0253) 2381081/82/83, 6642000

CIN: L25200MH1981PLC025731
e-mail: info@mahindrairrigation.com
website: www.mahindrairrigation.com

Mumbai, 30th April, 2019

Route Map to the Venue of the AGM



Additional Information with respect to Item No. 3

Mr. S. Durgashankar (DIN: 00044713) age 59 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 - Mergers and Acquisitions, Corporate Accounts and Corporate Secretarial of Mahindra & Mahindra Ltd., and has rich experience of over 35 years in the areas of 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. Mr. S Durgashankar's first appointment on the Company's Board was on 5th August, 2011.

During the year 1st April, 2018 to 31st March, 2019, four Board Meetings were held out of which Mr. S Durgashankar had attended three Board Meetings.

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

i) Mahindra Integrated Business Solutions Private Limited

ii) Mahindra HZPC Private Limited

iii) Swaraj Engines Limited

iv) Mitsubishi Mahindra Agricultural Machinery Co., Ltd.,

v) Mahindra Vehicle Manufacturers Limited

vi) Mahindra Agri Solutions Limited

vii) Mahindra Automotive Mauritius Limited

viii) Mahindra Holdings Limited

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
1	Mahindra EPC Irrigation Limited	Audit Committee	Member
		Nomination and Remuneration Committee	
		Corporate Social Responsibility Committee	
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	Member
		Risk Management Committee	Member
		Committee of Directors for Borrowing	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 in respect of the Special Business pursuant to section 102 of the Companies Act, 2013

Item No. 4

The Board of Directors, at its Meeting held on 30th April, 2019, upon the recommendation of the Audit Committee, approved the appointment of Messrs Shilpa and Company, Cost Accountants having Firm Registration Number 100558, as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the Financial Year ending 31st March, 2020, 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. 4 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, 2020.

None of the Directors, 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.

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

Item No. 5 and 6

Mr. Anand Daga and Mr. Nikhilesh Panchal were appointed as Independent Directors on the Board of Directors pursuant to the provisions of section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchange, by the Shareholders at the 32nd Annual General Meeting of the Company held on 31st July, 2014. They hold office as Independent Directors of the Company up to the conclusion of this Meeting ("first term" in line with the explanation to section 149(10) and 149(11) of the Act).

Brief details of Mr. Anand Daga and Mr. Nikhilesh Panchal are mentioned below:

- Mr. Anand Daga

Mr. Anand Daga has completed 47 years of age. Mr. Anand Daga holds Bachelor's Degree in Commerce and he is a Practising Chartered Accountant since 1994 and is a Partner in Messrs. Daga & Chaturmutha, Chartered Accountants, Nashik/ Mumbai. Mr. Daga is also a Member of the Institute of Cost and Works Accountants of India, Kolkata and a Fellow Member of the Institute of Chartered Accountants of India, New Delhi. He was an All India Merit Ranker in CA Exams in 1994.

Mr. Daga possesses varied experience of 23 years in the areas of Taxation, Audit, Finance, Corporate Strategic Planning / Restructuring Advisory Services, Mergers and Acquisitions, etc.

Mr. Daga was first appointed as a Director on the Board of the Company on 5th August, 2011.

Mr. Daga is on the Board of MSS India Private Limited. Mr. Anand Daga is the Member of Audit Committee and Risk Management Committee and the Chairman of Nomination and Remuneration Committee of the Company.

Mr. Daga holds 2500 Equity Shares through HUF and 2000 Shares jointly with his spouse in the Company.

Mr. Anand Daga had attended all four Board Meetings in the Financial Year 2018-2019. Mr. Anand Daga 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 Mr. Anand Daga during the Financial Year 2018-19 is Rs. 2.80 lacs. The commission paid to him in Financial Year 2017-2018 is Rs. 3.45 lacs. For Financial Year 2018-19, Commission payable to Mr. Daga will be Rs. 5.00 lacs.

- Mr. Nikhilesh Panchal

Mr. Nikhilesh Panchal has completed 52 years of age. Mr. Nikhilesh Panchal is currently working as a Partner in Khaitan & Company, Solicitors and Advocates, Mumbai. Mr. Panchal has a Bachelor's Degree in Commerce and Law and has done Master's Degree in Law (L.L.M.) and he is a Solicitor.

Mr. Panchal has rich experience in acquisitions, takeover and mergers, foreign collaborations and joint venture transactions. He also has expertise on procedures under Foreign Exchange Management Act, 1999 and Corporate Law, intellectual property rights, commercial litigations. He has also been involved in contract negotiations and regularly advises on structuring, acquisitions, joint ventures and corporate and commercial matters.

Mr. Nikhilesh Panchal was first appointed as a Director on the Board of the Company on 5th August, 2011.

Mr. Nikhilesh Panchal is on the board of following Companies:

i) Bristlecone India Ltd.

ii) Uniliver India Exports Ltd.

iii) Lakme Lever Private Ltd.

iv) MSL Driveline Systems Ltd.

v) Gromex Agri Equipment Ltd.

vi) NRB Industrial Bearings Ltd.

Mr. Nikhilesh Panchal is the member of Audit Committee of Mahindra Ugine Steel Company Limited and the member of Stakeholders Relationship Committee of the Company.

Sr. No.	Name of the Company	Name of the Committee	Position held
1	Bristlecone India Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Chairman
		Corporate Social Responsibility committee	Member
2	Uniliver India Limited	Audit Committee	Chairman
		Nomination and Remuneration Committee	Member
		Corporate Social Responsibility committee	Member
3	Lakme Lever Private Limited	Audit Committee	Chairman
		Nomination and Remuneration Committee	Member
4	Gromax Agri Equipment Limited	Audit Committee	Chairman
		Nomination and Remuneration Committee	Member
5	NRB Industrial Bearings Ltd.	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Stakeholders Relationship Committee	Member

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

Mr. Nikhilesh Panchal had attended all four Board Meetings in the Financial Year 2018-2019. Mr. Panchal 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 Mr. Nikhilesh Panchal during the Financial Year 2018-19 is Rs. 1.80 lacs. The commission paid to him in Financial Year 2017-2018 is Rs. 3.45 lacs. For Financial Year 2018-19, Commission payable to Mr. Panchal will be Rs. 5.00 lacs.

The Nomination and Remuneration Committee at its Meeting held on 30th April, 2019 on the basis of performance evaluation of Independent Directors and taking into account the external business environment, the business knowledge, acumen, experience and the significant contribution made by Mr. Anand Daga and Mr. Nikhilesh Panchal during their tenure, has recommended that continued association of Mr. Anand Daga and Mr. Nikhilesh Panchal would be beneficial to the Company.

Based on the above and the performance evaluation in terms of various criteria of Independent Directors, the Board recommends the re-appointment of Mr. Anand Daga (DIN: 00696171) and Mr. Nikhilesh Panchal (DIN: 00041080), as Independent Directors of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years on the Board of the Company commencing from 24th July, 2019 to 23rd July, 2024.

Copy of the draft letters of appointment of Mr. Anand Daga and Mr. Nikhilesh Panchal setting out terms and conditions of appointment is available for inspection by the Members in physical or electronic form at the Registered office of the Company between 10.00 a.m. to 12.00 noon, on all working days (except Saturdays, Sundays and Public Holidays), up to the date of the Annual General Meeting.

Mr. Anand Daga and Mr. Nikhilesh Panchal are not disqualified from being appointed as Directors in terms of section 164 of the Companies Act, 2013 and have given their consent to act as Directors. The Company has received declarations from Mr. Anand Daga and Mr. Nikhilesh Panchal stating that they meet 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").

In the opinion of the Board, Mr. Anand Daga and Mr. Nikhilesh Panchal, fulfil the conditions for re-appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Regulations. Mr. Anand Daga and Mr. Nikhilesh Panchal are independent of the management.

The Company has received notices in writing from a Member under section 160 of the Act, proposing the candidature of Mr. Anand Daga and Mr. Nikhilesh Panchal, for the office of Director of the Company.

Save and except Mr. Anand Daga and Mr. Nikhilesh Panchal, and their relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, KMP of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item Nos. 5 and 6 of the Notice. None of the Directors and KMP of the Company are inter-se related to each other.

The Board commends the Special Resolutions set out at Item Nos. 5 and 6 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

30th April, 2019

DIRECTORS' REPORT

Your Directors are pleased to present the 37th Annual Report on business and operations of your Company Report alongwith the audited financial statements and accounts for the year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS

Highlights for the financial year are as under:

(Rs. in Crores)

	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018*
Revenue from Operations	**260.11**	204.81
Other Income	**1.06**	1.79
Total Income	**261.17**	206.60
Profit Before Interest, Depreciation & Tax	**21.40**	14.00
Finance Cost	**1.39**	0.51
Depreciation	**3.07**	3.14
Profit Before Tax	**16.94**	10.36
Tax expense	**5.50**	5.49
Profit After Tax	**11.44**	4.94
Other Comprehensive Income/ (loss) for the year	**(0.07)**	0.01
Profit for the year attributable to owners of the Company	**11.37**	4.95

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

Operations and Financial Overview

In this challenging environment, your Company delivered a strong performance. During the year under review, your Company's turnover was at Rs. 260.11 Crores as compared to Rs. 204.8 Crores for the previous year reflecting a growth of 27% over previous year.

The Company made a Profit Before Tax of Rs. 16.94 Crores for the year 2018-19 as compared to Rs. 10.4 Crores in the previous year reflecting a growth of 62.88%. The Profit After Tax was at Rs. 11.44 Crores as compared to Rs. 4.9 Crores in the previous year.

The year under review, saw amplifying growth in Micro Irrigation System in agriculture across all project market. The effective implementation of Pradhan Mantri Krishi Sinchai Yojana ("PMKSY Scheme") has brought more than 10 million hectares of land under irrigation during the year. The increasing awareness of micro irrigation amongst the farmer community and increasing allocation for micro irrigation under the PMKSY Scheme helped creation of steady demand for MI system. States like Andhra Pradesh, Chhattisgarh, Gujarat, Karnataka, Tamilnadu and Telangana have accelerated their implementation of Micro Irrigation projects.

The penetration of micro irrigation in different States is different and the average penetration at all India level is at around 7% 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 10% i.e. Rs. 1.00 per equity share of Rs.10 each for the year ended on 31st March, 2019 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. 3.34 Crores (inclusive of tax on dividend) as against Rs. 1.67 Crores comprising the dividend of Rs. 0.50 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.

Change of Name of the Company

The Company is in the business of manufacture and sale of Micro Irrigation Equipment and Systems. In order that the name of the Company reflects this in a clear and concise manner, during the year under review, the name of the Company has been changed to 'Mahindra EPC Irrigation Limited' with effect from 28th February, 2019.

Joint Venture

During the year under review, your Company has entered into Joint Venture arrangements with TOP Greenhouses Limited, Israel to set up Mahindra Top Greenhouses Private Limited for the Geenhouse / Polyhouse business. It will provide an opportunity for both Joint Venture partners to draw on the strengths of each other and grow protected cultivation business by providing access to 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 an important method to raise agricultural productivity in the country.

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 35,871 nos. of Stock Options got vested under the ESOS and were exercised immediately after vesting. Accordingly, the Company made the allotment of 35,871 Equity Shares.

The Nomination and Remuneration Committee of the Board of Directors further granted 80,110 Stock Options during the year under review, comprising about 0.28% of the current paid up capital.

The applicable disclosures as stipulated under the SEBI Guidelines as on 31st March, 2019 (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 35,871 equity shares on exercising of Stock Options by employees, the total paid up equity share capital of the Company increased from 2,77,09,950 equity shares of Rs. 10 each to 2,77,45,821 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. 27,74,58,210 divided into 2,77,45,821 equity shares of Rs. 10 each as on 31st March, 2019.

Holding Company

The promoters of the Company i.e. Mahindra and Mahindra Limited ("M & M") hold 1,51,44,433 equity shares which represent 54.58% 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 approval of the Committee.

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 no single incidence of accident for the last 1625 days.

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.

Directors and Key Managerial Personnel

a) 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 on 31st March, 2019:

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

* The Board of Directors in the meeting held on 30th April, 2019 re-appointed Mr. Sanjeev Mohoni as Chief Executive Officer.

b) Directors

Pursuant to the provisions of Section 149 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.

The first term of five years of all three independent directors would be expiring on the conclusion of this ensuing Annual General Meeting and Mr. Anand Daga and Mr. Nikhilesh Panchal, independent directors would retire, and being eligible have offered themselves for reappointment for a further period of five years.

Mr. Vinayak Patil would cease to hold office as an independent director from the conclusion of the ensuing Annual General Meeting, upon completion of his tenure as approved by the shareholders at 32nd Annual General Meeting and the Resolution dated 8th February, 2019 passed by Postal Ballot for continuation of his current term on attaining age of 75 years.

Mr. Vinayak Patil was appointed as a director on the Board of Directors on 8th July, 2003. He has made significant contributions towards effective functioning of the Board of Directors and has been acting as the chairman of the Audit Committee and Stakeholders Relationship Committee and member of Corporate Social Responsibility Committee of the Company.

The Board of Directors places on record its sincere appreciation and recognition of the valuable contribution and services rendered by Mr. Vinayak Patil during his tenure as a Director on the Board of Directors of the Company.

The Nomination and Remuneration Committee, based on the policy formulated to determine the criteria for determining qualifications, positive attributes and independence of a director, as required under Section 178(4) of the Companies Act, 2013 and on the basis of performance evaluation of independent directors and taking into account business knowledge, experience and the significant contribution made by Mr. Anand Daga and Mr. Nikhilesh Panchal during their tenure, has recommended to the Board of Directors that continued association of Mr. Anand Daga and Mr. Nikhilesh Panchal as independent directors of the Company would be beneficial to the Company. Based on the above and performance evaluation of independent director, the Board of Directors recommends re-appointment of Mr. Anand Daga and Mr. Nikhilesh Panchal as independent directors of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years on the Board of Directors of the Company. The Company has received the requisite Notices from a member in writing proposing their appointment as independent directors.

The Company has received declarations from all the eligible independent directors of the Company as prescribed both under the Act and the LODR Regulations.

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. 3.45 lakhs each for the year 2017-18.

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, 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 3rd May, 2018.

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:

a) Policy on Appointment of Directors and Senior Management and Succession Planning for Orderly Succession to the Board of Directors and the Senior Management.

b) Policy for Remuneration of the Directors, Key Managerial Personnel and other employees.

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:

a) in the preparation of the annual accounts for the year ended 31st March, 2019, 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, 2019 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.

Corporate Social Responsibility Committee

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.

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.
- Disaster Response: Managing and responding to disaster.

During the year under review, your Company initiated few projects such as supply of drinking water pipe line, upgradation of the toilet facilities of a school in the rural area, medical check-up camps. These projects were mainly implemented directly through employee participation.

During the year under review, the Company has spent Rs. 20.47 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 and the Rules framed thereunder.

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

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, and hence the Company is not proposing an item on ratification of appointment of Auditors at the ensuing AGM.

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 2017-18 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 Shilpa & Company, Cost Accountants, as the Cost Auditors of the Company for the financial year 2019-20. M/s Shilpa & 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 2019-2020. 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, 2019 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 remark or disclaimer.

Public Deposits & Loans / Advances

During the year, the Company did not accept any fixed deposit. There were unclaimed/unpaid deposits and unclaimed/unpaid interest warrants outstanding as on 31st March, 2019 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:

Audit Committee

The Audit Committee comprises Independent Directors namely M/s. Vinayak Patil (Chairman), S Durgashankar and Anand Daga 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 Vinayak Patil as other members.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises Directors namely M/s. Anand Daga (Chairman), S Durgashankar and Vinayak Patil as other members.

Meetings of the Board of Directors

Four meetings of the Board of Directors were held during the year. For further details, please refer the Report on Corporate Governance of this Report.

Extract of Annual Return

Pursuant to Sub-section 3(a) of Section 134 and Sub-section 3 of Section 92 of the Act, read with Rule 12(1) of the Companies (Management and Administration) Rules 2014, the extracts of Annual Return of the Company as on 31st March, 2019 is annexed herewith and marked as Annexure IX to this Report.

General

Your Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

Further, 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 Act.
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 had 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 Rules of 2014 are annexed to this Report and marked as Annexure III (B) and (C). In accordance with the provisions of Section 136 of the Act, this 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

Vinayak Patil	**Ashok Sharma**
Director	Managing Director

Place : Mumbai
Dated: 30th April, 2019

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 business vertical 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.

The Company is engaged in the business of manufacturing Irrigation systems. 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 products

Overview

India's population stands at 1.3 bn 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 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.

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.

According to UNFAO report, India's water resources, particularly in the context of agriculture, are facing extreme stress. 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 users. 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 key to sustaining 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 is 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 proved to deliver 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 fastest 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, 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 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 equipments, by applications of micro irrigation system and by organizational structure of the industry. It has been further segmented into project market and open market.

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 needed technology.

Water scarcity is the most important driving factor of the Micro Irrigation 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 other major contributor to this market is growing pollution levels due to which the water level has declined and in the near future this trend is expected to continue.

The long term outlook of Micro Irrigation Industry is 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 2018-19, your Company achieved Sales Turnover of Rs. 260.11 Crores as compared to Rs. 204.81 Crores in the preceding year reflecting an impressive growth 27%. The Profit after Tax was at Rs. 11.44 Crores as compared to Rs. 4.94 Crores reflecting 132% growth over the previous year. 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 control measures and effective working capital management.

During the year under review, the Company has introduced new series affordable automation products under the brand “Smartflo” sensing temperature, humidity, soil moisture and rain detection. The innovative product namely Drip tape which provides effective and desired wetting pattern to the crop resulting into improvement of yield.

In line with the policy of going near to customer, the Company has further initiated setting up of a plant in Tamilnadu on contract manufacturing model. This imminence to customer would immensely benefit the Company delivering MI in time and 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, success stories, Agri Village and agronomical services for farmers to improve farm productivity. These value added services will certainly help enhancement in number of farmers to achieve Farm Tech Prosperity.

During the year under review, the Company has achieved ‘the Mahindra way (TMW)’ which indicates business excellence in various business processes. The Company continues to focus 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. However, this concern gets addressed with the well spread operations in different States, where monsoon months vary, the Company’s operations are balanced to certain extent.

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 been accelerated by various State Governments and many States implemented releasing subsidies online. In order to increase affordability of MI systems, many MI manufacturers have been selling Thin Wall drip systems for farmers holding small land. Lately, this is becoming popular amongst small farmers.

The demand of MI systems in agriculture will not diminish, it will indeed increase exponentially. Even though surface irrigation will still dominate as the primary irrigation method with the current trends, 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.

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 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, various training programme, increasing productivity of sales force through building crop specific capability, 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 continues to receive the highest priority.

As on 31st March, 2019, the total number of employees in your Company was 353.

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.

<table>
<tr><th colspan="3">Particulars</th><th colspan="2">Employees Stock Option Scheme, 2014</th></tr>
<tr><td>(a)</td><td colspan="2">Options granted</td><td colspan="2">3,08,323</td></tr>
<tr><td>(b)</td><td colspan="2">Options vested</td><td colspan="2">1,01,457</td></tr>
<tr><td>(c)</td><td colspan="2">Options exercised</td><td colspan="2">1,01,457</td></tr>
<tr><td>(d)</td><td colspan="2">The total number of shares arising as a result of exercise of option</td><td colspan="2">1,01,457</td></tr>
<tr><td>(e)</td><td colspan="2">Options lapsed</td><td colspan="2">37225</td></tr>
<tr><td>(f)</td><td colspan="2">Exercise price</td><td colspan="2">Rs. 10</td></tr>
<tr><td>(g)</td><td colspan="2">Variation of terms of options</td><td colspan="2">Nil</td></tr>
<tr><td>(h)</td><td colspan="2">Money realised by exercise of options</td><td colspan="2">Rs. 10,14,570</td></tr>
<tr><td>(i)</td><td colspan="2">Total number of options in force</td><td colspan="2">1,69,641</td></tr>
<tr><td>(j)</td><td colspan="2">Employee wise details of options</td><td colspan="2"></td></tr>
<tr><td></td><td>(i)</td><td>Key Managerial Personnel</td><td colspan="2">1) Sanjeev Mohoni – 45,000
2) Ratnakar Nawghare – 7,029 & 8,722</td></tr>
<tr><td rowspan="5"></td><td rowspan="5">(ii)</td><td rowspan="5">Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year</td><td>Year of Grant
2014</td><td>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</td></tr>
<tr><td>2015</td><td>1) G. Ragupathi – 3,228</td></tr>
<tr><td>2016</td><td>1) Padamkumar Gandhi – 7,896
<u>M & M Deputies</u>
1) Abhijit Page – 28,658
2) Milind Khapre – 22,320
3) Tejas Joshi – 9,972</td></tr>
<tr><td>2017</td><td>1) Sudheendra Katti – 3,432
2) Shivaji Sangle – 3,345</td></tr>
<tr><td>2018</td><td>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</td></tr>
<tr><td></td><td>(iii)</td><td>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</td><td colspan="2">Nil</td></tr>
</table>

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. 4.13 & Diluted Earnings per Share -Rs. 4.11 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.

	Options Grants Date	Exercise Price (Rs.)	Fair Value (Rs.)
(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	28th October, 2014 and 31st October, 2015, 22nd November, 2016 22nd November, 2017 28th 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 28th October, 2014, 31st October, 2015, 22nd November, 2016, 22nd November, 2017 and 28th 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.	5.97%
2	The percentage increase in remuneration of each Director, CEO,CFO & CS.	MD – Nil% CEO – 8% CFO – 8% 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 7.35%. 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 **353** permanent employees as on 31st March, 2019.
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 **6.7%** whereas the average percentage change in Non – Managerial employees is **5.2%** in 2018-19.
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 LTD.

"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.

Policy Statement

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

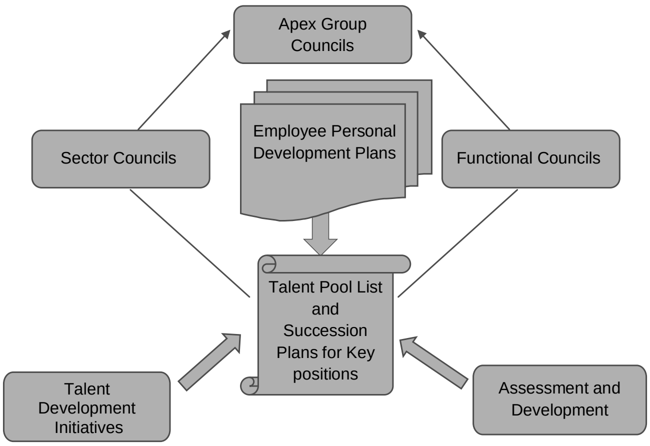
1) Given the strategic business plans, do we have the skills and competencies required to implement them? If not, how do we create them – by developing them internally or through lateral induction from outside?
2) For critical positions, what is the succession pipeline?
3) What are the individual development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

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 2018-19

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. 1010.34 lacs
3	Prescribed CSR expenditure (two percent of the amount mentioned in item 2 above)	Rs. 20.21 lacs
4	Details of CSR spent during the financial year	Rs. 20.47 lacs
5	Total amount to be spent for the financial year	Rs. 20.50 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	10,31,921	10,31,921	10,31,921	Through implementing agency
2	Nanhi kali	Education	K. C. Mahindra trust	10,15,000	10,15,000	10,15,000	Through implementing agency
	Total					20,46,921	

* 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

Vinayak Patil
Director

Ashok Sharma
Managing Director
& Chairman of CSR Committee

Place : Mumbai
Dated: 30th April, 2019

ANNEXURE VII TO DIRECTORS' REPORT
FORM NO. MR. 3
SECRETARIAL AUDIT REPORT
For The Financial Year Ended 31st March 2019

[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 our 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 31st March, 2019 ('**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 31st March, 2019 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 there under to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowing **(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;

(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) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 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

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

I further report that during the audit period no specific events / actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

Place : Pune
Date : 25-04-2019

Sachin Bhagwat
ACS No. 10189, CP No. 6029

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

Annexure A

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 my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whereever 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 : 25-04-2019

Sachin Bhagwat
ACS No. 10189, CP No. 6029

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, 2019

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.

(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)	
		2018-19	2017-18
(a)	Capital Expenditure	**Nil**	Nil
(b)	Recurring Expenditure	**539.24**	487
(c)	Total	**539.24**	487
(d)	Total R&D expenditure as a % of total turnover	**0.02**	0.02

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 :	**4,127.14**
Foreign exchange outgo :	**6,810.31**

For and on behalf of the Board

Vinayak Patil
Director

Ashok Sharma
Managing Director

Place : Mumbai
Dated: 30th April, 2019

ANNEXURE IX TO DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

[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:-		Karvy Fintech Private Limited 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	842400	96.6

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	54.58	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	0	0	0	0	0	0	0	0	0
a) Individual/HUF	15144433	0	15144433	54.65	15144433	0	15144433	54.58	0.07
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0

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	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-Total									
(A) (1) :-	**15144433**	**0**	**15144433**	**54.65**	**15144433**	**0**	**15144433**	**54.58**	**0**
(2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-Total									
(A) (2):-	**0**	**0**	**0**	**0.0**	**0**	**0**	**0**	**0.0**	**0**
Total shareholding of Promoter (A)=(A) (1)+(A)(2)	**15144433**	**0**	**15144433**	**54.65**	**15144433**	**0**	**15144433**	**54.58**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	526000	0	526000	1.90	200000	0	200000	0.72	(1.18)
b) Banks/FI	0	200	200	0.00	0	200	200	0.00	0
c) Central Govt(s)	0	0	0	0	0	0	0	0.00	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0	0	0	0	0.00	0
g) FIIs	0	0	0	0	0	0	0		0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0.00	0
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
Sub-total (B) (1):-	**526000**	**200**	**526200**	**1.90**	**200000**	**200**	**200200**	**0.72**	**(1.18)**
2. Non-Institutions									
a) Bodies corp.	1985348	4460	1989808	7.18	1721429	4360	1725789	6.22	(0.96)
i) Indian	0	0	0	0	0	0	0	0.00	0
ii) Overseas	0	0	0	0	0	0	0	0.00	0
b) Individuals									0
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	6067906	572010	6639916	23.96	6565093	532108	7097201	25.58	1.62
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	2833643	0	2833643	10.23	3064558	0	3064558	11.05	0.82
c) Others (specify)									0
CLEARING MEMBERS	113357	100	113457	0.41	19575	100	19675	0.00	(19675.00)
NBFC	5050	0	5050	0.02	3275	0	3275	0.00	(3275.00)
NON RESIDENT COMPANIES	0	500	500	0.00	0	500	500	0.00	(500.00)
NON RESIDENT INDIANS	203424	103600	307024	1.11	216551	99100	315651	0.00	(315651.00)

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	
NRI NON-REPATRIATION	143744	0	143744	0.52	168364	0	168364	0.00	(168364.00)
TRUSTS	6175	0	6175	0.02	6175	0	6175	0.00	(6175.00)
d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0
Sub-total (B)(2):-	**11358647**	**680670**	**12039317**	**43.45**	**11765020**	**636168**	**12401188**	**44.70**	**1.25**
Total Public Shareholding (B)=(B)(1)+(B)(2)	27029080	680870	27709950	100.00	27109453	636368	27745821	100.00	0
C. Shares held by custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**27029080**	**680870**	**27709950**	**100.00**	**27109453**	**636368**	**27745821**	**100.00**	**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/encumbred to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbred to total shares	
1	Mahindra and Mahindra Ltd.	15144433	54.65	Nil	15144433	54.58	Nil	0 Due to allotment of 35871 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*			
	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	SBI MAGNUM COMMA FUND	526000	1.90	04/01/2018	0		526000	1.90
				04/06/2018	-182673	Transfer	343327	1.24
				13/04/2018	-106500	Transfer	236827	0.85

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
				20/04/2018	-83900	Transfer	152927	0.55
				27/04/2018	152927	Transfer	0	0.00
				31/03/2019			**0**	**0.00**
2	SECURITIES RESEARCH AND ANALYSIS PVT LTD	389207	1.40	04/01/2018			389207	1.40
				05/04/2018	389207		0	0.00
				31/03/2019			**0**	**0.00**
3	POLARIS BANYAN HOLDING PRIVATE LIMITED	180863	0.65	01/04/2018	0	Nil	180863	0.65
				31/03/2019			**180863**	**0.65**
4	JMVD SECURITIES LLP	130557	0.47	01/04/2018	0		130557	0.47
				31/03/2019			**130557**	**0.47**
5	EQUITY INTELLIGENCE INDIA PRIVATE LIMITED	125000	0.45	01/04/2018			125000	0.45
				31/03/2019			**125000**	**0.45**
6	SUNIL KUMAR GUPTA	122000	0.44	01/04/2018			122000	0.44
				13/04/2018	-2000	Transfer	120000	0.43
				04/05/2018	3000	Transfer	123000	0.44
				11/05/2018	2000	Transfer	125000	0.45
				10/08/2018	-2000	Transfer	123000	0.44
				17/08/2018	-3000	Transfer	120000	0.43
				02/11/2018	-10000	Transfer	110000	0.40
				09/11/2018	-10000	Transfer	100000	0.36
				14/12/2018	-2500	Transfer	97500	0.35
				28/12/2018	-7500	Transfer	90000	0.32
				25/01/2019	-15000	Transfer	75000	0.27
				01/02/2019	30000	Transfer	105000	0.38
				08/02/2019	10000	Transfer	115000	0.42
				31/03/2019			**115000**	**0.42**
								0.00
7	KRISHNARAJ DWARKADAS	110000	0.40	01/04/2018			110000	0.40
				04/06/2018	-5000	Transfer	105000	0.38
				31/03/2019			**105000**	**0.38**
8	VALLABH BHANSHALI	109176	0.39	01/04/2018	0	Nil	109176	0.39
				07/06/2018	-10000	Transfer	99176	0.36
				31/03/2019			**99176**	**0.36**
9	PAYAL PREM RAHEJA	102500	0.37	01/04/2018	0	Nil	102500	0.37
				25/01/2019	1000	Transfer	103500	0.37
				31/03/2019			**103500**	**0.37**

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year No. of Shares	% of total shares of the company	Date	Increase/ Decrease in shareholding	Reasons	Cumulative Shareholding during the year No. of Shares	% of total shares of the company
10	SUDHIRGOLECHA HUF.	100000	0.36	01/04/2018	0	Nil	100000	0.36
				14/09/2018	-50000	Transfer	50000	0.18
				28/12/2018	25000	Transfer	75000	0.27
				31/03/2019			**75000**	**0.27**

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 No. of Shares	% of total shares of the company	Date	Increase/ Decrease in shareholding	Reasons	Cumulative Shareholding during the year 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	2000	purchase	2000	0.0
6	VINAYAK PATIL	Nil	NA	NA	Nil	NA	Nil	NA
	Key Managerial Personnel							
1	SANJEEV MOHONI	9000	0.03	01/04/2018	0	0	9000	0.03
				24/12/2018	9000	ESOS Allotment	18000	
				31/03/2019			18000	
2	SUNETRA GANESAN	Nil		01/04/2018	Nil	NA	Nil	NA
				31/03/2019	Nil	NA	Nil	NA
3	RATNAKAR NAWGHARE	8168	0.03	01/04/2018	0	0	8168	0.03
				24/12/2018	1406	ESOS Allotment	9574	0.03
				31/03/2019			9574	0.03

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

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	34,672,212	2,073,030	0	36,745,242
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	34,672,212.00	**2,073,030.00**	0	**36,745,242.00**
Change in indebtedness during the financial year				
i) Addition	169,299,731	280,000,000	0	449,299,731
ii) Reduction	171,219,564	280,611,406	0	451,830,970
Net Change	**-1,919,833.00**	**-611,406.00**	0	**-2,531,239.00**
Indebtedness at the end of the Financial year				
i) Principal Amount	32,752,380	1,461,624	0	34,214,004
ii) Interest due but not paid	–	0	0	0
iii) Interest accrued but not due	–	0	0	0
Total (i+ii+iii)	**32,752,380.00**	**1,461,624.00**	0	**34,214,004.00**

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/WTD/Manager	
		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.	2,400,000	2,400,000
	(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)	**2,400,000**	**2,400,000**
	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			
		Mr. Vinayak Patil	Mr. Nikhilesh Panchal	Mr. Anand Daga	**Total Amount in Rs.**
1	Independent Directors				
	* Fees for attending board/committee meetings	270,000	180,000	280,000	730,000
	* Commission	345,469	345,469	345,469	1,036,407
	* Others, please specify	–	–	–	–
		–	–	–	–
	Total (1)	**615,469**	**525,469**	**625,469**	**1,766,407**

Sl. No.	Particulars of Remuneration	Name of Directors			
		Mr. Vinayak Patil	Mr. Nikhilesh Panchal	Mr. Anand Daga	Total Amount in Rs.
2	Other Non-Executive Directors				
	* Fees for attending board committee meetings	–	–	–	–
	* Commission	–	–	–	–
	* Others, please specify	–	–	–	–
	Total (2)	–	–	–	–
	Total (B)=(1+2)	**615,469**	**525,469**	**625,469**	**1,766,407**
	Total Managerial Remuneration				**4,166,407**
	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	Chief Financial Officer Ms. Sunetra Ganesan	Company Secretary
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	11,653,450	5,302,181	2,523,585
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961.	845,550	41,856	132,094
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961.			
	Total	**12,499,000**	**5,344,037**	**2,655,679**
2	Stock Options Outstanding (Nos.)	36,000	–	10,127
3	Sweat Equity	–	–	–
4	Commission – as % of profit	–	–	–
	– others, specify	–	–	–
5	Others, please specify	–	303,482	185,442
	Total	**12,499,000**	**5,647,519**	**2,841,121**

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			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

REPORT ON CORPORATE GOVERNANCE

(1) PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance. The Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance Practices and have implemented all the stipulations prescribed.

A detailed report on corporate governance pursuant to the requirements of the 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

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.

(a) Composition and Category of Directors :

Currently, the Board comprises of six Directors,out of which one is Executive Director and five are Non-Executive Directors. The number of Non-executive Directors comprising three Independent Directors is more than one-half of the total number of Directors. All the Directors have made necessary disclosures under Corporate Governance norms and the applicable provisions of the Companies Act,2013. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long term objectives of enhancing stakeholders' value are met.

Apart from reimbursement of expenses incurred and the commission paid in 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 during the two immediately preceding financial years or during the current financial year. All the independent Directors have given confirmation in this regard. None of the Directors of the Company are inter-se related to each other.

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. Nil (including out of pocket expenses).

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	Category	Director Identification number (DIN)	Total Number of Directorships of public companies #, Committee Chairmanships and Memberships, as on 31st March, 2019.		
				Directorships $	Committee Chairman-ships +	Committee Memberships +
	EXECUTIVE					
1.	Mr. Ashok Sharma Managing Director	Executive Director	02766679	2	-	1
	NON-EXECUTIVE					
2.	Mr. Vinayak Patil	Independent	00616009	1	2	-
3.	Mr. S. Durgashankar*	Non-Independent	00044713	6	1	4
4.	Mr. Nikhilesh Panchal	Independent	00041080	-	2	4
5.	Mr. Anand Daga	Independent	00696171	1	-	1
6.	Ms. Sangeeta Prasad %	Non-Independent	02791944	7	-	1

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 including that of Mahindra EPC Irrigation Limited.

* Mr. S Durgashankar's Directorship includes Swaraj Engines Limited, a listed Company in the category as Non-Executive Director.

% Ms. Sangeeta Prasad's Directorship includes Mahindra Lifespace Developers Limited, a listed Company in the category as Executive Director.

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.

(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 – 3rd May, 2018, 31st July, 2018, 31st October, 2018 and 30th January, 2019. The gap between two Meetings did not exceed four months. These meetings were well attended. The 36th Annual General Meeting of the Company was held on 31st July, 2018.

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
Mr. Vinayak Patil	3	Yes
Mr. S. Durgashankar	3	No
Mr. Nikhilesh Panchal	4	Yes
Mr. Anand Daga	4	Yes
Ms. Sangeeta Prasad	3	No

(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 apprises the Board at every meeting of 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 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.

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 & 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

Mr. S Durgashankar is liable to retire by rotation and being eligible for re-appointment at the ensuing Annual General Meeting of the Company and has offered himself for re-appointment. The brief profile of Mr. S Durgashankar alongwith other details are as follows :

1) Mr. S Durgashankar

Mr. S. Durgashankar (DIN: 00044713) age 59 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 - Mergers and Acquisitions, Corporate Accounts and Corporate Secretarial of Mahindra & Mahindra Ltd., and has rich experience of over 35 years in the areas of 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. Mr. S Durgashankar's first appointment on Company's Board was on 5th August, 2011.

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

i) Mahindra Integrated Business Solutions Private Limited
ii) Mahindra HZPC Private Limited
iii) Swaraj Engines Limited
iv) Mitsubishi Mahindra Agricultural Machinery Co., Ltd.,
v) Mahindra Vehicle Manufacturers Limited
vi) Mahindra Agri Solutions Limited
vii) Mahindra Automotive Mauritius Limited
viii) Mahindra Holdings Limited

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	
		Corporate Social Responsibility Committee	
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	Member
		Risk Management Committee	Member
		Committee of Directors for Borrowing	Member

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

The first term of five years of all three Independent Directors would be expiring at the conclusion of this ensuing Annual General Meeting and Mr. Anand Daga and Mr. Nikhilesh Panchal, independent directors would retire, and being eligible have offered themselves for re-appointment for a further period of five years. Mr. Vinayak Patil has indicated to the Company that he is not seeking re-appointment in view of his other commitments. Mr. Vinayak Patil has been on the Board since 8th July, 2003.

The Nomination and Remuneration Committee, on the basis of performance evaluation of Independent Directors and taking into account business knowledge, experience and the significant contribution made by Mr. Anand Daga and Mr. Nikhilesh Panchal during their tenure, has recommended to the Board that continued association of Mr. Anand Daga and Mr. Nikhilesh Panchal as Independent Directors of the Company would be beneficial to the Company. Based on the above and performance evaluation of Independent Directors, the Board recommends re-appointment of Mr. Anand Daga and Mr. Nikhilesh Panchal as Independent Directors of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years on the Board of the Company. The Company has received the requisite Notices from a Member in writing proposing their appointment as Independent Directors.

The Company has received declarations from all the eligible Independent Directors of the Company as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Brief resume of these Directors are presented below:

Mr. Anand Daga

Mr. Anand Daga is a Practising Chartered Accountant since 1994 and is a Partner in Messrs. Daga & Chaturmutha, Chartered Accountants, Nashik/ Mumbai.

Mr. Daga has a Bachelor's degree in Commerce and he is a Member of the Institute of Cost and Works Accountants of India, Kolkata and a Fellow Member of the Institute of Chartered Accountants of India, New Delhi. He was an All India Merit Ranker in CA Exams in 1994.

Mr. Daga possesses varied experience of 23 years in the areas of Taxation, Audit, Finance, Corporate Strategic Planning / Restructuring Advisory Services, Mergers and Acquisitions, etc.

Mr. Daga is on the Board of MSS India Private Limited.

Mr. Anand Daga is the Member of Audit Committee and Risk Management Committee and the Chairman of Nomination and Remuneration Committee of the Company.

Mr. Daga holds 2500 Shares through HUF and 2000 shares jointly with the spouse in the Company.

Mr. Nikhilesh Panchal

Mr. Nikhilesh Panchal is currently working as a Partner in Khaitan & Company, Solicitors and Advocates, Mumbai. Mr. Panchal has a Bachelor's Degree in Commerce and Law and has done Master's Degree in Law (L.L.M.) and he is a Solicitor. Mr. Panchal has rich experience in acquisitions, takeover and mergers, foreign collaborations and joint venture transactions. He also has expertise on procedures under Foreign Exchange Management Act, 1999 and Corporate Law, intellectual property rights, commercial litigations. He has also been involved in contract negotiations and regularly advises on structuring, acquisitions, joint ventures and corporate and commercial matters.

Mr. Nikhilesh Panchal is on the Board of following Companies:

i) Bristlecone India Ltd.

ii) Uniliver India Exports Ltd.

iii) Lakme Lever Private Ltd.

iv) MSL Driveline Systems Ltd.

v) Gromax Agri Equipment Ltd.

vi) NRB Industrial Bearings Ltd.

Mr. Nikhilesh Panchal is the member of the following Board Committee.

Sr. No.	Name of the Company	Name of the Committee	Position held (Chairman/ Member)
1	Bristlecone India Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Chairman
		Corporate Social Responsibility Committee	Member
2	Uniliver India Limited	Audit Committee	Chairman
		Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
3	Lakme Lever Private Limited	Audit Committee	Chairman
		Nomination and Remuneration Committee	**Member**
4	Gromax Agri Equipment Limited	Audit Committee	Chairman
		Nomination and Remuneration Committee	Member
5	NRB Industrial Bearings Ltd.	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Stakeholders Relationship Committee	Member

Mr. Panchal 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 is 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. Vinayak Patil as the Chairman of the Committee and Mr. S Durgashankar and Mr. Anand Daga as other members of the Committee.

All the members of the Audit Committee possess strong 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, Mr. Vinayak Patil was present at the 36th Annual General Meeting of the Company held on 31st July, 2018.

The Committee met four times during the year under review. The Committee Meetings were held on the following dates – 3rd May, 2018, 31st July, 2018, 31st October, 2018 and 30th January, 2019. The attendance at the Meetings is as under:

Members	Number of Meetings attended
Mr. Vinayak Patil	3
Mr. S. Durgashankar	3
Mr. Anand Daga	4

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 Mr. Vinayak Patil.

(c) Meetings and Attendance during the year

The Committee met on 3rd May, 2018 and 29th March, 2019 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. Anand Daga	2
Mr. S. Durgashankar	1
Mr. Vinayak Patil	2

(d) Independent Directors and performance evaluation

In accordance with the provisions of the Companies Act, 2013, the Company has appointed three Independent Directors in the Annual General Meeting held on 31st July, 2014 for a period of 5 years. The terms of their appointment are available on the website of the Company.

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 Independent Directors had a meeting on 3rd May, 2018 without the attendance of non-independent directors and members of management to review performance of non-independent directors and the Board as a whole and performance of chairman of the Board of Directors and for assessment of quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the board of directors to effectively and reasonably perform their duties.

The Company had organized programmes at regular intervals to familiarize the independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. 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 ofthe 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. Vinayak Patil, Mr. Ashok Sharma and Mr. Nikhilesh Panchal 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 in this behalf shall attend the General Meetings of the Company.

During the year under review, there were two complaints received from the Shareholder. There were no investor complaints remaining unresolved and pending as at 31st March, 2019.

The Committee met two times on 31st July, 2018 and 30th January, 2019 during the year under review.

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 of 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 Chairperson of the Committee. Mr. Vinayak Patil and Mr. S Durgashankar are the other members of the Committee. The Committee Meeting was held on 31st July, 2018 it was attended by Mr. Ashok Sharma and Mr. Vinayak Patil.

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 3rd May, 2018 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**

(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, 2019 alongwith their shareholdings are as under:

Directors	Sitting Fees for the Board Meetings and Committee Meetings held during the year ended 31st March, 2018 (Rs. in Lakhs)
Mr. Ashok Sharma	Nil
Mr. Vinayak Patil	2.70
Mr. S. Durgashankar	Nil
Mr. Nikhilesh Panchal	1.80
Mr. Anand Daga	2.80
Ms. Sangeeta Prasad	Nil

None of the Directors are holding any shares of the Company.

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. 10.36 lakhs was paid in the year 2017-18 and the commission of Rs. 16.94 lakhs is payable equally or Rs. 5 lakhs each whichever is lower to Independent Directors for FY 2018- 19.

(c) Disclosures with respect to Remuneration :

(i) Elements of remuneration package

During the year under review, the consolidated remuneration of Rs. 28.14 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 Directors 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
31st March, 2016	Friday 29th July, 2016	2.30 p.m.	1. Re-designation of Mr. Ashok Sharma as a Managing Director and revision in remuneration. 2. Keeping Register of Members, other Registers and statutory documents at a place other than the registered office of the Company.
31st March, 2017	Friday 28th 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 1st October, 2017 to 30th September, 2020.
31st March, 2018	Tuesday 31st July, 2018	2.30 p.m.	No business was held to requiring the Special Resolution

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 on 8th February, 2019 has passed 3 special resolutions through postal ballot. The details are as under:

Sr. No	Special Resolution passed
1	For change in the name of the Company from EPC Industrie Limited to Mahindra EPC Irrigation Limited and consequent amendment to Memorandum of Association and Articles of Association of the Company.
2	To alter/amend the Memorandum of Association of the Company.
3	To approve for continuation of current term of Mr. Vinayak Patil, Independent Director.

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, Navshakti and Deshdoot 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 2018-19 was Rs. 39 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) 37th Annual General Meeting

Date : 23rd July, 2019

Time : 2.30 p.m.

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, 2019 – Second week of August, 2019

Half-year ending
30th September, 2019 - Second week of November, 2019

Quarter ending
31st December, 2019 - Second week of February, 2020

Year ending
31st March, 2020 - End May, 2020

Note: The above dates are indicative.

(c) Listing of Equity Shares on Stock Exchange

Your Company's Shares are listed on BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400001. The requisite listing fees have been paid in full to the Stock Exchange.

(d) Stock Code

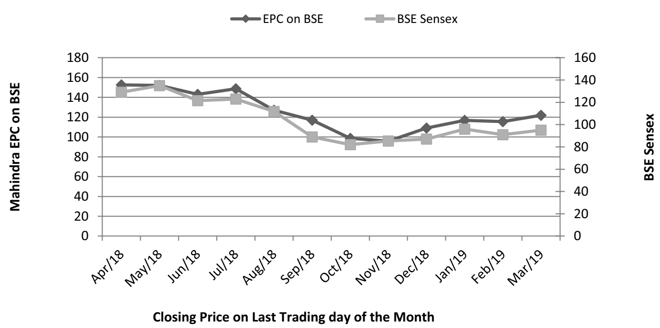
1. BSE Limited (BSE): 523754
2. Demat International Securities Identification Number (ISIN) in NSDL and CDSL for Equity Shares: INE 215D01010

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

Month	High Price	Low Price
April, 2018	152.50	129.00
May, 2018	152.00	135.00
June, 2018	143.00	121.50
July, 2018	148.75	122.95
August, 2018	127.05	111.75
September, 2018	117.00	89.00
October, 2018	98.65	82.00
November, 2018	95.80	85.25
December, 2018	108.95	87.00
January, 2019	116.80	96.05
February, 2019	115.60	91.00
March, 2019	121.90	95.00

(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
Karvy Fintech 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.

As of date, there are no pending share transfers pertaining to the year under review.

(j) Distribution of Shareholding as on 31st March, 2019:

Shareholding	Shareholders		Shares	
	Number	% to total holders	Number	% to total capital
Upto 500	17573	84.55	2640641	9.52
501 – 1,000	1598	7.69	1270466	4.58
1,001 - 5,000	1337	6.43	2914576	10.50
5,001 - 10,000	150	0.72	1072797	3.87
10,001– 1,00,000	115	0.55	3220283	11.61
1,00,001 & above	10	0.05	16627058	59.93
TOTAL	**20783**	**100.00**	**27745821**	**100.00**

Shareholding Pattern as on 31st March, 2019

Category	No. of shares held	%
Promoters	15144433	54.58
Banks	200	0.00
Private Corporate Bodies	1725789	6.22
Indian Public	10187609	36.72
NBFC	3275	0.01
Mutual Funds	200000	0.72
NRIs/ OCBs / Others	484515	1.75
GRAND TOTAL	**27745821**	**100.00**

(k) Dematerialisation of Shares and liquidity

97.70% %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, 2019. The Company's Shares are liquid and actively traded on the Bombay Stock Exchange 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

This year under review, saw firming up of raw material prices led by increase in crude oil. The uptrend in raw material prices is expected to continue in the coming financial year. The commodities like Steel saw sharp increases on account of rise in international prices and antidumping duties imposed by the Government. 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 any hedging 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:

Karvy Fintech 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:

Karvy Fintech Private Limited,
24-B, Raja Bahadur Mansion, Ground Floor,
Ambalal DoshiMarg, 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 Friday, 19th July, 2019 to Tuesday, 23rd July, 2019 (both days inclusive) and the Dividend would be paid/dispatched after 23rd July, 2019.

(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 2018-19 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. 31 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 omni bus 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/EFD/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 whistleblower policy. No employee has been denied access to the Chairman of the Audit Committee. The Company inconjunction 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 will be 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 will be asked to do a self-evaluation of their performance annually. The performance of executive directors will be evaluated by the Nomination and Remuneration Committee and the performance of independent directors will be evaluated by the Board. The director being evaluated will 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 2018-19.

(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.

Mumbai, April 30, 2019

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, 2019.

Mumbai,
April 30, 2019

Ashok Sharma
Managing Director

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO

THE MEMBERS OF
MAHINDRA EPC IRRIGATION LIMITED
(FORMERLY KNOWN AS EPC INDUSTRIE' LIMITED)

1. This certificate is issued in accordance with the terms of our engagement letter dated 21st August, 2018.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of **Mahindra EPC Irrigation Limited (formerly known as EPC Industrie' Limited)** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2019, 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 31 March 2019.
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 Raje
Partner
Membership Number: 102637

Mumbai, 30 April, 2019

INDEPENDENT AUDITOR'S REPORT

To The Members of Mahindra EPC Irrigation Limited (Formerly Known as EPC Industrié Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Mahindra EPC Irrigation Limited** (Formerly Known as EPC Industrié Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows 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 31st March, 2019, 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 Matters

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. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Inventory - Provision for slow and non-moving inventory of finished goods, including those lying with third parties.** The Company is in the business of manufacturing and in trading of range of Precision Farming Products and services. The inventory of the Company includes Raw Materials, Work-in-Progress, Finished and Semi finished good and Stock in trade and are stated at lower of cost and net realisable value. Determination of slow moving and non-moving inventory involves significant management judgment and estimate. Finished goods inventory lying at factories and warehouses are physically verified bi-annually by the Company and those lying with the third parties for installation are physically verified once a year. Owing to the nature of the inventory, the Company is unable to follow FIFO basis when such finished goods are issued to customers. Besides, inventory lying with third parties is generally verified by calling for third party certificates/ confirmations. Accordingly determining slow, non-moving and damaged items of such inventory including assessment of their physical condition and consequent amount of provision required for such inventory requires the Company to make significant judgment and estimates about their recoverable value and future use. Refer to Note 9 and 1 (l) of the standalone financial statements for above matter.	1. Review of accounting policies established by the Company with reference to the requirements of Ind AS 2, the process followed by the management, control environment and control procedures in place. We have ensured that the procedures were appropriately structured to obtain all necessary information for accounting and disclosures. 2. We have evaluated the design and tested the implementation of internal controls on the judgements exercised over provisions made and underlying data, assumption used and record maintained. 3. We have tested the relevant controls relating to provisions working basis and underlying data and related information used in recording of the provision in accordance with the Company's policies and requirement of Ind AS 2. 4. We have on a test check basis tested the samples for item of inventories provisions entries with basis, assumptions, approval and supporting documents used by the management for recording provision in the value of Inventory.

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 thereto Corporate Governance, but does not include the consolidated financial statements, 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 material misstatement of this other information, we are required to report the 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, read with Rule 7 of the Companies (Accountants) Rule, 2014.
   e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 were no amounts which were 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)

Mumbai, 30 April 2019

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 (Formerly Known as EPC Industrié Limited) ("the Company") as of 31st March, 2019 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 31st March, 2019, 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 Raje
Partner
(Membership Number: 102637)

Mumbai, 30 April, 2019

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 (Formerly Known as EPC Industrié 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 31st March, 2019 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 31st March, 2019 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 2012-13	6.43
Income Tax Act,1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2016-17	113.31

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)

Mumbai, 30 April, 2019

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, 2019 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, 2019 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

Mumbai, 30th April, 2019

STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

Rs. in Lakhs

	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
	ASSETS			
I	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	2	2,420.82	2,439.61
	(b) Capital Work-in-Progress		—	2.52
	(c) Other Intangible Assets	3	23.37	67.66
	(d) Financial Assets			
	(i) Investments	4	180.00	—
	(ii) Trade Receivables	5	2,270.03	1,008.97
	(iii) Other Financial Assets	6	70.25	47.23
	(e) Income Tax Assets (Net)		12.74	12.74
	(f) Deferred Tax Assets (Net)	7	370.66	218.28
	(g) Other Non-Current Assets	8	536.42	527.65
	Total Non-Current Assets		5,884.29	4,324.66
II	**CURRENT ASSETS**			
	(a) Inventories	9	2,613.82	3,469.71
	(b) Financial Assets			
	(i) Trade Receivables	5	12,474.26	10,715.00
	(ii) Cash and Cash Equivalents	10	40.53	82.71
	(iii) Bank Balances other than (ii) above	10	251.83	372.08
	(iv) Other Financial Assets	6	51.09	127.06
	(c) Other Current Assets	8	821.39	527.18
	Total Current Assets		16,252.92	15,293.74
III	**Total Assets (I + II)**		22,137.21	19,618.40
	EQUITY AND LIABILITIES			
IV	**EQUITY**			
	(a) Equity Share Capital	11A	2,774.78	2,771.19
	(b) Other Equity	11B	12,237.51	11,223.22
	Total Equity		15,012.29	13,994.41
	LIABILITIES			
V	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	12	8.50	14.62
	(b) Provisions	15	87.49	83.95
	Total Non-Current Liabilities		95.99	98.57
VI	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	14	327.52	346.72
	(ii) Trade Payables	16		
	a) total outstanding dues of micro and small enterprises		98.82	310.91
	b) total outstanding dues of creditors other than micro and small enterprises		5,152.72	3,519.36
	(iii) Other Financial Liabilities	13	729.97	648.67
	(b) Provisions	15	220.67	224.84
	(c) Current Tax Liabilities (Net)		176.62	30.16
	(d) Other Current Liabilities	17	322.61	444.76
	Total Current Liabilities		7,028.93	5,525.42
VII	**Total Liabilities (V+VI)**		7,124.92	5,623.99
VIII	**Total Equity and Liabilities (IV+VII)**		22,137.21	19,618.40
	See accompanying notes to the standalone financial statements.	1-37		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kedar Raje
Partner

Place : Mumbai
Date : April 30, 2019

For Board of Directors

Ashok Sharma Managing Director

S. Durgashankar
Sangeeta Prasad
Anand Daga
Vinayak Patil
Directors

Sanjeev Mohoni Chief Executive Officer
Sunetra Ganesan Chief Financial Officer
R. V. Nawghare Company Secretary

Place : Mumbai
Date : April 30, 2019

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Rs. in Lakhs

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from Operations	18	26,010.95	20,480.67
II	Other Income	19	105.54	173.43
III	**Total Income (I + II)**		26,116.49	20,654.10
IV	**EXPENSES**			
	(a) Cost of materials consumed	20(a)	13,479.16	10,828.99
	(b) Purchases of Stock-in-trade	20(b)	138.47	451.09
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20(c)	458.75	(111.14)
	(d) Excise duty on sale of goods		–	13.93
	(e) Employee benefit expense	21	2,457.98	2,386.99
	(f) Finance costs	22	139.17	50.11
	(g) Depreciation, amortisation and impairment expense	2,3	306.93	313.94
	(h) Other expenses	23	7,441.96	5,683.80
	Total Expenses (IV)		24,422.42	19,617.71
V	**Profit before tax (III - IV)**		1,694.07	1,036.39
VI	**Tax Expense**			
	(1) Current tax	7	656.19	326.24
	(2) Deferred tax	7	(149.33)	114.62
	(3) Short/(Excess) provision for tax relating to prior years		42.82	101.67
	Total tax expense (VI)		549.68	542.53
VII	**Profit after tax for the year (V - VI)**		1,144.39	493.86
VIII	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans		(10.47)	1.00
	(ii) Income tax relating to items that will not be reclassified to profit or loss		3.05	(0.29)
	Total Other comprehensive (loss) / income for the year		(7.42)	0.71
IX	**Profit for the year attributable to owners of the Company (VII+VIII)**		1,136.97	494.57
X	**Earnings per equity share** (Face value Rupees 10 per share)			
	(1) Basic	24	4.13	1.78
	(2) Diluted	24	4.11	1.77
	See accompanying notes to the standalone financial statements	1-37		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Kedar Raje
Partner

Place : Mumbai
Date : April 30, 2019

For Board of Directors

Ashok Sharma Managing Director
S. Durgashankar, **Sangeeta Prasad**, **Anand Daga**, **Vinayak Patil** Directors

Sanjeev Mohoni Chief Executive Officer
Sunetra Ganesan Chief Financial Officer
R. V. Nawghare Company Secretary

Place : Mumbai
Date : April 30, 2019

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

Rs. in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax for the year	**1,694.07**	1,036.39
Adjustments for:		
Finance costs recognised in profit or loss	**139.17**	50.11
Interest Income recognised in profit or loss	**(25.85)**	(64.22)
Profit on sale of current investments	**(7.87)**	(77.59)
Liabilities no longer required written-off	**(42.11)**	(33.50)
(Profit)/Loss on disposal of property, plant and equipment	**(6.16)**	5.92
Impairment (Gain) / Loss recognised on financial assets	**125.80**	(165.91)
Bad trade and other receivables, loans and advances written off	**199.62**	486.30
Depreciation and amortisation expense	**306.93**	313.94
Expense recognised in respect of equity-settled share-based payments	**44.35**	77.87
	2,427.95	1,629.31
Movements in working capital:		
Increase in trade receivables	**(3,345.74)**	(2,806.22)
(Increase)/ Decrease in inventories	**855.89**	(220.06)
Increase in other Non current assets	**(45.63)**	(28.59)
Increase in other current assets	**(214.87)**	(224.34)
Increase in trade payables	**1,463.37**	475.27
Increase / (Decrease) in provisions	**(11.10)**	5.10
Decrease in other current liabilities	**(95.78)**	(65.08)
	(1,393.86)	(2,863.92)
Cash generated from (used in) operations	**1,034.09**	(1,234.61)
Income taxes paid (net)	**(552.55)**	(234.49)
Net cash generated from (used in) operating activities	**481.54**	(1,469.10)
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	**(224.04)**	(163.31)
Proceeds on sale of plant and equipment and other Intangible assets	**2.92**	11.85
Interest received	**22.48**	62.42
Purchase of Current Investment	**(1,765.00)**	(6,180.00)
Sale of Current Investment	**1,772.87**	6,708.41
Bank balance not considered as cash and cash equivalents matured (net)	**120.25**	118.23
Net cash generated from (used in) investing activities	**(250.52)**	557.60
Cash flows from financing activities		
Proceeds from issue of equity instruments	**3.59**	3.74
Proceeds from borrowings	**–**	346.32
Repayment of borrowings	**(25.31)**	(6.11)
Interest paid	**(87.56)**	(38.88)
Dividend paid for Equity shares (Including tax thereon)	**(163.92)**	–
Net cash generated from/(used in) financing activities	**(273.20)**	305.07
Net (decrease) in cash and cash equivalents	**(42.18)**	(606.43)
Cash and cash equivalents at the beginning of the year	**82.71**	689.14
Cash and cash equivalents at the end of the year	**40.53**	82.71

See accompanying notes to the standalone financial statements 1-37

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Kedar Raje
Partner

Place : Mumbai
Date : April 30, 2019

For Board of Directors

Ashok Sharma Managing Director

S. Durgashankar
Sangeeta Prasad
Anand Daga
Vinayak Patil
Directors

Sanjeev Mohoni Chief Executive Officer
Sunetra Ganesan Chief Financial Officer
R. V. Nawghare Company Secretary

Place : Mumbai
Date : April 30, 2019

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

		Rs. in Lakhs
A.	**Equity share capital**	
	As at March 31, 2017	2,767.26
	Changes in equity share capital during the year	
	Issue of equity shares under employee share option plan (Refer note 21)	3.74
	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**
B.	**Forfeited shares**	
	As at March 31, 2017	0.19
	Changes during the year	—
	As at March 31, 2018	**0.19**
	Changes during the year	—
	As at March 31, 2019	**0.19**

C. Other Equity

Particulars	Reserves and Surplus					
	Capital Reserve	Securities Premium Reserve	General Reserve	Share based payments (ESOP)	Retained earnings	Total
Balances as at March 31, 2017	**40.00**	**9,209.63**	**425.44**	**72.27**	**903.44**	**10,650.78**
Profit for the year	—	—	—	—	493.86	493.86
Issue of Shares towards ESOP	—	53.92	—	(53.92)	—	—
Recognition of Share based payments	—	—	—	77.87	—	77.87
Other Comprehensive loss for the year (net of tax)	—	—	—	—	0.71	0.71
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**

Remeasurement loss (net) on defined benefit plans Rs. 7.42 lakhs (March 31, 2018 gain (net) Rs. 0.71 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 Raje
Partner

Place : Mumbai
Date : April 30, 2019

For Board of Directors

Ashok Sharma Managing Director

S. Durgashankar
Sangeeta Prasad
Anand Daga
Vinayak Patil
} Directors

Sanjeev Mohoni Chief Executive Officer
Sunetra Ganesan Chief Financial Officer
R. V. Nawghare Company Secretary

Place : Mumbai
Date : April 30, 2019

Notes to the standalone financial statements for the year ended March 31, 2019

NOTE NO. 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Corporate Information:

Mahindra EPC Irrigation Limited (Formerly known as EPC Industrié Limited) is a Public Limited Company listed on the Bombay Stock Exchange 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 Landscape Products. The Company is a subsidiary of Mahindra and Mahindra Limited.

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.

E. Standards issued but not yet effective:

- **IND AS 116 - 'Leases':**

On 30 March, 2019, Ministry of Corporate Affairs (MCA) has notified new standard Ind AS 116, Leases. This standard supersedes Ind AS 17, Leases. The new standard on leases requires that lessees bring virtually all leases onto the balance sheet, applying a 'right-of-use asset' model that would recognise an asset on the lessee's balance sheet (representing its right to use the leased asset over the lease term), and recognise a corresponding liability to make future lease payments. The standard provides certain recognition exemptions which allow companies to recognise lease payments as an expense. Entities may use retrospective approach, modified retrospective approach or a modified simplified approach to transition to Ind AS 116. The Company is currently assessing the impact of application of IND AS 116 on the Company's financials statements.

- **Amendments to Existing issued Ind AS**

1. Ind AS 103- Business Combinations - The amendment clarifies when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business.
2. Ind AS 109, Financial Instruments - Amendments correspond to 'prepayment features with negative compensation'.

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

3. Ind AS 111, Joint Arrangements - The amendments clarifies that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.
4. Ind AS 12, Income Taxes – Inserted a new Appendix-C relating to 'uncertainty over tax treatments'.
5. Ind AS 19, Employee Benefits - If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement.
6. Ind AS 23, Borrowing Cost - If any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.
7. Ind AS 28, Investments in Associates and Joint Venture – A new paragraph 14A has been added to specify that, an entity also applies Ind AS 109 to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture. In applying Ind AS 109, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying this Standard.
8. Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance with consequential amendments to Ind AS 12, Ind AS 16 and Ind AS 38. Paragraphs 23-24, 26, 28 and 32 of Ind AS 20 have been amended, and paragraphs 25, 27, 33 and 40-48A have been added.

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, 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.

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

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.

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 rate. 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 tax.

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

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 specifications. Accordingly, the Company accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets (refer note no. 15).

For sale of MIS to open market, revenue is recognised when control of the goods, has transferred, being when the goods have been delivered to the dealer based on the terms of contract. Following delivery, the dealer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility of selling the goods and bears the risks of obsolescence and loss in relation to the goods.

For sale of MIS to project market, revenue is recognised when control of the goods, 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 dealer /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 of Profit or Loss on a systematic basis over the period 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.

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

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.

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. Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

In respect of operating leases, lease payments are recognised as expenses and lease receipts are recognised as income on a straight line basis over the lease term. Initial direct costs are recognised immediately as expenses.

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.

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.

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

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.

- **Minimum Alternate Tax (MAT)**

  MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as a component of deferred tax asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

- **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, 2019 (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.

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, 2019 (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.

<u>Financial liabilities subsequently measured at amortised cost:</u>

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.

<u>Derecognition of financial liabilities:</u>

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)

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, 2019 (Contd.)

NOTE NO. 2 - PROPERTY, PLANT AND EQUIPMENT

Rs. in Lakhs

Description of Assets	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, 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**

I. Gross Carrying Amount										
Balance as at March 31, 2017	**947.86**	**3,671.38**	**136.84**	**134.39**	**1,019.96**	**43.63**	**95.45**	**124.17**	**138.21**	**6,311.89**
Additions	10.90	64.96	11.91	1.09	130.25	2.63	7.35	6.81	37.42	273.32
Disposals	–	–	–	–	–	12.72	–	74.35	17.42	104.49
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**
II. Accumulated depreciation										
Balance as at March 31, 2017	**533.07**	**1,956.91**	**111.09**	**102.25**	**906.12**	**36.12**	**64.90**	**105.03**	**49.01**	**3,864.50**
Depreciation expense for the year	34.93	127.15	8.92	4.59	51.97	3.11	5.35	8.80	19.53	264.35
Eliminated on disposal of assets	–	–	–	–	–	11.38	–	68.97	7.39	87.74
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**
III. Net carrying amount (I-II)	**390.76**	**1,652.28**	**28.74**	**28.64**	**192.12**	**5.69**	**32.55**	**11.77**	**97.06**	**2,439.61**

*Adjustment on account of physical verification.

Assets pledged as security and restriction on titles.

A second pari passu charge on the fixed assets is created towards credit facilities availed from banks.

Note: Buildings includes commercial property at Bhopal which has been reclassified from Investment property. The reclassification has been made as the Company is not in the business of renting out the property.

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

NOTE NO. 3 - OTHER INTANGIBLE ASSETS

Rs. in Lakhs

Description of Assets		Computer Software	Total
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 and impairment**		
	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**
I.	**Gross Carrying Amount**		
	Balance as at March 31, 2017	203.51	**203.51**
	Additions	21.34	**21.34**
	Disposals	20.33	**20.33**
	Balance as at March 31, 2018	204.52	**204.52**
II.	**Accumulated amortisation and impairment**		
	Balance as at March 31, 2017	106.58	**106.58**
	Amortisation expense for the year	49.59	**49.59**
	Eliminated on disposal of assets	19.31	**19.31**
	Balance as at March 31, 2018	136.86	**136.86**
III.	**Net carrying amount (I-II)**	**67.66**	**67.66**

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

NOTE NO. 4 - INVESTMENTS

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
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	–
Total	**180.00**	–

NOTE NO. 5 - TRADE RECEIVABLES

Rs. in Lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	**Non Current**	Current	Non Current
Unsecured, considered good	**12,474.26**	**2,270.03**	10,715.00	1,008.97
Significant increase in Credit Risk	**662.16**	**528.27**	800.55	268.65
	13,136.42	**2,798.30**	11,515.55	1,277.62
Less: Allowance for doubtful debts (expected credit loss)	**(662.16)**	**(528.27)**	(800.55)	(268.65)
Total	**12,474.26**	**2,270.03**	10,715.00	1,008.97

Refer Note 25 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

Debts due from a private company in which a director is a director or member.

(Classified as Current)

Name	As at March 31, 2019	As at March 31, 2018
Mahindra HZPC Private Limited	—	27.87

NOTE NO. 6 - OTHER FINANCIAL ASSETS

Rs. in Lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	**Non- Current**	Current	Non- Current
Security deposits	**40.83**	**70.25**	107.26	47.23
Interest accrued on deposits	**10.26**	**—**	6.89	—
Other Receivables	**—**	**—**	12.91	—
Total	**51.09**	**70.25**	127.06	47.23

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

NOTE NO. 7 - CURRENT TAX AND DEFERRED TAX

(a) Income Tax recognised in profit or loss

Rs. in Lakhs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current Tax:		
In respect of current year	**656.19**	326.24
In respect of prior years	**42.82**	35.78
Deferred Tax:		
In respect of current year	**(132.50)**	114.62
In respect of prior years	**(16.83)**	65.89
Total income tax expense recognised in the current year relating to continuing operations	**549.68**	542.53

(b) Income tax recognised in other Comprehensive income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Deferred Tax		
Remeasurement of defined benefit obligations	**(10.47)**	1.00
Income taxes related to items that will not be reclassified to profit or loss	**3.05**	(0.29)
Total	**(7.42)**	0.71

(c) Reconciliation of income tax expense and the accounting profit multiplied by the Company's domestic tax rate:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax from continuing operations	**1,694.07**	1,036.39
Income tax expense calculated at 29.12% (2018: 33.06%)	**496.53**	342.66
Effect on expense that is non-deductible in determining taxable profit	**27.16**	13.18
Effect of tax rate difference	**–**	85.02
	523.69	440.86
Adjustments recognised in the current year in relation to the current tax of prior years	**25.99**	101.67
Income tax expense recognised In profit or loss from continuing operations	**549.68**	542.53

The tax rate used for the March 31, 2019 and March 31, 2018 reconciliations above is the corporate tax rate of 29.12% and 33.06% respectively payable by corporate entities in India 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, 2019 (Contd.)

NOTE NO. 7 - CURRENT TAX AND DEFERRED TAX (CONTD.)

(e) Movement in deferred tax assets / (Liabilities) for the year ended March 31, 2019

Rs. in Lakhs

Particulars	Opening Balance	Recognised in profit and Loss (including for earlier year)	Recognised in OCI	Utilised	Closing Balance
Tax effect of items constituting deferred tax liabilities					
Property, Plant and Equipment	344.29	(24.32)	—	—	319.97
Warranty Discounting	—	—	—	—	—
FVTPL financial asset	—	—	—	—	—
	344.29	**(24.32)**	**—**	**—**	**319.97**
Tax effect of items constituting deferred tax assets					
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**

(f) Movement in deferred tax assets / (Liabilities) for the year ended March 31, 2018

Particulars	Opening Balance	Recognised in profit and Loss (including for earlier year)	Recognised in OCI	Utilised	Closing Balance
Tax effect of items constituting deferred tax liabilities					
Property, Plant and Equipment	375.06	(30.77)	—	—	344.29
Warranty Discounting	2.43	(2.43)	—	—	—
FVTPL financial asset	0.28	(0.28)	—	—	—
	377.77	**(33.48)**	**—**	**—**	**344.29**
Tax effect of items constituting deferred tax assets					
Employee Benefits	55.49	10.70	(0.29)	—	65.90
Provision for receivables and advances	443.80	(118.60)	—	—	325.20
Other items	211.69	(40.22)	—	—	171.47
	710.98	(148.12)	(0.29)	—	562.57
Net Deferred Tax Asset (Liabilities)	**333.21**	**(114.64)**	**(0.29)**	**—**	**218.28**
Minimum Alternate Tax Credit	66.53	(65.90)	—	0.63	—
Total	**399.74**	**(180.54)**	**(0.29)**	**0.63**	**218.28**

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

NOTE NO. 8 - OTHER NON FINANCIAL ASSETS

Rs. in Lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non- Current	Current	Non- Current
(a) Prepayments	25.02	7.10	29.70	5.69
(b) Prepayments Land Lease	4.32	301.01	4.32	305.32
(c) Balances with government authorities	610.00	221.41	411.25	191.45
(d) Others				
(i) Capital advances	–	6.91	–	20.75
(ii) Advance to Creditors				
Considered Good	177.46	–	72.99	–
Doubtful	–	21.92	–	21.92
Less : Provision for Doubtful advances	–	(21.92)	–	(21.92)
	177.46	–	72.99	–
(iii) Advances to employees				
Considered Good	4.59	–	8.92	–
Doubtful	25.31	–	25.31	–
Less : Provision for Doubtful advances	(25.31)	–	(25.31)	–
	4.59	–	8.92	–
(iv) Balance with LIC (Gratuity)	–	–	–	4.44
Total	821.39	536.42	527.18	527.65

Leasehold Land at Nashik with carrying amount of Rs. 305.33 lakhs (March 31, 2018: Rs. 309.64 lakhs) has been pledged as security for bank facilities under a mortgage.

NOTE NO. 9 - INVENTORIES

[Lower of cost and net realisable value]

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Raw materials and components	1,301.03	1,698.17
(b) Work-in-progress	145.78	91.16
(c) Finished and semi-finished goods	845.29	1,245.90
(d) Stock-in-trade of goods acquired for trading	321.72	434.48
Total	2,613.82	3,469.71
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(l).

Out of the above Rs.125.15 lakhs is lying with third party (year ended March 31, 2018 Rs.548.78 lakhs).

The amount of inventories recognised as an expense in respect of write-down of inventory to net realisable values is Rs.117.59 lakhs (year ended March 31, 2018 Rs.49.88 lakhs).

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

NOTE NO. 10 - CASH AND BANK BALANCES

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents		
Balances with banks - Current Accounts	**40.40**	82.64
Cash on hand	**0.13**	0.07
Balance with bank - Deposit Accounts	**—**	—
Total Cash and cash equivalents	**40.53**	82.71
Other Bank Balances		
Earmarked balances with banks	**19.23**	32.50
Balances with Banks - on margin accounts	**232.60**	339.58
Total Other Bank Balances	**251.83**	372.08

NOTE NO. 11 A - EQUITY SHARE CAPITAL

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
<u>Authorised</u>				
Equity shares of Rs. 10 each	**3,20,00,000**	**3,200.00**	3,20,00,000	3,200.00
Preference share of Rs. 100 each	**18,00,000**	**1,800.00**	18,00,000	1,800.00
<u>Issued</u>				
Equity shares of Rs. 10 each	**2,77,49,721**	**2,774.97**	2,77,13,850	2,771.39
<u>Subscribed and fully paid up</u>				
Equity shares of Rs. 10 each	**2,77,45,821**	**2,774.59**	2,77,09,950	2,771.00
Forfeited shares (Amount originally paid up)	**3,900**	**0.19**	3,900	0.19
Total	**—**	**2,774.78**	—	2,771.19

Fully paid equity shares, which have a per 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, 2019 (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, 2019	**No. of Shares**	**2,77,09,950**	**35,871**	**2,77,45,821**
	Amount	**2,771.00**	**3.59**	**2,774.59**
March 31, 2018	No. of Shares	2,76,72,561	37,389	2,77,09,950
	Amount	2,767.26	3.74	2,771.00

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, 2019	As at March 31, 2018
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, 2019		As at March 31, 2018	
	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**	**54.58%**	1,51,44,433	54.65%

(iv) Shares reserved for issuance as follows:

No. of shares

Particulars	As at March 31, 2019	As at March 31, 2018
Outstanding employee stock options granted / available for grant.	**4,51,308**	4,87,179

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

NOTE NO. 11 B - OTHER EQUITY

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Reserve	**40.00**	40.00
Securities Premium	**9,315.30**	9,263.55
General Reserve	**425.44**	425.44
Share based payments (ESOP)	**88.82**	96.22
Retained Earnings	**2,367.95**	1,398.01
Total	**12,237.51**	11,223.22

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 earrings 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

Rs. in Lakhs

Particulars	2019	2018
Dividend per share (Rupees)	**1.00**	0.50
Dividend on Equity Shares	**277.46**	138.55
Dividend Distribution Tax	**57.03**	28.48
Total Dividend including Dividend Distribution Tax	**334.49**	167.03

NOTE NO. 12 - NON-CURRENT BORROWINGS

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured Borrowings - at amortised Cost		
Deferred payment liabilities	**8.50**	14.62
Total	**8.50**	14.62

Sales Tax Deferral Scheme is payable in 5 annual instalments after 10 years from the year of availment of respective incentive. These loans are repayable:

(i) In the second year – Rs. 6.11 lakhs (As at March 31, 2018 Rs. 6.11 lakhs)

(ii) In the third year – Rs. 2.39 lakhs (As at March 31, 2018 Rs. 8.51 lakhs)

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

NOTE NO. 13 - OTHER CURRENT FINANCIAL LIABILITIES

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term debt	**6.11**	6.11
Interest payables to vendors/others	**217.73**	166.11
Unpaid matured deposits and interest accrued thereon (Refer note (i) below)	**0.36**	0.36
Unclaimed Dividend	**3.11**	–
Security Deposits	**446.76**	428.75
Subsidy Reimbursable to Customer	**34.76**	–
Others (Refer note (ii) below)	**21.14**	47.34
Total	**729.97**	648.67

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

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Secured Borrowings - at amortised cost		
Loans repayable on demand from Bank	**327.52**	346.72
Total	**327.52**	346.72

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 9.40%

NOTE NO. 15 - PROVISIONS

Rs. in Lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	**Non-Current**	Current	Non-Current
a. Provision for employee benefits				
Compensated absences	**189.25**	**–**	165.57	–
b. Other Provisions				
Warranty	**31.42**	**87.49**	59.27	83.95
Total	**220.67**	**87.49**	224.84	83.95

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

Details of movement in Warranty Provisions is as follows:

Particulars	Rs. in Lakhs
Balance at March 31, 2017	**147.74**
Additional provisions recognised	60.67
Amounts used during the year	(56.52)
Unused amounts reversed during the year	(16.04)
Unwinding of discount	7.37
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**

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.

NOTE NO. 16 - TRADE PAYABLES

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
a) Total outstanding dues of micro and small enterprises	**98.82**	310.91
b) Total outstanding dues of creditors other than micro and small enterprises	**5,152.72**	3,519.36
Total	**5,251.54**	3,830.27
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	**98.82**	310.91
Interest on the above	**–**	0.64

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

Rs. in Lakhs

Particulars		As at March 31, 2019	As at March 31, 2018
(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	**82.05**	946.86
	Interest paid in terms of Section 16 of the Act	**–**	15.21
(c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**1.10**	8.63
(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	**73.93**	51.94
(e)	Amount of interest accrued and remaining unpaid as at March 31	**75.04**	60.57
	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 overdue balances as per terms agreed with vendors.

NOTE NO. 17 - OTHER NON - FINANCIAL LIABILITIES

Rs. in Lakhs

Particulars		As at March 31, 2019	As at March 31, 2018
(a)	Advances received from customers	**110.55**	171.88
(b)	Statutory dues		
	– taxes payable (other than income taxes)	**61.70**	136.44
	– Employee Recoveries and Employer Contributions	**5.52**	6.43
(c)	Provision for liabilities	**7.07**	7.07
(d)	Deferred interest income	**3.72**	–
(e)	Deferred revenue arising from government grant	**117.96**	122.94
(f)	Balance with LIC (Gratuity)	**16.09**	–
	Total	**322.61**	444.76

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

NOTE NO. 18 - REVENUE FROM OPERATIONS

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Revenue from contracts with customer		
(a) Revenue from sale of products (including excise duty)	**25,891.30**	20,319.76
(b) Revenue from rendering of services	**67.94**	89.07
Other operating revenue	**51.71**	71.84
Total	**26,010.95**	20,480.67

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Sale of products comprises		
Manufactured goods	**25,634.92**	19,779.49
Total - Sale of manufactured goods	**25,634.92**	19,779.49
Traded goods		
Pumps	**71.25**	285.80
Green Houses	**174.00**	220.83
Landscape	**11.13**	33.64
Total - Sale of traded goods	**256.38**	540.27
Total - Sale of products	**25,891.30**	20,319.76
(ii) Sale of services comprises		
Agronomy Services	**0.22**	8.34
Installation Services	**67.72**	46.59
Landscape Projects	**-**	34.14
Total - Sale of services	**67.94**	89.07
(iii) Other operating revenues comprise		
Sale of scrap	**44.42**	21.80
Government Grant Incentives	**4.97**	5.40
Processing Charges	**2.32**	44.64
Total - Other operating revenues	**51.71**	71.84

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, 2019 (Contd.)

NOTE NO. 19 - OTHER INCOME

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Interest Income		
1) Bank deposits (at amortised cost)	**23.42**	36.11
2) Interest on Security Deposit (at amortised cost)	**2.43**	5.20
3) Interest on tax refunds	**0.56**	22.91
(b) Operating lease rental income	**3.76**	2.99
(c) Net Gain on sale of current investments	**7.87**	77.59
(d) Profit/(Loss) on sale of assets (net of loss on assets sold/scrapped/written off)	**6.16**	(5.92)
(e) Liabilities no longer required written back	**42.11**	33.50
(f) Miscellaneous income	**14.27**	1.05
(g) Foreign Exchange profit	**4.96**	-
Total	**105.54**	**173.43**

NOTE NO. 20 (A) - COST OF MATERIALS CONSUMED

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Opening stock	**1,698.17**	1,589.25
Add: Purchases	**13,082.02**	10,937.91
	14,780.19	12,527.16
Less: Closing stock	**1,301.03**	1,698.17
Cost of materials consumed	**13,479.16**	10,828.99

NOTE 20 (B) - PURCHASES OF FINISHED, SEMI-FINISHED AND OTHER PRODUCTS (TRADED GOODS)

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Stock-in-trade - Pumps, Greenhouses & Landscape	**138.47**	451.09
Total	**138.47**	451.09

NOTE 20 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Inventories at the end of the year:		
Finished goods	**845.29**	1,245.90
Work-in-progress	**145.78**	91.16
Stock-in-trade	**321.72**	434.48
	1,312.79	1,771.54

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Inventories at the beginning of the year:		
Finished goods	**1,245.90**	1,289.75
Work-in-progress	**91.16**	93.13
Stock-in-trade	**434.48**	277.52
	1,771.54	1,660.40
Net decrease/(increase)	**458.75**	(111.14)

NOTE NO. 21 - EMPLOYEE BENEFITS EXPENSE

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Salaries and wages, including bonus	**2,127.40**	2,049.26
(b) Contribution to provident and other funds (Refer Note No. 29)	**150.78**	142.40
(c) Share based payment transactions expenses	**44.35**	77.87
(d) Staff welfare expenses	**135.45**	117.46
Total Employee Benefit Expense	**2,457.98**	2,386.99

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 standalone financial statements for the year ended March 31, 2019 (Contd.)

Movement in Stock Options

	Particulars	Year ended 31 March, 2019 Number of Shares	Year ended 31 March, 2019 Weighted average exercise price	Year ended 31 March, 2018 Number of Shares	Year ended 31 March, 2018 Weighted average exercise price
1	Outstanding at the beginning of the year	**1,29,850**	**10**	1,69,067	10
2	Granted during the year	**80,110**	**10**	11,129	10
3	Exercised during the year	**(35,871)**	**10**	(37,389)	10
4	Expired during the year	**(4,448)**	**10**	(12,957)	10
5	Outstanding at the end of the year	**1,69,641**	**10**	1,29,850	10

Share Options Exercised in the Year

	Particulars	Year end March 31, 2019 Number Exercised	Year end March 31, 2019 Exercise Date	Year end March 31, 2019 Share Price at Exercise Date	Year end March 31, 2018 Number Exercised	Year end March 31, 2018 Exercise Date	Year end March 31, 2018 Share Price at Exercise Date
	Equity Settled						
1	Series 1 Granted on October 28, 2014	**9,336**	**November 22, 2018**	**88.25**	11,070	November 22, 2017	172.55
2	Series 2 Granted on October 31, 2015	**807**	**November 22, 2018**	**88.25**	807	November 22, 2017	172.55
3	Series 3 Granted on November 22, 2016	**24,373**	**November 22, 2018**	**88.25**	25,512	November 22, 2017	172.55
4.	Series 4 Granted on November 22, 2017	**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 2019	Series 1 2018	Series 2 2019	Series 2 2018	Series 3 2019	Series 3 2018	Series 4 2019	Series 4 2018	Series 5 2019	Series 5 2018
Share price at grant date	**177.75**	177.75	**158.30**	158.30	**135.40**	135.40	**172.55**	172.55	**92.80**	–
Exercise price	**10**	10	**10**	10	**10**	10	**10**	10	**10**	–
Expected volatility (weighted-average)	**55%**	55%	**55%**	55%	**49%**	49%	**46%**	46%	**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**	–
Expected dividends yield	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil	**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%**	–

The fair value of the employee share options has been measured using the Black-Scholes Option Pricing formula.

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

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 recoverd Rs. Nil (March 31, 2018 Rs. 0.23 lakhs) as ESOP cost from the Company in respect of employees deputed to the Company.

NOTE NO. 22 - FINANCE COST

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Interest Cost		
– On credit facilities from Banks	**56.19**	2.32
– On trade creditors	**14.46**	17.11
– On government Grant	**14.33**	10.21
– On delayed payment of taxes	**19.09**	6.86
– On Inter-company Loan	**21.01**	–
(b) Other borrowing cost		
Processing fees/Guarantee Commission	**5.07**	6.24
Unwinding of discount on provisions	**9.02**	7.37
Total finance costs	**139.17**	50.11

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Interest Expenses		
On Financial Liability at Amortised Cost	**91.66**	19.43

NOTE NO. 23 - OTHER EXPENSES

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Stores consumed	**62.57**	62.68
Power & Fuel	**527.78**	407.91
Rent including lease rentals	**227.98**	215.30
Rates and taxes	**5.66**	3.76
Insurance	**13.96**	19.43
Repairs and maintenance - Buildings	**0.71**	2.30
Repairs and maintenance - Machinery	**51.00**	59.73
Repairs and maintenance - Others	**48.15**	70.45
Commission on sales	**2,774.98**	1,774.92
Freight outward	**1,090.94**	866.20
Travelling and Conveyance Expenses	**436.42**	414.69

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Sub-contracting, Hire and Service Charges	**369.14**	282.50
Expenditure on Corporate Social Responsibility (CSR)	**20.60**	8.64
Donations and Contributions for CSR activity	**0.24**	7.80
Provision for doubtful trade and other receivables and loans	**125.80**	(165.91)
Bad trade and other receivables, loans and advances written off	**199.62**	486.30
Net loss on foreign currency transactions	**–**	3.52
Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	**32.75**	31.25
(ii) For Other services	**6.75**	5.61
(iii) For Cost auditors for Cost audit	**1.60**	1.50
(iv) For reimbursement of expenses	**0.61**	0.38
Legal and other professional costs	**497.01**	486.72
Site Expenses	**495.40**	208.81
Warranty Claim	**1.88**	44.62
Directors' Fees and Commission	**24.24**	17.81
Other General Expenses	**426.17**	366.88
Total Other Expenses	**7,441.96**	5,683.80

NOTE NO. 24 - EARNINGS PER SHARE

Particulars	As at March 31, 2019	As at March 31, 2018
Profit for the year for basic and diluted EPS (Rs. in Lakhs)	**1144.39**	493.86
Weighted average number of Equity shares used in computing basic EPS	**2,77,22,726**	2,76,85,841
Effect of potential Equity share on employee stock options	**1,54,715**	1,21,618
Weighted average number of equity shares used in computing of diluted EPS	**2,78,77,441**	2,78,07,459
Basic Earnings per share (Rs.) (Face value of Rs. 10 per share)	**4.13**	1.78
Diluted Earnings per share	**4.11**	1.77

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 standalone financial statements for the year ended March 31, 2019 (Contd.)

Rs. in Lakhs

Particulars	March 31, 2019	March 31, 2018
Equity	**15,012.29**	13,994.41
Less: Cash and cash equivalents	**(40.53)**	(82.71)
	14,971.76	13,911.70

II Categories of financial assets and financial liabilities

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**

As at March 31, 2018

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Trade Receivables	1,008.97	–	–	1,008.97
Other Financial Assets	47.23	–	–	47.23
Current Assets				
Trade Receivables	10,715.00	–	–	10,715.00
Cash and Cash Equivalents	82.71	–	–	82.71

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

As at March 31, 2018

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Other Bank Balances	372.08	–	–	372.08
Other Financial Assets	127.06	–	–	127.06
Non-current Liabilities				
Borrowings	14.62	–	–	14.62
Current Liabilities				
Borrowings	346.72	–	–	346.72
Trade Payables	3,830.27	–	–	3,830.27
Other Financial Liabilities	648.67	–	–	**648.67**

Financial Risk Management Framework

The Company's activities are exposed 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.

These risks are identified and monitored as per the Risk management policy for their minimisation procedure and measures taken to mitigate such risks.

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 obtaininig 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. 441.01 lakhs (March 31, 2018 Rs. 428.75 lakhs) and bank guarantees of Rs. 37.05 lakhs (March 31, 2018 Rs. 50.25 lakhs) which is considered as collateral and these are considered in determination of expected credit losses, where applicable.

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

The loss allowance provision is determined as follows:

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**

Rs. in Lakhs

As at March 31, 2018

Particulars	**Not due**	**Less than 1 Year**	**Non-Current**	**Total**
Project				
Expected loss rate	0.00%	5.00%	23.82%	
Gross carrying amount	73.16	9,184.00	807.50	10,064.66
Loss allowance provision	–	458.83	192.34	651.17
Non Project				
Expected loss rate	–	15.13%	16.23%	
Gross carrying amount	–	2,258.39	470.12	2,728.51
Loss allowance provision	–	341.73	76.30	418.03

Reconciliation of loss allowance provision for Trade Receivables

Rs. in Lakhs

Particulars	**March 31, 2019**	March 31, 2018
Balance as at beginning of the year	**1,069.19**	1,235.10
Impairment losses recognised in the year based on lifetime expected credit loss		
– On receivables originated in the year	**320.86**	320.39
– Amounts written off during the year as uncollectible	**(199.62)**	(486.30)
– Amounts Recovered during the year	**–**	–
Balance at end of the year	**1,190.43**	1,069.19

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. 199.62 (March 31, 2018 Rs. 486.30 lakhs) of trade receivables.

The Credit risk on bank balances is limited as the counterparties are banks and fund houses with high credit ratings.

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

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.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
March 31, 2019				
Non-interest bearing	5,981.51	8.51	–	–
Interest bearing	327.52	–	–	–
Total	**6,309.03**	**8.51**	**–**	**–**
March 31, 2018				
Non-interest bearing	4,478.94	6.11	8.51	–
Interest bearing	346.72	–	–	–
Total	**4,825.66**	**6.11**	**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.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
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**
March 31, 2018				
Non-interest bearing	10,957.27	1,008.98	7.88	–

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Fixed interest rate instruments	339.58	–	39.35	–
Total	**11,296.85**	**1,008.98**	**47.23**	**–**

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

The Management considers 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

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Details of leasing arrangements		
As Lessee		
<u>Operating Lease</u>		
The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 11 months to 36 months and may be renewed for further period based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5% to 10% every year.		
Future Non-Cancellable minimum lease commitments		
not later than one year	**10.98**	14.81
later than one year and not later than five years	**7.03**	14.83
later than five years	**–**	–
As Lessor		
<u>Operating Lease</u>		
The Company has entered into operating lease arrangements for certain surplus facilities. The lease is non-cancellable for a period of 18 months from and may be renewed for a further period of based on mutual agreement of the parties.		

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Future Non-Cancellable minimum lease commitments		
not later than one year	**2.11**	–
later than one year and not later than five years	**–**	–
later than five years	**–**	–

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) 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. 79.13 lakhs (year ended March 31, 2018 : Rs. 75.65 lakhs) and Superannuation Fund Rs. 28.38 lakhs (year ended March 31, 2018 : Rs. 28.28 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.

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

Defined benefit plans - as per actuarial valuation

		Rs. in Lakhs
Particulars	**Funded Plan**	
	Gratuity	
	2019	**2018**
Ia. Expense recognised in the Statement of Profit and Loss		
1. Current service cost	**26.86**	24.90
2. Interest cost	**16.20**	13.33
3. Expected return on plan assets	**(16.91)**	(14.53)
	26.15	23.70
Ib. Included in other Comprehensive Income		
1. Return on plan assets	**0.87**	(2.12)
2. Actuarial (Gain)/Loss on account of:		
– Demographic Assumptions	**–**	0.01
– Financial Assumptions	**3.43**	(9.41)
– Experience Adjustments	**6.17**	10.52
	10.00	(1.00)
Re-measurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	**0.87**	(2.12)
Actuarial gains and loss arising from changes in financial assumptions	**3.43**	(9.41)
Actuarial gains and loss arising from experience adjustments	**6.17**	10.52
- Demographic Assumptions	**–**	0.01
Acturial gains and loss arising from components of defined benefit costs recognised in other comprehensive income	**10.47**	(1.00)
Total	**36.61**	22.70
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31 March	**261.30**	235.88
2. Fair value of plan assets as at 31 March	**245.20**	240.32
3. Surplus/(Deficit)	**(16.09)**	4.44
4. Current portion of the above	**–**	–
5. Non current portion of the above	**(16.09)**	4.44
II. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year	**235.88**	202.06
2. Expenses Recognised in Profit and Loss Account		
– Current Service Cost	**26.86**	24.90
– Interest Cost	**16.20**	13.33
3. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
– Demographic Assumptions	**–**	0.01
– Financial Assumptions	**3.43**	(9.41)
– Experience Adjustments	**6.17**	10.52
4. Benefit payments	**(27.24)**	(5.53)
5. Present value of defined benefit obligation at the end of the year	**261.30**	235.88

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

Rs. in Lakhs

Particulars		Funded Plan Gratuity 2019	Funded Plan Gratuity 2018
III.	**Change in fair value of assets during the year**		
1.	Fair value of plan assets at the beginning of the year	**240.32**	207.47
2.	Adjustment to Opening Fair Value of the Asset	**(2.35)**	3.25
3.	Expenses Recognised in Profit and Loss Account	**–**	–
	- Expected return on plan assets	**16.91**	14.53
4.	Recognised in Other Comprehensive Income	**–**	–
	Remeasurement gains/(losses)	**–**	–
	- Actual Return on plan assets in excess of the expected return	**(0.87)**	2.12
5.	Contributions by employer (including benefit payments recoverable)	**–**	14.25
6.	Benefit payments	**(8.80)**	(1.30)
7.	Fair value of plan assets at the end of the year	**245.20**	240.32
IV.	**The Major categories of plan assets**		
	- Funds Managed By Insurer (LIC of India)	**245.20**	240.32
V.	**Actuarial assumptions**		
	1. Discount rate	**6.65%**	7.24%
	2. Salary escalation	**5.70%**	5.90%

The sensitivity analysis of the defined benefit obligation to changes in the weighted principal assumptions is:

Rs. in Lakhs

Principal assumption		**Changes in assumption**	**Impact on defined benefit obligation: Increase in assumption**	**Impact on defined benefit obligation: Decrease in assumption**
Discount rate	2019	1.00%	8.75	9.41
	2018	1.00%	8.01	8.62
Salary growth rate	2019	1.00%	8.40	7.95
	2018	1.00%	7.71	7.29

The above sensitivity analysis 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 analysis did not change compared to previous period.

The Company expects to contribute Rs. 28.32 lakhs to the gratuity trust during the next financial year of 2019.

Rs. in Lakhs

Maturity profile of defined benefit obligation:	**2019**	**2018**
Within 1 year	**51.30**	62.95
1 - 2 year	**59.87**	57.54
2 - 3 year	**42.70**	78.12
3 - 4 year	**31.19**	55.30
4 - 5 year	**28.59**	51.94
5 - 10 year	**87.06**	262.60

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

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 HZPC Pvt. 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
Mahindra & Mahindra South Africa (Pty.) Ltd.	Fellow subsidiary
Mr. Ashok Sharma	Key Management Personnel (Managing Director)
Mr. Sanjeev Mohoni	Key Management Personnel (Chief Executive Officer)
Ms. Sunetra Ganesan	Key Management Personnel (Chief Financial Officer)

Details of transaction between the Company and its related parties are disclosed below:

Rs. in Lakhs

Nature of transactions with Related Parties	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of goods		
Mahindra Lifespace Developers Ltd.	**2.85**	33.79
Mahindra Susten Pvt. Ltd.	**–**	123.71
Mahindra World City (Jaipur) Limited	**1.40**	52.00
Mahindra & Mahindra South Africa (Pty.) Ltd.	**–**	40.72
Mahindra and Mahindra Ltd.-Swaraj	**20.53**	–
Mahindra Top Greenhouses Private Limited	**25.92**	–
Investment in Equity Shares of Joint Venture		
Mahindra Top Greenhouses Private Limited	**180.00**	–
Interest on Inter Corporate Deposits		
Mahindra and Mahindra Ltd.	**21.02**	–
Remuneration		
Mr. Ashok Sharma	**24.00***	24.00*
Mr. Sanjeev Mohoni	**124.99***	106.65*
Ms. Sunetra Ganesan	**56.48**	54.67

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

Rs. in Lakhs

Nature of transactions with Related Parties	For the year ended March 31, 2019	For the year ended March 31, 2018
Management contract fees expenses (Including for deputation of personnel)		
Mahindra and Mahindra Limited	**190.42**	179.66
Mahindra Logistics Limited	**4.11**	3.94
Management contract fees income (Including for deputation of personnel)		
Mahindra Top Greenhouses Private Limited	**18.35**	–
Travelling Expense		
Mahindra and Mahindra Limited	**0.91**	4.86
Business Support Services		
Mahindra Agri Solutions Ltd.	**100.00**	–
Reimbursement of Expenses to		
Mahindra and Mahindra Limited	**1.48**	7.65
Reimbursement of Expenses from:		
Mahindra Top Greenhouses Private Limited	**7.29**	–
Mahindra Agri Solutions Ltd.	**1.42**	–
Professional Fees:		
Mahindra and Mahindra Limited	**92.54**	75.14
Mahindra Integrated Business Solutions Pvt Ltd	**4.02**	0.42
Credit Note given for Expenses		
Mahindra Susten Pvt. Ltd.	**34.33**	11.80

Nature of Balances with Related Parties	As at March 31, 2019	As at March 31, 2018
Trade payables:		
Mahindra and Mahindra Limited	**167.68**	56.01
Mahindra Integrated Business Solutions Pvt Ltd.	**0.51**	0.45
Mahindra Agri Solutions Ltd.	**9.00**	–
Mahindra Top Greenhouses Private Limited	**21.81**	–
Mahindra Logistics Limited	**0.40**	–
Trade Receivables:		
Mahindra and Mahindra Limited	**13.42**	–
Mahindra HZPC Pvt. Ltd.	**–**	27.87
Mahindra Susten Pvt. Ltd.	**–**	73.87
Mahindra Agri Solutions Ltd.	**3.59**	2.06
Mahindra Lifespace Developers Ltd.	**16.95**	31.06
Mahindra World City (Jaipur) Limited	**40.54**	58.24
Mahindra Top Greenhouses Private Limited	**60.75**	–
Mahindra & Mahindra South Africa (Pty.) Ltd.	**–**	33.98

* The Company has incurred Rs. 148.99 lakhs (March 31, 2018 Rs. 130.65 lakhs) for key managerial personnel services provided by Mahindra and Mahindra Limited.

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

								Rs. in Lakhs
Particulars	**Year ended March 31, 2019**				Year ended March 31, 2018			
	Directors	**Managing Director**	**Chief Executive Officer**	**Chief Financial Officer**	Directors	Managing Director	Chief Executive Officer	Chief Financial Officer
Remuneration	**–**	**24.00**	**124.99**	**56.48**	–	24.00	106.65	54.67
Fees for attending board committee meetings	**7.30**	**–**	**–**	**–**	7.45	–	–	–
Commission to independent directors	**16.94**	**–**	**–**	**–**	10.36	–	–	–
Short-term employee benefits	**–**	**–**	**–**	**–**	–	–	–	–
Share-based payment	**–**	**–**	**–**	**–**	–	–	–	–

The remuneration of directors and key executives is determined by the Nomination and Remuneration Committee having regard to the performance of individuals and market trends. Post employment benefits are accounted as per actuarial valuation.

NOTE NO. 31 - CONTINGENT LIABILITIES AND COMMITMENTS

			Rs. in Lakhs
Contingent liabilities (to the extent not provided for)		**As at March 31, 2019**	As at March 31, 2018
Contingent liabilities			
(a)	Claims against the Company not acknowledged as debt	**31.15**	29.99
(b)	Interest on account of commitment to Export, under Export Promotion Capital Goods Scheme	**19.18**	20.46
(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

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.

Notes to the standalone financial statements for the year ended March 31, 2019 (Contd.)

Rs. in Lakhs

Contingent liabilities (to the extent not provided for)	As at March 31, 2019	As at March 31, 2018
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.		
(e) Determination of Turnover ignoring return filed 15-16- VAT/ CST / Entry Tax M P state Ex-party Assement 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**	–
(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) 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**	–
(h) Determination of demand ignoring CST return filed for F.Y. 13-14	**9.47**	–

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

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for in respect of Tangible assets.	**42.67**	80.81

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 Re. 1.00 per equity share, subject to the approval of shareholders of the Company at the forthcoming Annual General Meeting.

NOTE NO. 35 - EVENT OCCURING AFTER THE REPORTING PERIOD

No material events have occured between the Balance Sheet date and before the approval of financial statements by Board of Directors.

NOTE NO. 36 - PREVIOUS YEAR'S FIGURES

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Notes to the standalone financial statements for the year ended March 31, 2019

NOTE NO. 37 - APPROVAL OF FINANCIAL STATEMENTS

The Standalone Financials Statements of the Company were approved by the Board of Directors and authorised for issue on April 30, 2019.

For Board of Directors

Ashok Sharma	Managing Director
S. Durgashankar	Directors
Sangeeta Prasad	
Anand Daga	
Vinayak Patil	
Sanjeev Mohoni	Chief Executive Officer
Sunetra Ganesan	Chief Financial Officer
R. V. Nawghare	Company Secretary

Place : Mumbai
Date : April 30, 2019

INDEPENDENT AUDITOR'S REPORT

To The Members of Mahindra EPC Irrigation Limited (Formerly Known as EPC Industrié Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Mahindra EPC Irrigation Limited** (Formerly Known as EPC Industrié Limited) ("the Company") and the Company's share of loss in its joint venture ("The Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2019, 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 31st March, 2019, 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. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Inventory - Provision for slow and non-moving inventory of finished goods, including those lying with third parties.** The Company is in the business of manufacturing and in trading of range of Precision Farming Products and services. The inventory of the Company includes Raw Materials, Work-in- Progress, Finished and Semi finished good and Stock in trade and are stated at lower of cost and net realisable value. Determination of slow moving and non-moving inventory involves significant management judgment and estimate. Finished goods inventory lying at factories and warehouses are physically verified bi-annually by the Company and those lying with the third parties for installation are physically verified once a year. Owing to the nature of the inventory, the Company is unable to follow FIFO basis when such finished goods are issued to customers. Besides, inventory lying with third parties is generally verified by calling for third party certificates/confirmations. Accordingly determining slow, non-moving and damaged items of such inventory including assessment of their physical condition and consequent amount of provision required for such inventory requires the Company to make significant judgment and estimates about their recoverable value and future use. Refer to Note 9 and 1 (J) of the standalone financial statements for above matter.	1. Review of accounting policies established by the group with reference to the requirements of Ind AS 2, the process followed by the management, control environment and control procedures in place. We have ensured that the procedures were appropriately structured to obtain all necessary information for accounting and disclosures. 2. We have evaluated the design and tested the implementation of internal controls on the judgements exercised over provisions made and underlying data, assumption used and record maintained. 3. We have tested the relevant controls relating to provisions working basis and underlying data and related information used in recording of the provision in accordance with the group's policies and requirement of Ind AS 2. 4. We have on a test check basis tested the samples for item of inventories provisions entries with basis, assumptions, approval and supporting documents used by the management for recording provision in the value of Inventory.

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 (Accountants) Rules, 2014
   e) On the basis of the written representations received from the directors of the Parent Company as on 31st March, 2019 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 31st March, 2019 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, 30 April, 2019

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 31st March, 2019, we have audited the internal financial controls over financial reporting of Mahindra EPC Irrigation Limited (Formerly known as EPC Industrié Limited) (hereinafter referred to as "the Company") and joint venture (the "Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and joint ventures, 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 31st March, 2019, 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 Raje
Partner
(Membership Number: 102637)

Mumbai, 30 April, 2019

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, 2019 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, 2019 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

Mumbai, 30th April, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

	Particulars	Note No.	Rs. in Lakhs As at March 31, 2019
	ASSETS		
I	**NON-CURRENT ASSETS**		
	(a) Property, Plant and Equipment	2	2,420.82
	(b) Capital Work-in-Progress		—
	(c) Other Intangible Assets	3	23.37
	(d) Financial Assets		
	(i) Investments	4	165.04
	(ii) Trade Receivables	5	2,270.03
	(iii) Other Financial Assets	6	70.25
	(e) Income Tax Assets (Net)		12.74
	(f) Deferred Tax Assets (Net)	7	370.66
	(g) Other Non-Current assets	8	536.42
	Total Non-Current Assets		**5,869.33**
II	**CURRENT ASSETS**		
	(a) Inventories	9	2,613.82
	(b) Financial Assets		
	(i) Trade Receivables	5	12,474.26
	(ii) Cash and Cash Equivalents	10	40.53
	(iii) Bank Balances other than (ii) above	10	251.83
	(iv) Other Financial Assets	6	51.09
	(c) Other Current Assets	8	821.39
	Total Current Assets		**16,252.92**
III	**Total Assets (I + II)**		**22,122.25**
	EQUITY AND LIABILITIES		
IV	**EQUITY**		
	(a) Equity Share Capital	11A	2,774.78
	(b) Other Equity	11B	12,222.55
	Total Equity		**14,997.33**
	LIABILITIES		
V	**NON-CURRENT LIABILITIES**		
	(a) Financial Liabilities		
	(i) Borrowings	12	8.50
	(b) Provisions	15	87.49
	Total Non-Current Liabilities		**95.99**
VI	**CURRENT LIABILITIES**		
	(a) Financial Liabilities		
	(i) Borrowings	14	327.52
	(ii) Trade Payables	16	
	a) total outstanding dues of micro and small enterprises		98.82
	b) total outstanding dues of creditors other than micro and small enterprises		5,152.72
	(iii) Other Financial Liabilities	13	729.97
	(b) Provisions	15	220.67
	(c) Current Tax Liabilities (Net)		176.62
	(d) Other Current Liabilities	17	322.61
	Total Current Liabilities		**7,028.93**
VII	**Total Liabilities (V+VI)**		**7,124.92**
VIII	**Total Equity and Liabilities (IV+VII)**		**22,122.25**
	See accompanying notes to the financial statements	1-37	

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Kedar Raje
Partner

Place : Mumbai
Date : April 30, 2019

For Board of Directors

Ashok Sharma Managing Director
S. Durgashankar
Sangeeta Prasad
Anand Daga
Vinayak Patil } Directors
Sanjeev Mohoni Chief Executive Officer
Sunetra Ganesan Chief Financial Officer
R. V. Nawghare Company Secretary

Place : Mumbai
Date : April 30, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

	Particulars	Note No.	Rs. in Lakhs For the year ended March 31, 2019
I	Revenue from Operations	18	26,010.95
II	Other Income	19	105.54
III	**Total Income (I + II)**		**26,116.49**
IV	**EXPENSES**		
	(a) Cost of materials consumed	20(a)	13,479.16
	(b) Purchases of Stock-in-trade	20(b)	138.47
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20(c)	458.75
	(d) Excise duty on sale of goods		—
	(e) Employee benefit expense	21	2,457.98
	(f) Finance costs	22	139.17
	(g) Depreciation, amortisation and impairment expense	2,3	306.93
	(h) Other expenses	23	7,441.96
	Total Expenses (IV)		**24,422.42**
V	**Profit before Profit/(Loss) of Joint Venture and Tax (III - IV)**		**1,694.07**
VI	**Share of Profit/(Loss) of Joint Venture (Net)**		**(14.96)**
VII	**Profit before tax (V + VI)**		**1,679.11**
VIII	**Tax Expense**		
	(1) Current tax	7	656.19
	(2) Deferred tax	7	(149.33)
	(3) Short/(Excess) provision for tax relating to prior years		42.82
	Total tax expense (VIII)		**549.68**
IX	**Profit after tax for the year (VII - VIII)**		**1,129.43**
X	**Other comprehensive income**		
	(i) Items that will not be reclassified to profit or loss		
	a) Remeasurements of the defined benefit plans		(10.47)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		3.05
	Total Other comprehensive (loss) / income for the year		**(7.42)**
XI	**Profit for the year attributable to owners of the Company (IX + X)**		**1,122.01**
XII	**Earnings per equity share** (Face value Rupees 10 per share)		
	(1) Basic	24	4.07
	(2) Diluted	24	4.05
	See accompanying notes to the financial statements	1-37	

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Kedar Raje
Partner

Place : Mumbai
Date : April 30, 2019

For Board of Directors

Ashok Sharma Managing Director
S. Durgashankar
Sangeeta Prasad
Anand Daga
Vinayak Patil } Directors
Sanjeev Mohoni Chief Executive Officer
Sunetra Ganesan Chief Financial Officer
R. V. Nawghare Company Secretary

Place : Mumbai
Date : April 30, 2019

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Rs. in Lakhs For the Year ended March 31, 2019
Profit before tax for the year	**1,694.07**
Adjustments for:	
Finance costs recognised in profit or loss	139.17
Interest Income recognised in profit or loss	(25.85)
Profit on sale of current investments	(7.87)
Liabilities no longer required written-off	(42.11)
Profit on disposal of property, plant and equipment	(6.16)
Impairment Loss recognised on financial assets	125.80
Bad trade and other receivables, loans and advances written off	199.62
Depreciation and amortisation expense	306.93
Expense recognised in respect of equity-settled share-based payments	44.35
	2,427.95
Movements in working capital:	
Increase in trade receivables	(3,345.74)
Decrease in inventories	855.89
Increase in other Non current assets	(45.63)
Increase in other current assets	(214.87)
Increase in trade payables	1,463.37
Decrease in provisions	(11.10)
Decrease in other current liabilities	(95.78)
	(1,393.86)
Cash generated from operations	1,034.09
Income taxes paid (net)	(552.55)
Net cash generated from operating activities	**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	(224.04)
Proceeds on sale of plant and equipment and other Intangible assets	2.92
Interest received	22.48
Purchase of Current Investment	(1,765.00)
Sale of Current Investment	1,772.87
Bank balance not considered as cash and cash equivalents matured (net)	120.25
Net cash used in investing activities	**(250.52)**
Cash flows from financing activities	
Proceeds from issue of equity instruments	3.59
Repayment of borrowings	(25.31)
Interest paid	(87.56)
Dividend paid for Equity shares (Including tax thereon)	(163.92)
Net cash used in financing activities	**(273.20)**
Net (decrease) in cash and cash equivalents	(42.18)
Cash and cash equivalents at the beginning of the year	82.71
Cash and cash equivalents at the end of the year	**40.53**

See accompanying notes to the financial statements 1-37

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Kedar Raje
Partner

Place : Mumbai
Date : April 30, 2019

For Board of Directors

Ashok Sharma Managing Director
S. Durgashankar
Sangeeta Prasad
Anand Daga
Vinayak Patil } Directors
Sanjeev Mohoni Chief Executive Officer
Sunetra Ganesan Chief Financial Officer
R. V. Nawghare Company Secretary

Place : Mumbai
Date : April 30, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

		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**
B.	**Forfeited shares**	
	As at March 31, 2018	**0.19**
	Changes during the year	—
	As at March 31, 2019	**0.19**

C. Other Equity

Rs. in Lakhs

Particulars	Reserves and Surplus					Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Share based payments (ESOP)	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**

Remeasurement loss (net) on defined benefit plans 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 Raje
Partner

Place : Mumbai
Date : April 30, 2019

For Board of Directors

Ashok Sharma Managing Director
S. Durgashankar
Sangeeta Prasad
Anand Daga
Vinayak Patil
} Directors
Sanjeev Mohoni Chief Executive Officer
Sunetra Ganesan Chief Financial Officer
R. V. Nawghare Company Secretary

Place : Mumbai
Date : April 30, 2019

Notes to the consolidated financial statements for the year ended March 31, 2019

NOTE NO. 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Corporate Information:

Mahindra EPC Irrigation Limited (Formerly know as EPC Industrié Limited) is a Public Limited Company listed on the Bombay Stock Exchange 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 Landscape Products. The Company is a subsidiary of Mahindra and Mahindra Limited.

Mahindra Top Greenhouses Private Limited-Joint Venture (60% as at March 31, 2019) is considered in preparation of consolidated financial statements.

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, 2019.

A Joint venture is a joint arrangment whereby the parties that have joint control of the arrangment have the rights to the net assets of the arrangment. Joint control is the contractually agreed sharing of control of an arrangment, 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 incorportated 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.

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

F. Standards issued but not yet effective:

- **IND AS 116 Leases**

On 30 March, 2019, Ministry of Corporate Affairs (MCA) has notified new standard Ind AS 116, Leases. This standard supersedes Ind AS 17, Leases.

The new standard on leases requires that lessees bring virtually all leases onto the balance sheet, applying a 'right-of-use asset' model that would recognise an asset on the lessee's balance sheet (representing its right to use the leased asset over the lease term), and recognise a corresponding liability to make future lease payments. The standard provides certain recognition exemptions which allow companies to recognise lease payments as an expense. Entities may use retrospective approach, modified retrospective approach or a modified simplified approach to transition to Ind AS 116. The Company is currently assessing the impact of application of IND AS 116 on the Company's financials statements.

- **Amendments to Existing issued Ind AS**

1. Ind AS 103, Business Combinations - The amendment clarifies when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business.
2. Ind AS 109, Financial Instruments - Amendments correspond to 'prepayment features with negative compensation'.
3. Ind AS 111, Joint Arrangements - The amendments clarifies that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business
4. Ind AS 12, Income Taxes – Inserted a new Appendix–C relating to 'uncertainty over tax treatments'.
5. Ind AS 19, Employee Benefits - If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement.
6. Ind AS 23, Borrowing Cost - If any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.
7. Ind AS 28, Investments in Associates and Joint Venture – A new paragraph 14A has been added to specify that, an entity also applies Ind AS 109 to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture. In applying Ind AS 109, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying this Standard.
8. Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance with consequential amendments to Ind AS 12, Ind AS 16 and Ind AS 38. Paragraphs 23-24, 26, 28 and 32 of Ind AS 20 have been amended, and paragraphs 25, 27, 33 and 40-48A have been added.

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.

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

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 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.

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.

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

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 rate. 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 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 (see note 15).

For sales of MIS to open market, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the dealer based on the terms of contract. Following delivery, the dealer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility of 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 goods 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 dealer /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 benifits will flow to the Company and the amount of income can be majored 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 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.

These income are recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably.

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

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 of Profit or Loss on a systematic basis over the period 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.

(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.

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

P. Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

In respect of operating leases, lease payments are recognised as expenses and lease receipts are recognised as income on a straight line basis over the lease term. Initial direct costs are recognised immediately as expenses.

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.

- **Minimum Alternate Tax (MAT)**

  MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as a component of deferred tax asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

- **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.

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

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.

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.

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.

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

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.

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)

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, 2019 (Contd.)

NOTE NO. 2 - PROPERTY, PLANT AND EQUIPMENT

Rs. in Lakhs

Description of Assets	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, 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.

Assets pledged as security and restriction on titles.

A second pari passu charge on the fixed assets is created towards credit facilities availed from banks.

Note: Buildings includes commercial property at Bhopal which has been reclassified from Investment property. The reclassification has been made as the Company is not in the business of renting out the property.

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

NOTE NO. 3 - OTHER INTANGIBLE ASSETS

Rs. in Lakhs

Description of Assets	Computer Software	Total
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

Rs. in Lakhs

Particulars	As at March 31, 2019
Unquoted	
Measured as per equity accounting method	
Investment in Equity Instruments of Joint Venture	165.04
Total	**165.04**

NOTE NO. 5 - TRADE RECEIVABLES

Rs. in Lakhs

Particulars	As at March 31, 2019	
	Current	**Non Current**
Unsecured, considered good	**12,474.26**	**2,270.03**
Significant increase in Credit Risk	**662.16**	**528.27**
	13,136.42	**2,798.30**
Less: Allowance for doubtful debts (expected credit loss)	**(662.16)**	**(528.27)**
Total	**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, 2019 (Contd.)

NOTE NO. 6 - OTHER FINANCIAL ASSETS

Rs. in Lakhs

Particulars	As at March 31, 2019 Current	As at March 31, 2019 Non-Current
Security deposits	**40.83**	**70.25**
Interest accrued on deposits	**10.26**	**—**
Other Receivables	**—**	**—**
Total	**51.09**	**70.25**

NOTE NO. 7 - CURRENT TAX AND DEFERRED TAX

(a) Income Tax recognised in profit or loss

Rs. in Lakhs

Particulars	Year ended March 31, 2019
Current Tax:	
In respect of current year	**656.19**
In respect of prior years	**42.82**
Deferred Tax:	
In respect of current year	**(132.50)**
In respect of prior years	**(16.83)**
Total income tax expense recognised in the current year relating to continuing operations	**549.68**

(b) Income tax recognised in other Comprehensive income

Particulars	Year ended March 31, 2019
Deferred Tax	
Remeasurement of defined benefit obligations	**(10.47)**
Income taxes related to items that will not be reclassified to profit or loss	**3.05**
Total	**(7.42)**

(c) Reconciliation of income tax expense and the accounting profit multiplied by the Company's domestic tax rate:

Particulars	Year ended March 31, 2019
Profit before tax from continuing operations	**1,694.07**
Income tax expense calculated at 29.12%	**496.53**
Effect of income that is exempt from taxation	**—**
Effect on expense that is non-deductible in determining taxable profit	**27.16**
Effect of tax rate difference	**—**
	523.69
Adjustments recognised in the current year in relation to the current tax of prior years	**25.99**
Income tax expense recognised In profit or loss from continuing operations	**549.68**

The tax rate used for the 31 March, 2019 reconciliations above is the corporate tax rate of 29.12% payable by corporate entities in India 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, 2019 (Contd.)

NOTE NO. 7 - CURRENT TAX AND DEFERRED TAX (CONTD.)

(e) Movement in deferred tax assets / (Liabilities) for the year ended March 31, 2019

Rs. in Lakhs

Particulars	Opening Balance	Recognised in profit and Loss (including for earlier year)	Recognised in OCI	Utilised	Closing Balance
Tax effect of items constituting deferred tax liabilities					
Property, Plant and Equipment	344.29	(24.32)	—	—	319.97
Warranty Discounting	—	—	—	—	—
FVTPL financial asset	—	—	—	—	—
	344.29	**(24.32)**	**—**	**—**	**319.97**
Tax effect of items constituting deferred tax assets					
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**

NOTE NO. 8 - OTHER NON FINANCIAL ASSETS

Rs. in Lakhs

Particulars	**As at March 31, 2019**	
	Current	**Non-Current**
(a) Prepayments	25.02	7.10
(b) Prepayments Land Lease	4.32	301.01
(c) Balances with government authorities	610.00	221.41
(d) Others		
(i) Capital advances	—	6.91
(ii) Advance to Creditors		
Considered Good	177.46	—
Doubtful	—	21.92
Less : Provision for Doubtful advances	—	(21.92)
	177.46	—
(iii) Advances to employees		
Considered Good	4.59	—
Doubtful	25.31	—
Less : Provision for Doubtful advances	(25.31)	—
	4.59	—
Total	**821.39**	**536.42**

Leasehold Land at Nashik with carrying amount of Rs. 305.33 lakhs has been pledged as security for bank facilities under a mortgage.

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

NOTE NO. 9 - INVENTORIES

[Lower of cost and net realisable value]

Rs. in Lakhs

Particulars	**As at March 31, 2019**
(a) Raw materials and components	1,301.03
(b) Work-in-progress	145.78
(c) Finished and semi-finished goods	845.29
(d) Stock-in-trade of goods acquired for trading	321.72
Total	**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.125.15 lakhs is lying with third party.

The amount of inventories recognised as an expense in respect of write-down of inventory to net realisable values is Rs.117.59 lakhs.

NOTE NO. 10 - CASH AND BANK BALANCES

Rs. in Lakhs

Particulars	**As at March 31, 2019**
Cash and cash equivalents	
Balances with banks - Current Accounts	40.40
Cash on hand	0.13
Balance with bank - Deposit Accounts	—
Total Cash and cash equivalents	**40.53**
Other Bank Balances	
Earmarked balances with banks	19.23
Balances with Banks - on margin accounts	232.60
Total Other Bank Balances	**251.83**

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

NOTE NO. 11 A - EQUITY SHARE CAPITAL

Rs. in Lakhs

Particulars	As at March 31, 2019	
	No. of shares	Rs. in Lakhs
<u>Authorised</u>		
Equity shares of Rs. 10 each	**3,20,00,000**	**3,200.00**
Preference share of Rs. 100 each	**18,00,000**	**1,800.00**
<u>Issued</u>		
Equity shares of Rs. 10 each	**2,77,49,721**	**2,774.97**
<u>Subscribed and fully paid up</u>		
Equity shares of Rs. 10 each	**2,77,45,821**	**2,774.59**
Forfeited shares (Amount originally paid up)	**3,900**	**0.19**
Total		**2,774.78**

Fully paid equity shares, which have a per 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.

Rs. in Lakhs

Particulars		Opening Balance	Issued during the year	Closing Balance
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.

(ii) Details of shares held by the holding company

Particulars	As at March 31, 2019
Mahindra and Mahindra Ltd, the Holding Company	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, 2019	
	Number of shares held	% holding in that class of shares
Equity shares		
Mahindra and Mahindra Limited	1,51,44,433	54.58%

(iv) Shares reserved for issuance as follows:

Particulars	No. of shares As at March 31, 2019
Outstanding employee stock options granted / available for grant.	**4,51,308**

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

NOTE NO. 11 B - OTHER EQUITY

Rs. in Lakhs

Particulars	**As at March 31, 2019**
Capital Reserve	40.00
Securities Premium	9,315.30
General Reserve	425.44
Share based payments (ESOP)	88.82
Retained Earnings	2,352.99
Total	**12,222.55**

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 earrings 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

Rs. in Lakhs

Particulars	**2019**
Dividend per share (Rupees)	1.00
Dividend on Equity Shares	277.46
Dividend Distribution Tax	57.03
Total Dividend including Dividend Distribution Tax	**334.49**

NOTE NO. 12 - NON-CURRENT BORROWINGS

Rs. in Lakhs

Particulars	**As at March 31, 2019**
Unsecured Borrowings - at amortised Cost	
Deferred payment liabilities	8.50
Total	**8.50**

Sales Tax Deferral Scheme is payable in 5 annual instalments after 10 years from the year of availment of respective incentive. These loans are repayable:

(i) In the second year – Rs. 6.11 lakhs

(ii) In the third year – Rs. 8.51 lakhs

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

NOTE NO. 13 - OTHER CURRENT FINANCIAL LIABILITIES

Rs. in Lakhs

Particulars	**As at March 31, 2019**
Current maturities of long-term debt	6.11
Interest payables to vendors/others	217.73
Unpaid matured deposits and interest accrued thereon (Refer note (i) below)	0.36
Unclaimed Dividend	3.11
Security Deposits	446.76
Subsidy Reimbursable to Customer	34.76
Others (Refer note (ii) below)	21.14
Total	**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

Rs. in Lakhs

Particulars	**As at March 31, 2019**
Secured Borrowings - at amortised cost	
Loans repayable on demand from Bank	327.52
Total	**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 9.40%

NOTE NO. 15 - PROVISIONS

Rs. in Lakhs

Particulars	**As at March 31, 2019**	
	Current	**Non-Current**
a. Provision for employee benefits		
Compensated absences	189.25	–
b. Other Provisions		
Warranty	31.42	87.49
Total	**220.67**	**87.49**

Notes to the consolidated financial statements for the year ended March 31, 2019 (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**

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.

NOTE NO. 16 - TRADE PAYABLES

		Rs. in Lakhs
Particulars		**As at March 31, 2019**
Current		
a)	Trade payable - Micro and small enterprises	98.82
b)	Trade payable - Other than micro and small enterprises	5,152.72
Total		**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	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	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	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	73.93
(e)	Amount of interest accrued and remaining unpaid as at March 31.	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.

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

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 overdue balances as per terms agreed with vendors.

NOTE NO. 17 - OTHER NON - FINANCIAL LIABILITIES

Rs. in Lakhs

Particulars	As at March 31, 2019
(a) Advances received from customers	110.55
(b) Statutory dues	
– taxes payable (other than income taxes)	61.70
– Employee Recoveries and Employer Contributions	5.52
(c) Provision for liabilities	7.07
(d) Deferred interest income	3.72
(e) Deferred revenue arising from government grant	117.96
(f) Balance with LIC (Gratuity)	16.09
Total	**322.61**

NOTE NO. 18 - REVENUE FROM OPERATIONS

Rs. in Lakhs

Particulars	As at March 31, 2019
Revenue from contracts with customer	
(a) Revenue from sale of products	25,891.30
(b) Revenue from rendering of services	67.94
Other operating revenue	51.71
Total	**26,010.95**

Rs. in Lakhs

Particulars	As at March 31, 2019
(i) Sale of products comprises	
Manufactured goods	25,634.92
Total - Sale of manufactured goods	**25,634.92**
Traded goods	
Pumps	71.25
Green Houses	174.00
Landscape	11.13
Total - Sale of traded goods	**256.38**
Total - Sale of products	**25,891.30**

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

Rs. in Lakhs

Particulars	**As at March 31, 2019**
(ii) Sale of services comprises	
Agronomy Services	0.22
Installation Services	67.72
Landscape Projects	–
Total - Sale of services	**67.94**
(iii) Other operating revenues comprise	
Sale of scrap	44.42
Government Grant Incentives	4.97
Processing Charges	2.32
Total - Other operating revenues	**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.

NOTE NO. 19 - OTHER INCOME

Rs. in Lakhs

Particulars	**As at March 31, 2019**
(a) Interest Income	
1) Bank deposits (at amortised cost)	23.42
2) Interest on Security Deposit (at amortised cost)	2.43
3) Interest on tax refunds	0.56
(b) Operating lease rental income	3.76
(c) Net Gain on sale of current investments	7.87
(d) Profit/(Loss) on sale of assets (net of loss on assets sold/scrapped/written off)	6.16
(e) Liabilities no longer required written back	42.11
(f) Miscellaneous income	14.27
(g) Foreign Exchange profit	4.96
Total	**105.54**

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

NOTE NO. 20 (A) - COST OF MATERIALS CONSUMED

Rs. in Lakhs

Particulars	As at March 31, 2019
Opening stock	**1,698.17**
Add: Purchases	13,082.02
	14,780.19
Less: Closing stock	1,301.03
Cost of materials consumed	**13,479.16**

NOTE 20 (B) - PURCHASES OF FINISHED, SEMI-FINISHED AND OTHER PRODUCTS (TRADED GOODS)

Particulars	As at March 31, 2019
Stock-in-trade - Pumps, Greenhouses & Landscape	138.47
Total	**138.47**

NOTE 20 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	As at March 31, 2019
Inventories at the end of the year:	
Finished goods	845.29
Work-in-progress	145.78
Stock-in-trade	321.72
	1,312.79
Inventories at the beginning of the year:	
Finished goods	1,245.90
Work-in-progress	91.16
Stock-in-trade	434.48
	1,771.54
Net decrease	**458.75**

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

NOTE NO. 21 - EMPLOYEE BENEFITS EXPENSE

Rs. in Lakhs

Particulars		As at March 31, 2019
(a)	Salaries and wages, including bonus	2,127.40
(b)	Contribution to provident and other funds (Refer Note No. 29)	150.78
(c)	Share based payment transactions expenses	44.35
(d)	Staff welfare expenses	135.45
Total Employee Benefit Expense		**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

Movement in Stock Options

Particulars		Year ended 31 March, 2019	
		Number of Shares	Weighted average exercise price
1	Outstanding at the beginning of the year	1,29,850	10
2	Granted during the year	80,110	10
3	Exercised during the year	(35,871)	10
4	Expired during the year	(4,448)	10
5	Outstanding at the end of the year	1,69,641	10

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

Share Options Exercised in the Year

Particulars	Year end March 31, 2019		
	Number Exercised	**Exercise Date**	**Share Price at Exercise Date**
Equity Settled			
1 Series 1 Granted on October 28, 2014	9,336	November 22, 2018	88.25
2 Series 2 Granted on October 31, 2015	807	November 22, 2018	88.25
3 Series 3 Granted on November 22, 2016	24,373	November 22, 2018	88.25
4. Series 4 Granted on November 22, 2017	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
	2019	2019	2019	2019	2019
Share price at grant date	177.75	158.30	135.40	172.55	92.80
Exercise price	10	10	10	10	10
Expected volatility (weighted-average)	55%	55%	49%	46%	43%
Expected life/Option Life	3.50 Year	3.50 Year	3.50 Year	3.50 Year	3.50 Year
Expected dividends yield	Nil	Nil	Nil	Nil	0.54%
Risk-free interest rate (based on government bonds)	8.06%	8.06%	6.33%	6.94%	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 recoverd 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, 2019 (Contd.)

NOTE NO. 22 - FINANCE COST

Rs. in Lakhs

Particulars	As at March 31, 2019
(a) Interest Cost	
– On credit facilities from Banks	56.19
– On trade creditors	14.46
– On government Grant	14.33
– On delayed payment of taxes	19.09
– On Intercompany Loan	21.01
(b) Other borrowing cost	
Processing fees/Guarantee Commission	5.07
Unwinding of discount on provisions	9.02
Total finance costs	**139.17**

Rs. in Lakhs

Particulars	As at March 31, 2019
Interest Expenses	
On Financial Liability at Amortised Cost	91.66

NOTE NO. 23 - OTHER EXPENSES

Rs. in Lakhs

Particulars	As at March 31, 2019
Stores consumed	62.57
Power & Fuel	527.78
Rent including lease rentals	227.98
Rates and taxes	5.66
Insurance	13.96
Repairs and maintenance - Buildings	0.71
Repairs and maintenance - Machinery	51.00
Repairs and maintenance - Others	48.15
Commission on sales	2,774.98
Freight outward	1,090.94
Travelling and Conveyance Expenses	436.42
Subcontracting, Hire and Service Charges	369.14
Expenditure on Corporate Social Responsibility (CSR)	20.60
Donations and Contributions for CSR activity	0.24
Provision for doubtful trade and other receivables and loans	125.80
Bad trade and other receivables, loans and advances written off	199.62
Auditors remuneration and out-of-pocket expenses	

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

Particulars	Rs. in Lakhs **As at March 31, 2019**
(i) As Auditors	32.75
(ii) For Other services	6.75
(iii) For Cost auditors for cost audit	1.60
(iv) For reimbursement of expenses	0.61
Legal and other professional costs	497.01
Site expenses	495.40
Warranty claim	1.88
Directors' fees and commission	24.24
Other general expenses	426.17
Total Other Expenses	**7,441.96**

NOTE NO. 24 - EARNINGS PER SHARE

Particulars	**As at March 31, 2019**
Profit for the year for basic and diluted EPS (Rs. in Lakhs)	**1129.43**
Weighted average number of Equity shares used in computing basic EPS	2,77,22,726
Effect of potential Equity share on employee stock options	1,54,715
Weighted average number of equity shares used in computing of diluted EPS	**2,78,77,441**
Basic Earnings per share (Rs.) (Face value of Rs. 10 per share)	**4.07**
Diluted Earnings per share	**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, 2019 (Contd.)

Particulars	Rs. in Lakhs March 31, 2019
Equity	14,997.33
Less: Cash and cash equivalents	(40.53)
	14,956.80

II Categories of financial assets and financial liabilities

As at March 31, 2019

Particulars	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				
Investments	–	–	–	–
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 are exposed 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.

These risks are identified and monitored as per the risk management policies for their minimisation procedure and measures taken to mitigate such risks.

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

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

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. 441.01 lakhs and bank guarantees of 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, 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, 2019**
Balance as at beginning of the year	**1,069.19**
Impairment losses recognised in the year based on lifetime expected credit loss	
– On receivables originated in the year	320.86
– Amounts written off during the year as uncollectible	(199.62)
– Amounts Recovered during the year	–
Balance at end of the year	**1,069.19**

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. 199.62 of trade receivables.

The Credit risk on bank balances is limited as the counterparties are banks and fund houses with high credit ratings.

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

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.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
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.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
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, 2019 (Contd.)

NOTE NO. 26 - FAIR VALUE MEASUREMENT

The management considers 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

Rs. in Lakhs

Particulars	As at March 31, 2019
Details of leasing arrangements	
As Lessee	
Operating Lease	
The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 11 months to 36 months and may be renewed for further period based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5% to 10% every year.	
Future Non-Cancellable minimum lease commitments	
not later than one year	**10.98**
later than one year and not later than five years	**7.03**
later than five years	**–**
As Lessor	
Operating Lease	
The Company has entered into operating lease arrangements for certain surplus facilities. The lease is non-cancellable for a period of 18 months from and may be renewed for a further period of based on mutual agreement of the parties.	
Future Non-Cancellable minimum lease commitments	
not later than one year	**2.11**
later than one year and not later than five years	**–**
later than five years	**–**

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.

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

NOTE NO. 29 - EMPLOYEE BENEFITS

(a) Defined Contribution Plan

The Company's contribution to Provident Fund Rs. 79.13 lakhs and Superannuation Fund 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

		Rs. in Lakhs
Particulars		**Funded Plan**
		Gratuity
		2019
Ia.	**Expense recognised in the Statement of Profit and Loss**	
1.	Current service cost	26.86
2.	Interest cost	16.20
3.	Expected return on plan assets	(16.91)
		26.15
Ib.	**Included in other Comprehensive Income**	
1.	Return on plan assets	0.87
2.	Actuarial (Gain)/Loss on account of:	
	– Demographic Assumptions	–
	– Financial Assumptions	3.43
	– Experience Adjustments	6.17
		10.00

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

	Rs. in Lakhs
Particulars	Funded Plan
	Gratuity
	2019
Remeasurement on the net defined benefit liability:	
Return on plan assets (excluding amount included in net interest expense)	0.87
Actuarial gains and loss arising from changes in financial assumptions	3.43
Actuarial gains and loss arising from experience adjustments	6.17
- Demographic Assumptions	–
Acturial gains and loss arising from components of defined benefit costs recognised in other comprehensive income	10.47
Total	**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	261.30
2. Fair value of plan assets as at 31 March	245.20
3. Surplus/(Deficit)	(16.09)
4. Current portion of the above	–
5. Non current portion of the above	(16.09)
II. Change in the obligation during the year	
1. Present value of defined benefit obligation at the beginning of the year	235.88
2. Expenses Recognised in Profit and Loss Account	
– Current Service Cost	26.86
– Interest Cost	16.20
3. Recognised in Other Comprehensive Income	
Remeasurement gains/(losses)	
– Demographic Assumptions	–
– Financial Assumptions	3.43
– Experience Adjustments	6.17
4. Benefit payments	(27.24)
5. Present value of defined benefit obligation at the end of the year	**261.30**
III. Change in fair value of assets during the year	
1. Fair value of plan assets at the beginning of the year	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	16.91
4. Recognised in Other Comprehensive Income	–
Remeasurement gains/(losses)	–
- Actual Return on plan assets in excess of the expected return	(0.87)
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	**245.20**
IV. The Major categories of plan assets	
- Funds Managed By Insurer (LIC of India)	**245.20**
V. Actuarial assumptions	
1. Discount rate	**6.65%**
2. Salary escalation	**5.70%**

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

The sensitivity analysis of the defined benefit obligation to changes in the weighted principal assumptions is:

Rs. in Lakhs

			Impact on defined benefit obligation	
Principal assumption		**Changes in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate	2019	1.00%	8.75	9.41
Salary growth rate	2019	1.00%	8.40	7.95

The above sensitivity analysis 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 analysis did not change compared to previous period.

The Company expects to contribute Rs. 28.32 lakhs to the gratuity trust during the next financial year of 2019.

Rs. in Lakhs

Maturity profile of defined benefit obligation:	**2019**
Within 1 year	51.30
1 - 2 year	59.87
2 - 3 year	42.70
3 - 4 year	31.19
4 - 5 year	28.59
5 - 10 year	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 HZPC Pvt. 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
Mahindra & Mahindra South Africa (Pty.) Ltd.	Fellow subsidiary

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

Name of the parent Company	Relationship
Mr. Ashok Sharma	Key Management Personnel (Managing Director)
Mr. Sanjeev Mohoni	Key Management Personnel (Chief Executive Officer)
Ms. Sunetra Ganesan	Key Management Personnel (Chief Financial Officer)

Details of transaction between the Company and its related parties are disclosed below:

Rs. in Lakhs

Nature of transactions with Related Parties	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	1.40
Mahindra & Mahindra South Africa (Pty.) Ltd.	–
Mahindra and Mahindra Ltd.-Swaraj	20.53
Mahindra Top Greenhouses Private Limited	25.92
Investment in Equity Shares of Joint Venture	
Mahindra Top Greenhouses Private Limited	180.00
Interest on Inter Corporate Deposits	
Mahindra and Mahindra Ltd.	21.02
Remuneration	
Mr. Ashok Sharma	24.00*
Mr. Sanjeev Mohoni	124.99*
Ms. Sunetra Ganesan	56.48
Management contract fees expenses (Including for deputation of personnel)	
Mahindra and Mahindra Limited	190.42
Mahindra Logistics Limited	4.11
Management contract fees income (Including for deputation of personnel)	
Mahindra Top Greenhouses Private Limited	18.35
Travelling Expense	
Mahindra and Mahindra Limited	0.91
Business Support Services	
Mahindra Agri Solutions Ltd.	100.00
Reimbursement of Expenses to	
Mahindra and Mahindra Limited	1.48
Reimbursement of Expenses from	
Mahindra Top Greenhouses Private Limited	7.29
Mahindra Agri Solutions Ltd.	1.42
Professional Fees	
Mahindra and Mahindra Limited	92.54
Mahindra Integrated Business Solutions Pvt. Ltd.	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, 2019 (Contd.)

Nature of Balances with Related Parties	As at March 31, 2019
Trade payables	
Mahindra and Mahindra Limited	**167.68**
Mahindra Integrated Business Solutions Pvt. Ltd.	**0.51**
Mahindra Agri Solutions Ltd.	**9.00**
Mahindra Top Greenhouses Private Limited	**21.81**
Mahindra Logistics Limited	**0.40**
Trade Receivables	
Mahindra and Mahindra Limited	**13.42**
Mahindra HZPC Pvt. Ltd.	**–**
Mahindra Susten Pvt. Ltd.	**–**
Mahindra Agri Solutions Ltd.	**3.59**
Mahindra Lifespace Developers Ltd.	**16.95**
Mahindra World City (Jaipur) Limited	**40.54**
Mahindra Top Greenhouses Private Limited	**60.75**
Mahindra & Mahindra South Africa (Pty.) Ltd.	**–**

* The Company has incurred 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, 2019			
	Directors	Managing Director	Chief Executive Officer	Chief Financial Officer
Remuneration	**–**	**24.00**	**124.99**	**56.48**
Fees for attending board committee meetings	**7.30**	**–**	**–**	**–**
Commission to independent directors	**16.94**	**–**	**–**	**–**
Short-term employee benefits	**–**	**–**	**–**	**–**
Share-based payment	**–**	**–**	**–**	**–**

The remuneration of directors and key executives is determined by the Nomination and Remuneration Committee having regard to the performance of individuals and market trends. Post employment benefits are accounted as per actuarial valuation.

Notes to the consolidated financial statements for the year ended March 31, 2019 (Contd.)

NOTE NO. 31 - CONTINGENT LIABILITIES AND COMMITMENTS

		Rs. in Lakhs As at March 31, 2019
Contingent liabilities (to the extent not provided for)		
Contingent liabilities		
(a)	Claims against the Company not acknowledged as debt	31.15
(b)	Interest on account of commitment to Export, under Export Promotion Capital Goods Scheme	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
(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
	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.	
(e)	Determination of Turnover ignoring return filed 15-16 VAT/ CST / Entry Tax M P state Ex-party Assement 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
(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)	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
(h)	Determination of demand ignoring CST return filed for F.Y. 13-14	9.47

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, 2019**
Estimated amount of contracts remaining to be executed on capital account and not provided for in respect of Tangible assets.	**42.67**

Notes to the consolidated financial statements for the year ended March 31, 2019

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 Re.1.00 per equity share, subject to the approval of shareholders of the Company at the forthcoming Annual General Meeting.

NOTE NO. 35 - EVENT OCCURING AFTER THE REPORTING PERIOD

No material events have occured between the Balance Sheet date and before the approval of financial statement by Board of Directors.

NOTE NO. 36 - PREVIOUS YEAR'S FIGURES

Joint Venture 'Mahindra Top Greenhouses Private Limited' was incorporated on November 16, 2018 hence the consolidation of financial statements is applicable from current year. Comparative information is not applicable for the current year consolidated financials statements.

NOTE NO. 37 - APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements of the Company were approved by the Board of Directors and authorised for issue on April 30, 2019.

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. in Lakhs.)

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.	Extent of shareholding(in percentage)	-

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year: Not Applicable.
3. Reporting period for both subsidiaries : 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	31-03-2019
2. Shares of Associate/Joint Ventures held by the company on the year end	18,00,000
No.	
Amount of Investment in Associates/Joint Venture	1,80,00,000
Extend of Holding%	
3. Description of how there is significant influence	Joint Venture
4. Reason why the associate/joint venture is not consolidated	Consolidated
5. Net worth attributable to shareholding as per latest audited Balance Sheet (Rs. In Lakhs)	275.06
6. Profit/(Loss) for the year (Rs. In Lakhs)	(24.94)
i. Considered in Consolidation	(14.96)
ii. Not Considered in Consolidation	(9.98)

1. Names of associates or joint ventures which are yet to commence operations : **Not Applicable**
2. Names of associates or joint ventures which have been liquidated or sold during the year : **Not Applicable**

For Board of Directors

Ashok Sharma	Managing Director
S. Durgashankar	Directors
Sangeeta Prasad	
Anand Daga	
Vinayak Patil	
Sanjeev Mohoni	Chief Executive Officer
Sunetra Ganesan	Chief Financial Officer
R. V. Nawghare	Company Secretary

Place : Mumbai
Date : April 30, 2019

NOTES

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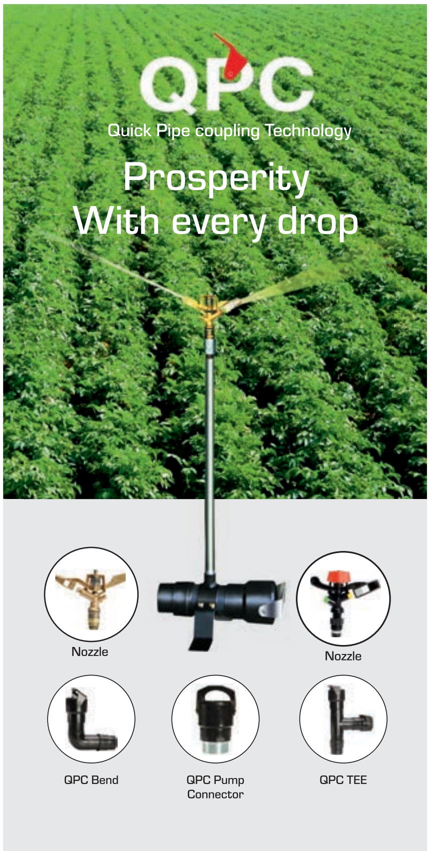
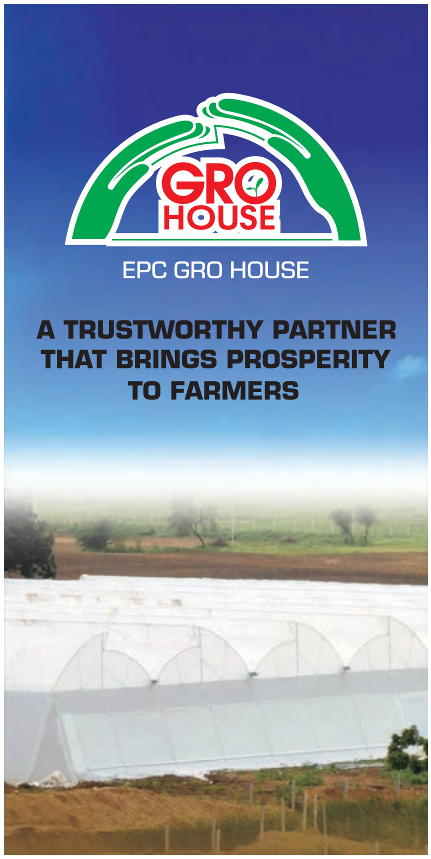
NOTES

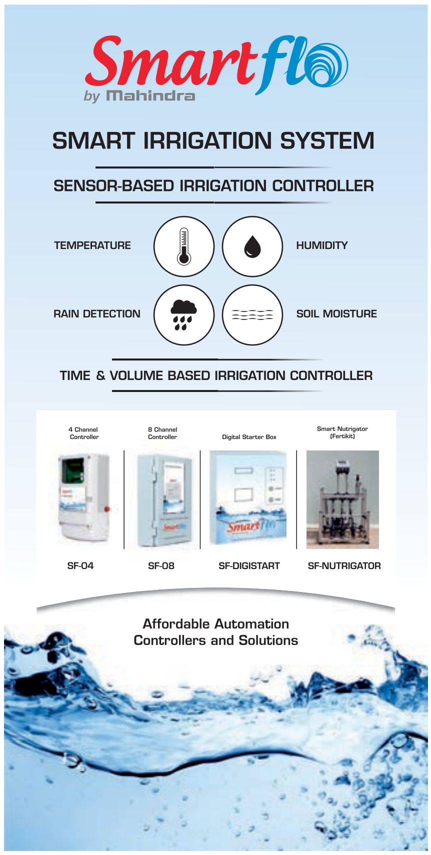

FIN-DRIP
TECHNOLOGY
FLAT INLINE DRIPPER
MAKES CROPS STRONGER FROM WITHIN.
Inline
PC Inline
ODLPC
The Irrigation technology that brings prosperity to farmers.


QPC
Quick Pipe coupling Technology
Prosperity
With every drop
Nozzle
Nozzle
QPC Bend
QPC Pump Connector
QPC TEE


GRO HOUSE
EPC GRO HOUSE
A TRUSTWORTHY PARTNER THAT BRINGS PROSPERITY TO FARMERS


TRUST AND TECHNOLOGY
GET BEST OF BOTH THE WORLDS
Samriddhi
EPC
A Mahindra Group Company
LANDSCAPE IRRIGATION SYSTEMS


Mahindra
Rise.
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
4 Channel Controller
8 Channel Controller
Digital Starter Box
Smart Nutrigator (Fertikit)
SF-04
SF-08
SF-DIGISTART
SF-NUTRIGATOR
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@mahindrairrigation.com   Web : www.mahindrairrigation.com
CIN NO. : L25200MH1981PLC025731