

Mahindra EPC

MAHINDRA EPC IRRIGATION LIMITED

40th ANNUAL REPORT 2021-22



FIN-DRIP

बनायी पिकासाठी आतून मजबूत



Inline PC Inline OD LPC

DRIP

QPC

Quick Pipe Coupling Technology



SPRINKLER

Smartflo



AUTOMATION SYSTEMS

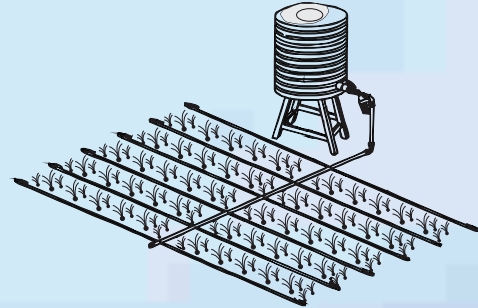


Mahindra TOP
AN INDO-ISRAEL VENTURE

Mahindra EPC

- Efficient use of water.
- Early and uniform germination.
- Better quality of produce
Higher productivity.
- Suitable for very small plots.
- Easy to install and maintain.
- All components come in single box
making it easy to carry.

DIY KIT (DO IT YOURSELF)



COMPANY NAME	MAHINDRA EPC IRRIGATION LIMITED (Formerly known as EPC Industrié Limited)
BOARD OF DIRECTORS	Mr. Shriprakash Shukla – Chairman Mr. Ashok Sharma – Managing Director Mr. S. Durgashankar Mrs. Aruna Bhinge Mr. Anand Daga Dr. Sudhir Kumar Goel
CHIEF EXECUTIVE OFFICER	Mr. Abhijit Page
CHIEF FINANCIAL OFFICER	Mrs. Sunetra Ganesan
COMPANY SECRETARY	Mr. Ratnakar Nawghare
AUDITORS	B S R & Co. LLP, Chartered Accountants
BANKERS	ICICI Bank Ltd. HDFC Bank Ltd. YES Bank Ltd.
CORPORATE OFFICE	Plot No. H-109, MIDC, Ambad, Nashik-422 010. Tel: (0253) 6642000 Fax: (0253) 2382975 CIN: L25200MH1981PLC025731 E Mail : info@mahindrairrigation.com
REGISTERED OFFICE	Plot No. H-109, MIDC, Ambad, Nashik-422 010. Tel: (0253) 6642000 Fax: (0253) 2382975 E Mail : info@mahindrairrigation.com
BRANCHES	Coimbatore, Dharwad, Indore, Jaipur, Nagpur, Raipur, Vadodara
REGISTRARS & TRANSFER AGENTS	Kfin Technologies Limited Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli Financial District, Nanakramguda Hyderabad, Telangana-500032 Telephone number : +91 40 67161500/1509 E Mail : einward.ris@kfintech.com

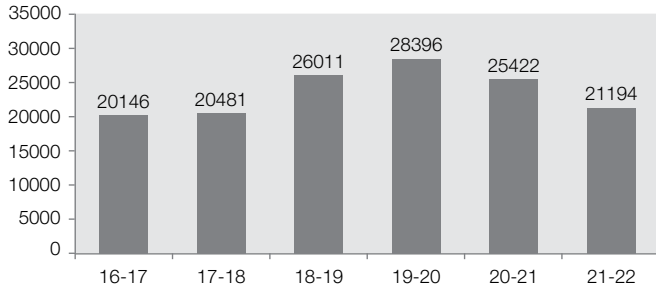
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Financial Highlights

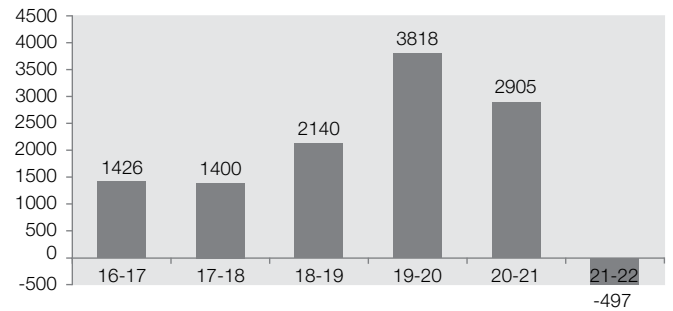
Sales

Rs. in Lakhs



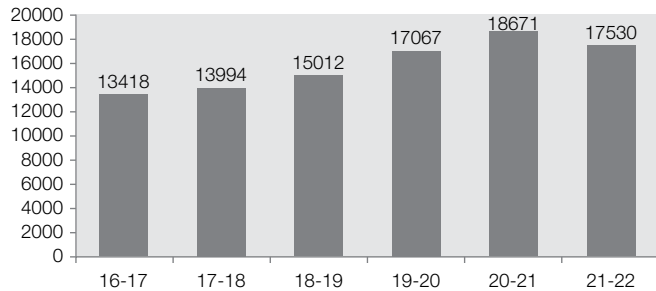
EBIDTA

Rs. in Lakhs



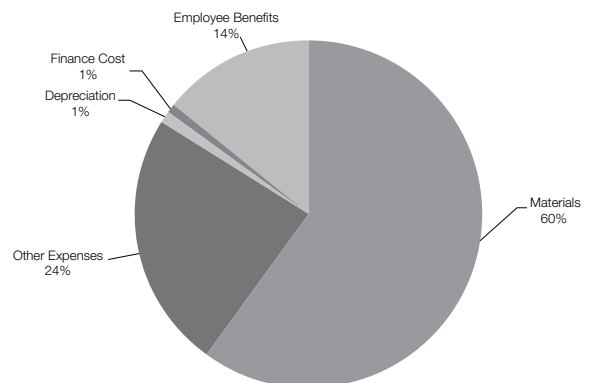
Shareholders' Fund

Rs. in Lakhs



Distribution of Income

In %



Financial Highlights

	Rs. in Lakhs	
	2021-22	2020-21
Sales	21,193.51	25,422.21
Other Income	46.17	308.69
Total Revenue	21,239.68	25,730.90
Profit Before Tax	(1,122.51)	2,530.61
PBT as a % to Sales	(5.30)	10.0
Profit After Tax	(861.24)	1,919.46
PAT as % of Sales	(4.06)	7.6
Earning per Share (Rs.)		
Basic	(3.09)	6.89
Diluted	(3.08)	6.86

Working Results at a Glance

Year	Rs. in Lakhs					
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Sales	20,146.5	20,480.7	26,011.0	28,395.86	25,422.21	21,193.51
EBDITA	1,425.6	1,400.4	2,140.2	3,818.02	2,905.09	(496.86)
Interest	152.9	50.1	139.2	197.91	65.36	198.03
Depreciation	304.8	313.9	306.9	380.11	309.12	316.19
Profit Before Tax	967.9	1,036.4	1,694.1	3,240.00	2,530.61	(1,122.51)
Tax	(22.6)	542.5	549.7	911.35	611.15	(261.27)
Profit After Tax	990.5	493.9	1,144.4	2,328.65	1,919.46	(861.24)
Earning per Share (Rs.)	3.58	1.78	4.13	8.38	6.89	(3.09)

NOTICE

NOTICE is hereby given that the 40th Annual General Meeting ("AGM") of the Members of **MAHINDRA EPC IRRIGATION LIMITED** will be held at the Registered Office of the Company on Friday, 29th July, 2022 at 5.00 P.M. (IST) through Video Conference (VC)/ Other Audio-Visual Means (OAVM) facility to transact the businesses mentioned below.

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

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (along-with Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2022 together with the reports of the Board of Directors and Auditors thereon.
2. 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

3. To approve appointment of Ms. Aruna Bhinge (DIN: 07474950) Non-Executive Independent Director for a further period of 3 consecutive years, not liable to retire by rotation to the Board of Directors of the Company.

To consider and if thought fit, to pass with or without modification(s), the following as a **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, Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force], Ms. Aruna Bhinge (DIN: 07474950), who was appointed as an Independent Director of the Company at the 38th Annual General Meeting of the Company for the term of three consecutive years commencing from 14th May, 2020 to 13th May, 2023 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 her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of three consecutive years commencing from 14th May, 2023 to 13th May, 2026."

4. **Ratification of Remuneration to Cost Auditors:**

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

"RESOLVED THAT pursuant to the provisions of Section 148, of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions of the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Messrs Deodhar Joshi & Associates, Cost Accountants, Nashik appointed as Cost Auditors by the Board of Directors of the Company, for conducting the cost audit of the Company for the Financial Year 2022-23, at a remuneration of Rs. 1.40 lakhs (Rupees One Lakh Forty Thousand Only) plus Goods and Services Tax and out of pocket expenses be ratified."

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

NOTES

1. Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), relating to the Special Business to be transacted at this Annual General Meeting ('AGM'), is annexed.
2. In view of the continuing outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 14/2020 dated April 08, 2020; Circular No.17/2020 dated April 13, 2020; Circular No. 20/2020 dated May 5, 2020; Circular No. 02/2021 dated January 13, 2021; Circular No. 19/2021 dated December 08, 2021; Circular No. 20/2021 dated December 12, 2021; Circular No. 21/2021 dated December 14, 2021 and Circular No.2/2022 dated May 5, 2022 (collectively referred to as "MCA Circulars") permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio- Visual Means ("VC / OAVM"), without physical presence of the Members at a common venue.
3. In compliance with applicable provisions of the Companies Act, 2013 ("the Act") read with the MCA Circulars and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 40th Annual General Meeting of the Company is being conducted through Video Conferencing ("VC") (hereinafter referred to as "AGM" or "e-AGM"). In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated April, 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the e-AGM.

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4. **E-AGM:** The Company has appointed KFin Technologies Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the e-AGM and the attendant enablers for conducting of the e-AGM.
5. The Company has appointed Mrs. Sujata Rajebahadur – Practising Company Secretary (Membership No. FCS 5728), as the Scrutinizer for conducting the remote e-voting process in a fair and transparent manner.
6. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held through VC, physical attendance of Members has been dispensed with. Further, the facility for appointment of proxies by the Members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
7. Institutional/Corporate Shareholders are requested to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote either through remote e-voting or during the e-AGM. The said Resolution/Authorization should be sent electronically through their registered email address to the Scrutinizer at cssujata.rajebahadur@gmail.com with a copy marked to rvnawghare@mahindrairrigation.com.
8. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is KFin Technologies Limited having office at Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500032.
9. **Attending e-AGM:** Member will be provided with a facility to attend the e-AGM through video conferencing platform through the link: <https://emeetings.kfintech.com> provided by KFin Technologies Limited by clicking "e-AGM - Video Conference & Streaming" and access the shareholders'/ members' login by using the remote e-voting credentials which shall be provided as per Note No. 20 below. Kindly refer note no. 19 below for detailed instruction for participating in e-AGM through Video Conferencing.
10. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.
11. As per the MCA Circular No. 14/2020 dated April 08, 2020; up to 1000 members will be able to join the e-AGM on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (i.e., Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
12. A member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for recording of attendance of such member for the e-AGM and such member attending the meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
13. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Act; Rule 20 of the Companies (Management and Administration) Rules, 2014; Regulation 44 of Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through Company's Registrar and Transfer Agent KFin Technologies Limited. Kindly refer Note no. 20 below for detailed instructions for remote e-voting.
14. **Voting during the AGM:** Members who are present at the e-AGM through VC and have not cast their vote on resolutions through remote e-voting may cast their vote during the e-AGM through the e-voting system provided by KFin Technologies Limited in the Video Conferencing platform during the e-AGM. Kindly refer Note no. 25 below for instructions for e-voting during the AGM.
15. The Company has fixed 23rd July, 2022 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the e-AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the closure of business hours on cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the e-AGM.
16. The Register of Members and Transfer Book of the Company will be closed from 25th July, 2022 to 29th July, 2022 (both days inclusive).
17. In compliance with the aforesaid MCA Circulars, Notice of the e-AGM along with the Annual Report for the financial year ended on 31st March, 2022 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at www.mahindrairrigation.com.
The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the same is also available on the website of KFin Technologies Limited at the website address <https://evoting.kfintech.com/>.
18. Procedure for registering the email addresses and obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the Depositories (in case of shareholders holding shares in Demat form) or with RTA (in case the shareholders holding shares in physical form)

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- i. Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
- Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.
 - Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Share Transfer Agent, KFin Technologies Limited by sending an e-mail request at the email ID einward.ris@kfintech.com along with signed scanned copy of the request letter providing the email address, mobile number, self-attested PAN copy and copy of share certificate for registering their email address and receiving the Annual report, AGM Notice and the e-voting instructions.
- ii. Those members who have registered their e-mail address, mobile nos., postal address and bank account details are requested to validate/update their registered details by contacting the Depository Participant in case of shares held in electronic form or by contacting KFin Technologies Limited, the Registrar and Share Transfer Agent of the Company, in case the shares held in physical form.
19. Instructions to the Members for attending the e-AGM through Video Conference:
- Attending the e-AGM:** Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Limited. Members may access the same at <https://evoting.kfintech.com> by clicking 'e-AGM Video Conference and Streaming' and login by using the remote e-voting credentials. The link for e-AGM will be available in 'shareholders'/members' login where the EVENT and the Name of the Company can be selected.
 - Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in remote e-Voting in Note No. 20 below.
 - Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
 - Further Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting.
 - Please note that participants using Mobile Devices or Tablets or Laptops and are accessing the internet via "Mobile Hotspot" may experience Audio/Video loss due to Fluctuation in their respective network.
- It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- vi. **Submission of Questions / queries prior to e-AGM:**
- Members desiring any additional information with regard to Accounts/ Annual Reports or has any question or query are requested to write to the Company Secretary on the Company's investor email-id i.e. rvnawghare@mahindairrigation.com at least 2 days before the date of the e-AGM so as to enable the Management to keep the information ready. Please note that, members questions will be answered only if they continue to hold the shares as of the closing hours on cut-off date.
 - Alternatively, shareholders holding shares as on cut-off date may also visit <https://evoting.kfintech.com> and click on the tab "Post Your Queries Here" to post their queries/views/questions in the window provided, by mentioning their name, demat account number/ folio number, email ID, mobile number. The window shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for the e-AGM.
- vii. **Speaker Registration before e-AGM:** In addition to above speaker registration may also be allowed during the remote e-voting period. Shareholders who wish to register as speakers are requested to visit <https://evoting.kfintech.com> and click on 'Speaker Registration' during this period. Shareholders shall be provided with a 'queue number' before the e-AGM. Shareholders are requested to remember the same and wait for their turn to be called by the Chairman of the meeting during the Question Answer Session. Due to limitations of transmission and coordination during the e-AGM, the Company may have to dispense with or curtail the Speaker session; hence shareholders are encouraged to send their questions etc. in advance as provided in note no. 20(vi) above.
- viii. All documents referred to in the accompanying explanatory statement are available for inspection upto the date of the e-AGM on the website of the Company at the following weblink: <https://www.mahindairrigation.com>
- ix. Members who wish to inspect, the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013, can send an email to rvnawghare@mahindairrigation.com.
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20. Instructions for members for remote e-Voting:

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

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

- i. The remote e-voting facility will commence on Tuesday, 26th July, 2022 at 9:00 a.m. and will end on Thursday, 28th July, 2022 at 5:00 p.m. The e-voting facility shall be disabled by CDSL/NSDL for voting thereafter.
- ii. Details of Website: <https://evoting.kfintech.com/>
- iii. The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their share in the paid-up equity share capital as on the cut-off date being Saturday, 23rd July, 2022. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.
- iv. The Company is dispatching the AGM Notice and the Annual Report to the shareholders via email whose name is recorded, as on the closure of business hours on Saturday, 23rd July, 2022, in the Register of Members or in the Register of Beneficial Owners maintained by the depositories. Any person who acquires Shares of the Company and becomes Member of the Company post the closure of business hours on Saturday, 23rd July, 2022, being the date reckoned for the dispatch of the AGM Notice & Annual Report and who holds shares as on the cut-off date, may obtain the User Id and password in the manner as mentioned below:
 - a. If the mobile number of the Member is registered against Folio No./ DPID Client ID, the Member may send SMS:
MYEPWD 'e-Voting Event Number' + Folio number or DPID Client ID to +91- 9212993399
Example for NSDL: MYEPWDIN12345612345678
Example for CDSL: MYEPWD1402345612345678
Example for Physical: MYEPWDXXXX1234567890

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

- c. Any person holding shares in physical form and institutional shareholders, who acquire shares of the Company or becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@kfintech.com. However, if he/she is already registered with KFinTech for remote e-Voting then he/she can use his/her existing User ID and password for casting the vote.

- d. Member may call KFin's Toll free number 1800 309 4001.

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

- vi. Details of persons to be contacted for issues relating to e-voting: Ms. Sheetal Doba, Manager - Corporate Registry, KFin Technologies Limited, Unit: Mahindra EPC Irrigation Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032. Contact No. 040-6716 1500/1509 Toll Free No.: 1800 309 4001, E-mail: sheetal.doba@kfintech.com.

- vii. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access to KFinTech e-Voting system in case of shareholders holding shares in physical and Institutional shareholders in demat mode.

Step 3: Access to join virtual meetings (e-AGM) of the Company on KFin system to participate e-AGM.

Details on Step 1 are mentioned below:

I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1. User already registered for IDeAS facility: <ol style="list-style-type: none"> I. Visit URL: https://eservices.nsdl.com II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting” IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. 2. User not registered for IDeAS e-Services <ol style="list-style-type: none"> I. To register click on link : https://eservices.nsdl.com II. Select “Register Online for IDeAS” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in points 1 3. Alternatively by directly accessing the e-Voting website of NSDL <ol style="list-style-type: none"> I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing user who have opted for Easi / Easiest <ol style="list-style-type: none"> I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote. 2. User not registered for Easi/Easiest <ol style="list-style-type: none"> I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in point 1 3. Alternatively, by directly accessing the e-Voting website of CDSL <ol style="list-style-type: none"> I. Visit URL: www.cdslindia.com II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e-Voting is in progress.

Type of shareholders	Login Method
Individual Shareholder login through their demat accounts / Website of Depository Participant	<p>I. You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-Voting facility.</p> <p>II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>III. Click on options available against company name or e-Voting service provider – Kfintech and you will be redirected to e-Voting website of Kfintech for casting your vote during the remote e-Voting period without any further authentication.</p>

Important note: Members who are unable to retrieve User ID/Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

Details on Step 2 are mentioned below:

I) Login method for e-Voting by Institutional shareholders (other than Individual shareholders) holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participants(s), will receive an email from Kfintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Kfintech for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on “LOGIN”.
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first

login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the “EVEN” i.e., ‘Mahindra EPC Irrigation Limited’ 40th AGM ” and click on “Submit”
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on “Submit”.

- xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id cssujata@rajebahadur@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format “Corporate Name_Even No.”

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

- i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFinTech, by accessing the link:

<https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>

Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

- ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
- iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

- l) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.
 - i. Members will be provided with a facility to attend the AGM through VC/OAVM platform provided by KFinTech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFinTech. After logging in, click on the Video Conference tab and select the EVENT of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
 - ii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
 - iii. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.
 - iv. The Scrutinizer’s decision on the validity of the vote shall be final.
21. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the e-AGM, however such Member shall not be allowed to vote again during the e-AGM.
22. The Scrutinizer after scrutinizing the votes cast by remote e-voting and e-voting during the e-AGM will make a consolidated Scrutinizer’s Report and submit the same forthwith not later than 48 hours of conclusion of the e-AGM to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.
23. The Results declared along with the consolidated Scrutinizer’s Report shall be hosted on the website of the Company i.e., www.mahindrairrigation.com and on the website of KFin Technologies Limited i.e., <https://evoting.kfintech.com/>. The results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited. The result shall also be displayed on the Notice Board at the Registered Office of the Company.

24. The Resolutions shall be deemed to be passed at the registered office of the Company on the date of the e-AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.

25. Instructions for members for voting during the e-AGM session

- i. The e-voting window shall be activated upon instructions of the Chairman during the e-AGM.
- ii. E-voting during the AGM is integrated with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the e-AGM.
- iii. Members/shareholders, attending the e-AGM through Video Conference and who have not cast their vote on resolutions through Remote e-Voting shall be eligible to cast their vote through e-voting system available during the e-AGM. Members who have voted through Remote e-Voting will be eligible to attend the e-AGM. However, they shall not be allowed to cast their vote again during the e-AGM.
- iv. Members who have voted through Remote e-Voting will be eligible to attend the e-AGM. However, they shall not be allowed to cast their vote again during the e-AGM.

GENERAL INSTRUCTIONS AND INFORMATION FOR SHAREHOLDERS

26. Pursuant to Securities & Exchange Board of India vide its circulars SEBI/HO/MIRSDMIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December, 2021 it is mandatory for holders of physical securities to furnish valid PAN (where the PAN is linked with Aadhaar), full KYC details (address proof, email address, mobile number, bank account details) and nomination (for all the eligible folios).

Freezing of Folios without valid PAN, KYC details, Nomination

- a. In case, any of the aforesaid documents/details are not available in a Folio, on or after 1st April, 2023, the same shall be frozen by RTA.
- b. Similarly, in case the PAN(s) in a folio is/are not valid as on the cut-off date specified by The Central Board of Direct Taxes (CBDT) then also the folio shall be Frozen as above.
- c. A member/claimant will be eligible to lodge grievance or avail service request from the RTA or eligible for any payment including dividend only after furnishing the complete documents or details as aforesaid.
- d. In case the folio continues to remain frozen as on 31st December, 2025, the RTA/Company shall refer such frozen folios to the Administering Authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

27. Issuance of Securities in dematerialized form in case of Investor Service Requests

We would further like to draw your attention to SEBI Notification dated 24th January, 2022 and SEBI Circular SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022. Accordingly, while processing service requests in relation to; 1) Issue of duplicate securities certificate; 2) Claim from Unclaimed Suspense Account; 3) Renewal / Exchange of securities certificate; 4) Endorsement; 5) Sub-division / Splitting of securities certificate; 6) Consolidation of securities certificates/ folios; 7) Transmission and 8) Transposition, the Company shall issue securities only in dematerialised form. For processing any of the aforesaid service requests the securities holder/claimant shall submit duly filled up Form ISR-4.

28. We hereby request to holders of physical securities to furnish the documents/details, as per the table below for respective service request, to the Registrars & Transfer Agents i.e., M/s. KFin Technologies Limited:

Sr. No.	Particulars	Please furnish details in
1	PAN	Form No. ISR-1
2	Address with PIN code	
3	Email address	
4	Mobile Number	
5	Bank account details (Bank name and Branch, Bank account number, IFSC code)	
6	Demat Account Number	
7	Specimen Signature	Form No. ISR-2
8	Nomination details	Form No. SH-13
9	Declaration to opt out nomination	Form No. ISR-3
10	Cancellation or Variation of Nomination	Form No. SH-14
11	Request for issue of Securities in dematerialized form in case of below: <ol style="list-style-type: none"> i. Issue of duplicate securities certificate ii. Claim from Unclaimed Suspense Account iii. Renewal/Exchange of securities certificate iv. Endorsement v. Sub-division/Splitting of securities certificate vi. Consolidation of securities certificates/folios vii. Transmission viii. Transposition 	Form No. ISR-4

A member needs to submit Form ISR-1 for updating PAN and other KYC details to the RTA of the Company. Member may submit Form SH-13 to file Nomination. However, in case a Member do not wish to file nomination 'declaration to Opt-out' in Form ISR-3 shall be submitted.

In case of major mismatch in the signature of the members(s) as available in the folio with the RTA and the present signature or if the signature is not available with the RTA, then the member(s) shall be required to furnish Banker's attestation of the signature as per Form ISR-2 along-with the documents specified therein. Hence, it is advisable that the members send the Form ISR-2 alongwith the Form ISR-1 for updating of the KYC Details or Nomination.

All the aforesaid forms can be downloaded from the website of the RTA at <https://ris.kfintech.com/clientservices/diy/>.

The Company has dispatched communications providing information to the holders of physical securities as above with the status of their respective KYC in record of Company/RTA in the month of January and June, 2022.

29. Mode of submission of form(s) and documents

a. Submitting Hard Copy through Post/ Courier etc.,

Members can forward the hard copies of duly filled-in and signed form(s) along with self-attested and dated copies of relevant documentary proofs as mentioned in the respective forms, to the following address:

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

b. Through Electronic Mode with e-sign

In case members have registered their email address, they may send the scan soft copies of the form(s) along with the relevant documents, duly e-signed, from their registered email id to einward.ris@kfintech.com or upload KYC documents with e-sign on RTA's website at the link: <https://ris.kfintech.com/clientservices/diy/>.

c. Submitting Hard copy at the office of the RTA

The form(s) along-with copies of necessary documents can be submitted by the securities holder(s)/claimant(s) in person at RTA's office. For this, the securities holder/claimant should carry Original Documents against which copies thereof shall be verified by the authorised person of the RTA and copy (ies) of such documents with IPV stamping with date and initials shall be retained for processing.

Mandatory Self-attestation of the documents

Please note that, each page of the documents that are submitted in hard copy must be self-attested by the holder(s).

In case the documents are submitted in electronic mode then the same should be furnished with e-sign of scan copies of the documents.

E-sign

E-Sign is an integrated service which facilitates issuing a Digital Signature Certificate and performing signing of requested data by e-Sign user. The holder/claimant may approach any of the empanelled e-Sign Service Provider, details of which are available on the website of Controller of Certifying Authorities (CCA), Ministry of Communications and Information Technology (<https://cca.gov.in/>) for the purpose of obtaining an e-sign.

30. The members holding shares in demat are requested to update with respective Depository Participant, changes, if any, in their registered addresses, mobile number, Bank Account details, e-mail address and nomination details.

31. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH. 13 duly filled in to M/s KFin Technologies Limited on einward.ris@kfintech.com. Members holding shares in demat form may contact their Depository Participant for availing this facility.

a. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/ National Electronic Clearing Service (NECS). Members wishing to avail of this facility are requested to intimate the Company's Registrar and Transfer Agents/Depository Participants in the prescribed form and with the prescribed details. Members located in the places where an ECS/NECS facility is not available may submit their bank details to the Registrar and Transfer Agents. This will enable the Company to incorporate this information on the dividend warrants/demand drafts and thus prevent fraudulent encashment.

b. 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. The amount as mentioned in the Financial Statement being unclaimed/unpaid dividend of the Company for the financial year ended 31st March, 2022, Members, who have not encashed their dividend warrants so far in respect of the aforesaid period, are requested to make their claim to KFinTech at the earliest.

- c. Updation of Members' Details: The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/ Registrar and Transfer Agents to record additional details of Members, including their PAN details, e-mail address etc. Members holding shares in physical form are requested to submit these additional details to KFin Technologies Limited in the prescribed form. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.
- d. Members are requested to:
- Intimate to KFin Technologies Limited at the address mentioned in Note No. 8 above, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
 - Intimate to the respective Depository Participant, changes, if any, in their registered addresses, mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s) at an early date, in case of Shares held in dematerialised form;
 - Quote their folio numbers/Client ID/DP ID in all correspondence; and
 - Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.
- e. Non-Resident Indian Members are requested to inform Registrar and Share Transfer Agent of the Company immediately of:
- Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC code and address of the bank with pin code number, if not furnished earlier.
- f. 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.
- g. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.
- h. SEBI has decided that securities of listed companies can be transferred only in dematerialised form with effect 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.
- i. Brief resume of Directors including those proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding to be provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Report on Corporate Governance forming part of the Annual Report.
- None of the Directors of the Company seeking appointment or reappointment are inter-se related to each other.

By Order of the Board

Ratnakar Nawghare
Company Secretary

Registered Office:

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

CIN: L25200MH1981PLC025731
e-mail: info@mahindrairrigation.com
website: www.mahindrairrigation.com
Nashik, 4th May, 2022

Additional Information with respect to Item No. 2

Mr. S Durgashankar (DIN: 00044713), the Director of the Company is liable to retire by rotation and being eligible, has offered himself for re-appointment. Mr. S Durgashankar's first appointment on Company's Board was on 5th August, 2011.

Mr. S. Durgashankar (DIN: 00044713) has completed 62 years of age. He holds 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 the Chief Financial Officer – Aerospace, Defence & Agri Sectors. Prior to that he was President of Group Controller of Finance and Accounts and member of Group Executive Board at Mahindra & Mahindra Limited (M&M). During his overall work experience of over 37 years, he has handled a wide spectrum of Corporate Finance assignments at senior levels including Finance, Accounts, Treasury, and Commercial Operations, Project Evaluation and Risk Assessment in addition to tackling multiple complex matters like recasting the accounts for the past several years and handling legal cases. At M&M, he was instrumental in setting up the Mergers & Acquisitions (M&A) division and has rich M&A experience. The M&A division at M&M has successfully completed over 125+ inorganic transactions both (Domestic and International) for the Group. He was earlier Corporate Treasurer and Head of Treasury and Investor Relations at M&M.

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

During the year, 1st April, 2021 to 31st March, 2022, four Board Meetings were held and all the meetings were attended by Mr. S Durgashankar.

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

- i. Mahindra Integrated Business Solutions Private Limited
- ii. Mahindra HZPC Private Limited
- iii. Swaraj Engines Limited
- iv. Mahindra Lifespace Developers Limited
- v. Mahindra Holdings Limited
- vi. Mahindra Agri Solutions Limited
- vii. Mahindra Aerospace Private Limited
- viii. E.I.D Parry (India) 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	Member
		Corporate Social Responsibility Committee	Member
		Risk Management Committee	Member
2	Swaraj Engines Limited	Audit Committee	Member
3	Mahindra HZPC Private Limited (Subsidiary of Public Company)	Audit Committee	Chairman
4	Mahindra Agri Solutions Limited	Audit Committee	Chairman
		Risk Management Committee	Member
		Committee of Directors for Borrowing	Member
		Allotment Committee	Member
		Finance Committee of the Board	Member
5	Mahindra Integrated Business Solutions Pvt. Ltd.	Audit Committee	Chairman
		NRC committee	Member
6	Mahindra Holdings Ltd.	Finance & Accounts Audit committee	Member
7	Mahindra Lifespace Developers Ltd.	Risk Management Committee	Member
8	E.I.D Parry India Ltd.	Audit Committee	Member

Pursuant to the terms and conditions of appointment, Mr. S Durgashankar will not draw any remuneration or commission from the Company.

Ms. S Durgashankar is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

Save and except Mr. 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. 2 of the Notice. Mr. S Durgashankar is not related to any other Director/ KMP of the Company.

The Board recommends the Ordinary Resolution set out at Item No. 2 of the Notice for approval of the Members.

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

Item No. 3

Ms. Aruna Bhinge was appointed as an Independent Director on the Board of your Company pursuant to the provisions of section 149 of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 by the Shareholders at the 38th Annual General Meeting (“AGM”) of the Company held on 3rd August, 2020. She holds office as an Independent Director of the Company with effect from 14th May, 2020 upto 13th May, 2023 (“first term”) in line with the explanation to sections 149(10) and 149(11) of the Act. The Nomination and Remuneration Committee (“NRC”) at its Meeting held on 4th May, 2022 on the basis of the outcome of performance evaluation of Ms. Aruna Bhinge acknowledged her:

- Valuable insights brought in as the Independent Director on account of her expertise in marketing, strategy and overall experience in Agri business,
- 100% attendance at all Board & Committee meetings held during her first term,

and taking into account the external business environment, the business knowledge, acumen, experience and the contribution made by Ms. Aruna Bhinge during her tenure, has recommended to the Board that continued association of Ms. Aruna Bhinge as Independent Director of the Company would be beneficial to the Company. The performance evaluation of Independent Director was based on various criteria, inter-alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company’s business, understanding of industry and global trends, etc. Based on the above and the performance evaluation of Independent Director, the Board recommends the re-appointment of Ms. Aruna Bhinge (DIN: 07474950), as Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 3 (three) consecutive years on the Board of the Company commencing from 14th May, 2023 to 13th May, 2026.

In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a Member signifying her intention to propose the candidature of Ms. Aruna Bhinge for the office of Director.

Ms. Aruna Bhinge has completed 64 years of age. She holds Bachelor’s and Master’s degree in Life Sciences from the University of Pune and the University of Bombay, respectively. She completed her Management studies (MMS) from Narsee Monjee Institute of Management Studies, Mumbai.

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

Ms. Aruna Bhinge had held successful leadership positions in various Indian and multinational corporations. With over 32 years of experience as a Business Leader and Head of Strategy in Agri business, Ms. Aruna Bhinge led agri business projects in the Asia Pacific region as Head, Food Security Agenda, APAC at Syngenta India Limited.

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

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

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

Sr. No.	Name of the Company	Name of the Committee	Position held (Chairman/Member)
1	Mahindra EPC Irrigation Limited	Stakeholders Relationship Committee	Member
2	Laurus Labs Limited	Audit Committee	Member
		Corporate Social Responsibility Committee	Member
3	Punjab Chemicals and Crop Protection Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
4	Mahindra Agri Solutions Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member

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

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

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

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

The Board is of the view that Ms. Aruna Bhinge fulfills the conditions for Independent Director and her knowledge and experience will immensely benefit and value to the Company, and therefore, recommends her appointment to the Members.

Save and except Ms. Aruna Bhinge, and her relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the Notice. Ms. Aruna Bhinge is not related to any other Director / KMP of the Company.

The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval of the Members.

Item No. 4

The Board of Directors, at its Meeting held on 4th May, 2022, upon the recommendation of the Audit Committee, approved the appointment of Messrs Deodhar Joshi & Associates, Cost Accountants having Firm Registration Number 002146, as Cost Auditors of the Company for conducting the audit of the

cost records of the Company, for the Financial Year ending 31st March, 2023, at a remuneration of Rs. 1.40 lakhs (Rupees One Lakh Forty 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, 2023.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 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 - 422010
Tel: (0253) 6642000

CIN: L25200MH1981PLC025731
e-mail: info@mahindrainirrigation.com
website: www.mahindrainirrigation.com
Nashik, 4th May, 2022

DIRECTORS' REPORT

Your Directors are pleased to present the 40th Annual Report on business and operations of your Company along with the audited financial statements and accounts for the year ended 31st March, 2022.

FINANCIAL HIGHLIGHTS

Highlights for the financial year are as under:

(Amount in Rs. crore)

Particulars	For the Year ended on 31 st March, 2022	For the Year ended on 31 st March, 2021
Revenue from Operations	211.94	254.22
Other Income	0.46	3.09
Total Income	212.40	257.31
Profit/(loss) Before Interest, Depreciation & Tax	(4.97)	29.05
Finance Cost	1.98	0.65
Depreciation	3.16	3.09
Profit /(loss) Before Tax	(11.23)	25.31
Tax expense	(2.59)	6.11
Profit After Tax	(8.61)	19.19
Other Comprehensive Income/(loss) for the year	(0.07)	(0.18)
Profit for the year attributable to owners of the company	(8.68)	19.01

Operations and Financial Overview

During the year under review, your Company posted Sales turnover of Rs. 211.94 Crores as against a total Sales turnover of Rs. 254.22 in the previous year registering a de-growth over previous year.

The Company made a Profit/(Loss) before tax of Rs. (11.23) Crores for the year 2021-22 as compared to Rs. 25.31 Crores in the previous year. The Profit/(Loss) after tax was at Rs. (8.61) Crores as compared to Rs. 19.19 Crores in the previous year.

A detailed analysis of the operations and financial results of your Company during the year under review is included in the Management Discussion and Analysis, forming part of this Annual Report.

Nature of Business

The Company continues to be engaged in the activities pertaining to manufacturing, selling, processing, exporting, importing and dealing in irrigation pipes, irrigation systems and providing agricultural services.

There has been no change in the nature of business of the Company during the period under review.

Dividend

In view of the loss incurred by the Company your Directors have not recommended any dividend for the year ended 31st March, 2022 as against Rs. 3.34 Crores comprising the dividend of Rs. 1.20 per equity share of Rs. 10 each, paid for the previous financial year.

Consolidated Financial Statement

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

Joint Venture

Your Company entered into a joint Venture (JV) arrangement in F'19 with TOP Greenhouses Limited, Israel, to set up Mahindra Top Greenhouses Private Limited (MTGPL) for the protected cultivation business. The JV provides an opportunity for both Joint Venture partners to draw on the strengths of each other and grow protected cultivation business by providing hi-tech, economical, and relevant solutions to protected cultivation customers, both large and small. The JV recorded a Sales Turnover in F-22 of Rs. 4.69 Cr in the full year of operation despite of an impact of the disruption on account of COVID-19 on the revenues. The JV is focusing on strengthening its value proposition, channel partners and developing new Business Models like Low Cost Solutions, catering specifically to the Small & Marginal farmer segment. Building on its strength in Technology Driven Protected Cultivation Industry, MTGPL has forged Technological Partnerships with other Technology Providers in the Agriculture Industry like Hydroponics Cultivation companies, Seed Companies, Agri tech consultants, thereby combining specialized skill sets to offer full Turn-Key Solutions to the clients. With more evident impact of climate change on agriculture and need to increase yield, protected cultivation is going to play a significant role in Indian agriculture.

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, along with 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 as Annexure I.

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 and Sweat Equity) Regulations, 2021 and there have been minor changes in the said scheme in line with the amendments during the year under review.

During the year under review, no Stock Options under the ESOS were exercised after vesting and no equity shares were allotted.

The applicable disclosures as stipulated under the SEBI Guidelines as on 31st March, 2022 (cumulative position) with regards 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, there was no change in the share capital of the Company. The Paid-up Share Capital of the Company stood at Rs. 27,83,94,750 comprising of 2,78,39,475 equity shares of Rs. 10 each as on 31st March, 2022.

Holding Company

The promoters of the Company i.e., Mahindra and Mahindra Limited (“M & M”) hold 1,51,44,433 equity shares which represent 54.40% of the total paid up capital of the Company. Your Company continues to be a subsidiary company of M & M. The Company has a JV with 60% holding.

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 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 were 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 cannot be foreseen and accordingly, the required disclosures are made to the Committee on quarterly basis for its approval.

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

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board of Directors may be accessed on the Company’s website at the link:

<http://www.epcmahindra.com/InvestorInformation.aspx>

The related party transactions have been set out in the Note No. 29 to the financial statement.

Risk Management

The Company has constituted a Risk Management Committee comprising, Mr. Ashok Sharma, Mr. S Durgashankar and Mr. Anand Daga. Mr. Ashok Sharma 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.

Further, detailed terms of reference of the Risk Management Committee included in the Report on Corporate Governance, which forms part of this Annual Report.

Industrial relations

The Company believes that sustainable growth can only be achieved in an organization 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 review. The Directors also place on record the unstinted Co-operation extended by the staff members during the period under review.

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

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

Safety, Health and Environmental Performance

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

The Safety Committee, constituted for the same, regularly reviews the adherence of safety norms. Some of the programs undertaken by the Company include behavior-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.

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

Board and Committees

1. Directors

The following persons are the directors of the Company as on 31st March, 2022:

Name of the Director	Designation
Mr. Shriprakash Shukla	Non-Executive Non-Independent Director
Mr. Ashok Sharma	Executive Non-Independent Director
Mr. S. Durgashankar	Non-Executive Non-Independent Director
Mr. Anand Daga	Non-Executive Independent Director
Dr. Sudhir Kumar Goel	Non-Executive Independent Director
Mrs. Aruna Bhinge	Non-Executive Independent Director

Pursuant to the provisions of Section 152 of the Companies Act, 2013 (the "Act"), Mr. S Durgashankar (DIN: 00044713) is liable to retire by rotation and, being eligible, has offered himself for re-appointment.

Appointment / Re-appointment of Independent Directors Ms. Aruna Bhinge

Pursuant to the approval of Members in the Annual General Meeting held on 3rd August, 2020, Ms. Aruna Bhinge (DIN: 07474950) was appointed as Non-Executive Independent Director from 14th May, 2020 to 13th May, 2023.

Further, pursuant to the recommendation of Nomination and Remuneration Committee and the performance evaluation, the Board at its meeting held on 4th May, 2022 recommended appointment of Ms. Aruna Bhinge for a second term of 3 (three) consecutive years commencing from 14th May, 2023 to 13th May, 2026 to hold office as Independent Director of the Company not liable to retire by rotation on the Board of the Company. The prior approval from Shareholders for appointment of Ms. Aruna Bhinge is being sought at the ensuing Annual General Meeting.

Detailed profile of the Directors seeking appointment/ re-appointment along with other necessary details as may be required are provided in the Notice of 40th Annual General Meeting of the Company.

Independent Directors

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

The Independent Directors of the Company have confirmed that they have registered themselves with the Indian Institute of Corporate Affairs, Manesar and have their name included in the databank of Independent Directors within the statutory timeline.

The Board is of the opinion that the Independent Directors of the Company hold highest standards of integrity and possess requisite expertise and experience required to fulfill their duties as Independent Directors.

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 this financial year is annexed herewith and marked as **Annexure III** to this Report.

During the year under review, the independent directors were paid Commission of Rs. 5 lacs each for the year 2020-21.

Performance Evaluation of the Board

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

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

The details of programme for familiarization of independent directors with the Company, their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company. During the year, the independent directors of the Company met on 11th May, 2021.

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.

Meetings of the Board

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

Committees of the Board

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

Audit Committee

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

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

CSR Committee

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

Nomination and Remuneration Committee

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

Stakeholders' Relationship Committee

The Stakeholders Relationship Committee comprises Directors namely Dr. Sudhir Kumar Goel (Chairman) Mr. Ashok Sharma and Ms. Aruna Bhinge as other members.

Risk Management Committee

The Risk Management Committee comprises Directors namely Mr. Ashok Sharma and Mr. S. Durgashankar and Mr. Anand Daga as other members.

Key Managerial Personnel (KMP)

In accordance with the provisions of Section 203 of the Act, the following persons have been designated as KMP of the Company as at 31st March, 2022:

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

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, 2022, 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, 2022 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the annual accounts on a 'going concern' basis.
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Business Responsibility Report

The Business Responsibility Report (BRR) of your Company for the financial year ended 31st March, 2022 forms part of this Annual Report as **Annexure VI** required under Regulation 34 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Corporate Social Responsibility

Pursuant to the amendment's made under Section 135 of Companies Act, 2013 and rules made thereunder, the Corporate Social Responsibility Committee ("CSR Committee") has formulated and recommended to the Board, a revised 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://mahindr irrigation.com/pdf/Corporate_Social_Responsibility_Policy_MEI.pdf The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability.

During the year under review, your Company initiated few projects such as Promotion of Education, Rural Development, Promotion of Health and Safety, Promotion of Sanitization etc. These projects were mainly implemented directly through employee participation.

During the year under review, the Company has spent Rs. 50.19 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 VII**.

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

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

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

Vigil Mechanism/Whistle Blower policy

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 behavior, the Company has adopted a vigil mechanism policy. Whistle Blower or Complainant, 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 posted on the website of Company.

Auditors and Auditor's Report

The Auditors, B S R & Co., LLP, Chartered Accountants, have been appointed as Statutory Auditors on 39th Annual General Meeting of the Company for a period of 5 years i.e. from the conclusion of 39th AGM till the conclusion of 44th AGM to be held in 2026. 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 2019-20 before the due date of filing.

Pursuant to section 148 of the Act, the Board of Directors, on the recommendation of the Audit Committee appointed M/s. Deodhar Joshi and Associates, Cost Accountants, as the Cost Auditors of the Company for the financial year 2021-22. M/s. Deodhar Joshi and Company have confirmed that their appointment is within the limits of section 139 of the Act and have also certified that they are free from any disqualification specified under sections 141(3) and 148(5) of the Act.

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

The Directors recommend the remuneration payable to the Cost Auditors of the Company for the year 2022-23. 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, 2022 issued by Mr. Sachin Bhagwat, Practicing Company Secretary is annexed herewith and marked as **Annexure IX** to this Report. The Secretarial Audit Report does not contain any qualification, observation, reservation or adverse remarks or disclaimer.

Unpaid Dividend & IEPF

The dividends that are unclaimed/unpaid for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government within the stipulated time period. However, the Company did not have any obligation to transfer funds to Investor Education and Protection Fund.

Rs. 20.60 lakhs is lying in unpaid dividend account of the Company as on 31st March, 2022.

Public Deposits & Loans/Advances

Your Company has not accepted any deposits during the year under review. There were unclaimed/unpaid deposits and unclaimed/ unpaid interest warrants outstanding as on 31st March, 2022. Your Company has neither made any loans or advances nor provided any guarantees or securities or made any investments which are required to be disclosed in the Annual Accounts of the Company.

Energy Conservation and Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo as required to be disclosed under sub-section (3)(m) of Section 134 of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are annexed herewith and marked as Annexure VIII to this Report.

DISCLOSURES:

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

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

Annual Return

Pursuant to Sub-section 3(a) of Section 134 and Sub-section 3 of Section 92 of the Companies Act, 2013, the copy of Annual Return of the Company as on 31st March, 2022 is placed on the website of the company at the following web address: <http://www.mahindairrigation.com>

Dividend Distribution Policy

Pursuant to regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a dividend distribution policy which became effective from 1st April, 2021 stipulating factors to be considered in case of Dividend declaration which forms part of this report as Annexure X.

The same has also been hosted on the website of the Company and is accessible at the web-link: <http://www.mahindairrigation.com/CorporateGovernance.aspx>

General

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

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

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.
5. There were no frauds reported by auditors (including Secretarial and Cost auditor) to the Audit Committee or Board and not reported to the Central Government.
6. There were no material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year and the date of this Report.
7. No application has been made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.
8. Any one time settlement and the valuation was not done while taking loan from the Banks or Financial Institutions.

Particulars of Employees

No employee was in receipt of remuneration as required under Section 197 of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Acknowledgements

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

For and on behalf of the Board

Anand Daga
Director

Ashok Sharma
Managing Director

Place : Nashik

Dated : 4th May, 2022

ANNEXURE I TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

Company Profile

Mahindra EPC Irrigation Limited formerly known as EPC Industrié Limited, started in 1986 with French Technology support, Mahindra EPC had developed the capability to design and develop the irrigation solutions of international standards, satisfying every micro irrigation need of Indian Farmers. It became part of the Mahindra Group of companies pursuant to Mahindra and Mahindra Limited (M&M) acquiring controlling stake in 2011. M&M's Agri Sector supplements the Company's business and provides management bandwidth and competence which enhances the scope for the development of synergies by offering end to end solutions to the farmer community.

At Mahindra EPC Irrigation Limited, popularly known as Mahindra EPC, we strive to provide varied solutions to farmers in modern scientific irrigation water management through customized micro-irrigation systems, Irrigation Automation, Community Irrigation Solutions, Irrigation water Conveyance, Protected Cultivation Solutions, and value-added services such as agronomy advisory, crop specific Productivity Improvement support and Design services, with a Vision of Delivering Farm Tech Prosperity.

The Company's products are popular amongst the farmer community for their superior quality. The Company's product offering 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 is also capable of manufacturing specialised pipes for water conveyance and has the required competence to manufacture pipes for gas distribution. Currently the focus is on products and solutions for Agriculture and Irrigation use only.

The Company has a 60:40 JV with Top Greenhouses Ltd., Israel namely, Mahindra Top Greenhouses Private Ltd. which offers a wide range of protected cultivation technology solutions and has a wide portfolio ranging from affordable net-houses to hi-tech protected cultivation applications.

Overview

Agriculture in India contributes 19.9% to the overall Gross Domestic Product (GDP), this contribution has sustainably grown over the last couple of years. In the year 2021-22 too, the estimated GDP growth is 3.9% versus growth of 3.6% in year 2020-21. Further, there is substantial improvement seen in the Horticulture produce in the last 3 years and it is stable in the range of around 330 – 335 MT. As we see a surge in Agri GDP, we also need to look at the challenges it throws such as consumption of a limited resource i.e., water. According to reports, the projected demand for water by 2050 is likely to reach 1,180 billion cubic metres (BCM), which will be more than the availability of 1,137 BCM. Presently, irrigation water use accounts

for 80% of the available water, i.e., 700 BCM. With likely increased consumption of Domestic and Industry sectors, it is desired that the efficiency level of surface and ground water irrigation should reach 60% and 75%, respectively from a current 30-55%. The solution is 'Micro Irrigation'; though important it has so far covered only 12-13% of the targeted land, leaving huge scope for businesses to cover land under Irrigation.

Given the importance of the agriculture sector, the Government of India has taken several steps for its development in a sustainable manner. One of the major steps towards the same is doubling farmers' income.

To achieve this, there are few sources of income growth identified viz. improvement in crop productivity, resource use efficiency or savings in the cost of production, diversification towards high-value crops, etc. for which Micro irrigation is a proven productivity improvement technique.

Industry Structure and Developments

The market of the Micro Irrigation System (MIS) Industry in India has been broadly segmented based on types of micro irrigation systems (drip and sprinkler irrigation systems), States, crop types, type of drip and sprinkler equipment, applications of micro irrigation system, by the organizational structure of the industry and with or without subsidy assistance. The subsidy business has been further segmented basis the approach of solution delivery and subsidy disbursement into the project market and open market.

The MIS industry continues to be impacted due to the COVID 19 pandemic and effects of the same on implementation, coverage and funding. It is temporarily not moving in the desired direction, from 10.5 lakhs Ha. in F18 and a stable range of 11.5 – 11.7 lakhs Ha for F19 and F20. The industry registered a de-growth of 20% (9.38 lakhs Ha) in F'21 and for F'22, based on published data and market feedback the estimated industry de-growth is around 20%. The two successive subdued years for the industry are primarily on account of changes in State priorities, which resulted in a few key states going slow on new business and fund release, added to this some key states temporarily remained dormant on account of policy environmental reasons. Further, input costs such as Raw Material (RM) prices increased significantly while the end-user prices remained unchanged. The RM prices increased by a weighted average of about 30% in F'22 over F'21, as a result of a steep increase in Brent Crude Prices, increased domestic demand for non-irrigation grade polymers and lower import of requisite polymers due to domestic restrictions as well as increased overseas demand. This has impacted reduced revenues, reduced margins even to extent of being unviable in certain markets and pressure on cash flows. Thus, adversely affecting Profits and Working capital.

Understanding the importance of Irrigation Water use efficiency, a few steps have been taken by Government of India (GoI) in recent times and the Hon. Prime Minister himself is pushing for 20 Lakh Ha a year target for Micro Irrigation.

The industry bodies are pursuing with the state as well as central Governments for increased prices, as a result, the industry has seen lately Unit Cost norms increased by Gol by 11-13% which will be effective only as states rework the prices. Only a few states have given interim price increase, leading to the industry not getting benefitted from the prices in F'22. Few stable states such as Maharashtra, Tamil Nadu and Gujarat are likely to continue their focus on Micro Irrigation in F'23 and other state governments seem positive about the scheme with good allocations in annual budgets. Further, few states which are currently slow/ dormant are likely to start in F'23. Traditional states like AP and Telangana have been key contributors to the Micro Irrigation Program wherein the industry was subdued due to various policy environmental constraints, now Telangana has decided to promote Oil Palm cultivation and a focused coverage with Micro Irrigation, while the AP government has indicated its positive intentions by releasing some of the pending payments. Based on these factors, various Industry players expect a reasonable growth in the coming years.

Opportunities and Outlook

Micro irrigation is the modern method of irrigation which helps to save water and increases the water use efficiency. Micro irrigation can increase yields and decrease water, fertilizers, and labour requirements. It can also help to bring the degraded, uncultivable land under cultivation.

For F'23 MIS industry is expecting an increment in prices from various states. Still, a few challenges on account of RM prices may remain, though the impact of it will depend on how dynamically the end prices from States adjust to the RM prices. The Company, to safeguard or improve margins will continue to focus on Cost-saving measures, leaner organization, and balancing the revenue portfolio through optimizing State, Product, and Segment mix. This will be supported through focused teams, improving the coverage, and depending upon the business case, opening a few untapped potential areas in the allied industry associated to water management. The Company will also focus on small, faster cycle projects for which some early success is seen in F'22. While we do so, our efforts for asset efficiency improvement, reduction in working capital, reduced dependence on subsidy driven markets, cluster-based approach in select markets, strengthening projects, outreaching farmers through digital avenues etc. will continue to receive maximum focus. In our JV with Top Green Houses, Israel for Protected cultivation business, we will continue to focus on small and marginal farmers, providing them with affordable solutions for sustainable earning.

The Government has recently announced the creation of a national database of farmers and brought out a data policy for the farm sector. This database is envisaged to facilitate online services to farmers such as direct benefit transfer, irrigation facilities, soil and plant health advisories, seamless credit, and insurance facilities. This will immensely benefit the irrigation industry for expeditious subsidy processing.

Operations and Financial Performance

In the year 2021-22, the effect of the second wave of the COVID19 pandemic impacted the Q1 performance, when various States went into restrictions to counter the spread of the virus. The business environment further deteriorated mainly due to changing priorities of a few state Governments and viability issues in certain states and/ or products on account of unprecedented RM price rise.

During the year 2021-22, your Company achieved a Sales Turnover of Rs. 211.94 crores as compared to Rs. 254.22 crores in the preceding year.

Though the revenue performance is estimated to be better than Industry and companies focus on keeping the costs in control through various projects helped the company, the margin loss due to RM price rise could not be contained fully.

While F'21 and F'22 threw a lot of challenges, there were learnings and opportunities too. The Company worked on conserving profit and profitability, reducing dependence on subsidy revenue and scaling up in select states. A continued focus on cost containment and/ or reduction resulted in keeping Fixed costs lower than F'20 levels consecutively for 2 years. The Variable costs too are contained in F'22 as a percentage of revenue, mainly through state and product mix optimization. The company will continue its focus on making products more user friendly and affordable through new products such as Drip Kits and Low-cost net houses with unique value adds. While we do so, our continued efforts on asset efficiency improvement through TQM practices and frugal engineering as well as the reduction in working capital will continue to protect the bottom line. The company's commitment to sustainability (SBTi), social responsibility and delivering quality services to the farming community will strengthen further in times to come, as an acknowledgement of this Mahindra EPC, got recognized for its achievement of 'The Mahindra Way (TMW)' Stage 5 and now is amongst very few companies in the group to achieve advancements of stages in successive years.

Key Financial Ratios

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

Ratio	Numerator	Denominator	Standalone		
			FY 2022	FY 2021	% Change
Debtors Turnover (Days)	Average Debtors	Net Sales	332.04	266.59	24.55%
Inventory Turnover (Times)	COGS	Average Inventory	3.79	3.79	0.06%
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.09	92.78	-99.91%

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Ratio	Numerator	Denominator	Standalone		
			FY 2022	FY 2021	% Change
Current Ratio (Times)	Total Current Assets	Total Current Liabilities	1.96	2.44	-19.43%
Debt Equity Ratio (Times)	Debt	Shareholders' Equity	0.14	-	NA
Net Profit Margin (%)	PAT	Net Sales	-4.06%	7.55%	-153.82%
Return on Equity (%)	PAT	Net Worth	-4.76%	10.28%	-146.28%
Trade Payable Turnover (Days)	Average Trade Payables	Net Purchases	170.70	180.14	-5.24%
Return on Capital employed	EBIT	Capital Employed	-4.06%	13.90%	-129.17%
Working Capital Turnover Ratio	Net Sales	Average Working Capital	2.12	2.18	-2.73%
Return on Investments	Income generated from invested fund	Average invested funds in treasury investment	5.53%	8.70%	-36.48%

In F'22, the Company has improved on its product mix compared to F'21 thus protecting against the possible drop in margin on account of product mix, though we could not fully mitigate the increased material cost.

The Company's efforts in improving the share of non-subsidy revenue by developing new products, segments, channel and building selling capabilities have paid and the contribution of non-subsidy business to total revenue has steadily improved to a significant share of total Revenue compared to previous periods, we will continue to focus on this segment in the coming years.

In selected states, the focused market approach with improved coverage and deeper penetration worked to help the Company in moving towards a balanced state portfolio with identified states balancing the skew and contributing 33% of the total Revenue compared to F'21 and F'20. Taking ahead the approach of reducing dependence on subsidies and developing products for small and marginal farmers, the Joint Venture Mahindra TOP Greenhouses Private Limited improved its position in the low-cost solutions segment and as a result has posted a profit in Q4 with the improved pipeline for F'23 from new customers.

There was an increase in the working capital borrowings Rs. 22.19 Cr. for the year 2021-22. This was primarily on account of slow payments in certain markets and industry-specific issues in a few states along with skewed billing towards the end of the year in certain states. We expect that with increased allocation of funds by the state governments situation will improve in F'23. While addressing the challenges, Mahindra EPC team has explored digital avenues for reaching and delivering solutions to customers. Further, the Company continued its focus on developing the farmer success stories through continuous engagement and support to farmers.

During the year under review, the Company has introduced a digital application for the facilitation of field force to have a complete control over the sales process. This will help in better customer service, compliance adherence, transparency and performance tracking and reduction in the collection cycle. The Company continues to provide support to farmers by way of Agri Helpline for online support besides undertaking initiatives such as showcasing Demo Plots, organizing farmer meetings, creating success stories and agronomy services for farmers to improve farm productivity. These value-added services certainly help enhance the number of farmers achieving Farm Tech Prosperity.

During the year under review, the Company continued to achieve a high rating in 'The Mahindra Way (TMW)' assessment, which measures business excellence across business processes. The Company continued its focus on Total Productive Maintenance (TPM), Total Quality Management (TQM) Continuous Improvement Team (CIT), Mahindra Yellow Belt Programme, Kaizen, Quality Parameters on all machines and Service Quality Index. These measures have resulted in improvement in production efficiencies, reduction in rejections and improvement in customer satisfaction levels.

Risks, Concerns and Threats

The Micro Irrigation Industry is facing the challenges of the absence of automated Cost linked formula-based price increase or free pricing, the need for De-risking models for subsidy disbursement such as Direct Beneficiary Transfer Models to be implemented by all states, all round the year scheme availability besides consistency in state policies. Further, uneven distribution of rainfall, unorganized sector and dependence on polymer prices are a few more risks. In the last couple of years, it is observed that farmers are also looking at more affordable solutions that may not need subsidy assistance (Low Cost) and yet have a medium-term return.

In recent times with multiple deliberations, the issues such as Subsidy transfer mode and dynamic pricing are being looked at with more attention by state governments and possibly it may be taken up for implementation. Till then tighter internal controls have been exercised for debtors monitoring along with rigorous cost controls. Further, the

efforts to explore non-subsidy businesses continue. The company has identified certain markets and is focusing on developing these for year-round business opportunities. However, the implementation of Per Drop More Crop (PDMC) by the Central Government, is bringing some uniformity in the release of subsidies. The many States are now releasing subsidies online.

Considering the natural resources like, land and water are limited and cannot be increased, there is an imminent need to address the key challenges surrounding the agriculture sector which include innovation in technology and mechanisation with increased penetration. The company has developed capabilities to cater to the technology needs of the farmers through its collaborations and tie-ups with various partners in this space.

The risks due to seasonality and distribution of monsoon get addressed with Mahindra EPC's well-spread operations in different States, where despite different monsoon months, the Company's operations are balanced to certain extent.

Further, to increase the affordability of MI systems, and reduce dependence on subsidies, the Company's newly introduced Thin Wall drip system is receiving an encouraging response from the farmer community. The JV for protected cultivation business, also will play a role in taking affordable solutions to many farmers through its various implementation partners.

The demand for MI systems in agriculture will not diminish; it will indeed increase. Even though surface irrigation will still dominate as the primary irrigation method for some years, the area under micro-irrigation will continue to expand.

Internal Control Systems

The Company has an effective and reliable internal financial control system commensurate with the nature of its business, the size and the 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; and enable the Company to adhere to statutory requirements for the 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.

The user-friendly digital application introduced during the year covering the entire sales process would ensure close performance tracking and compliance adherence. This will further strengthen the sales recording of the process at one click to a centralised data storage for monitoring and tracking.

The Company uses an ERP System as a business enabler and to maintain its books of accounts. The transactional controls built in the ERP System provide segregation of duties and appropriate levels of approval mechanism and maintenance

of supporting records. The System and the Standard Operating Procedures are reviewed by the management and strengthened wherever required. These systems and controls are audited by the Internal Auditors and their findings and recommendations are reviewed by the Audit Committee. Actions Plan is prepared by the management for all the Audit findings and recommendations and is continuously monitored on monthly basis, while the action taken report is reviewed by the Audit Committee every quarter. The Company continuously makes efforts to automate its processes to enhance the controls.

The internal control framework covers all major business processes and the risks therein, bringing control and integrity. These are tested by the management based on the Risk Control Matrix.

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 promote and provide opportunities to internal talent.

The Balance Scorecard for performance evaluation and strategy deployment covers all four aspects – financial perspective, customer perspective, Internal business process along with innovation and learning. The goals undertaken therein are then cascaded across the organization and for all employees to the officer level. This practice ensures balance across multiple dimensions of the performance of employees.

Human resources initiatives such as skill level upgradation, online training Courses, re-deployment of manpower for better utilization, productivity improvement of sales force through building crop-specific capability, appropriate reward and recognition systems and productivity improvement are the key focus areas for the development of the employees of the Company.

As we look ahead, we are confident that our strong, positive people philosophy and practices will make us a preferred organization for talent.

During the year under review, the Company entered into a long term wage settlement with the workmen's union for a period of four years and continues to maintain its unique track record of industrial harmony. During the trying times of the COVID19 Pandemic the Workmen stayed in a 'Bio Bubble' (within the Company Premises) and supported the smooth and continuous operation of the business. The Company

lost two of its employees during the pandemic period. All employees of the Company have been fully vaccinated with both doses.

The safety, training, welfare, and development of employees continue to receive the highest priority. No major incidences were reported during the financial year.

All Safety protocols mandated by local authorities at the different plant locations have been followed to ensure a safe working environment for the workforce. The workforce showed great resilience in the face of an unprecedented pandemic demonstrating its ability to adapt to new circumstances. They ensured that your company was quickly on its way to normalcy and well placed to explore opportunities.

As of 31st March 2022, the total number of employees in your Company was 323.

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, based on any subsequent developments, information or events.

ANNEXURE II TO DIRECTORS' REPORT

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

Particulars	Employees Stock Option Scheme, 2014	
(a) Options granted	3,79,782	
(b) Options vested	2,59,682	
(c) Options exercised	1,95,111	
(d) The total number of shares arising as a result of exercise of options	1,95,111	
(e) Options lapsed	37391	
(f) Exercise price	Rs. 10	
(g) Variation of terms of options	Nil	
(h) Money realised by exercise of options	Rs. 19,51,110	
(i) Total number of options in force	1,47,280	
(j) Employee wise details of options		
(i) Key Managerial Personnel	1) Abhijit Page – 49,990 2) Sunetra Ganesan – 12,940 3) Ratnakar Nawghare – 15,751	
(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Year of Grant 2014	1) Kiran Soman – 16,862 2) Kedarnath Keskar – 4,688 3) Makarand Mallikar – 4,675 4) Arvind Gulghane – 4,024
	2015	1) G. Ragupathi – 3,228
	2016	1) Padamkumar Gandhi – 7,896 2) *Milind Khapre – 22,320 3) Tejas Joshi – 9,972 *Resigned
	2017	1) Sudheendra Katti – 3,432 2) Shivaji Sangle – 3,345
	2019	1) Kiran Soman – 13,431 2) G Dayakar – 8,170 3) Sankar Maiti – 8,066 4) Arvind Gulghane – 9,332 5) Kedarnath Keskar – 5,423 6) G Ragupathi – 10,176
	2021	1) *Milind Khapre – 20,462 2) Ramesh Rathore – 9,220 3) Tejas Joshi – 4,860 *Resigned

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Particulars	Employees Stock Option Scheme, 2014		
(iii) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil		
(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. -2.84 & Diluted Earnings per Share -Rs. -2.83 respectively.		
(l) Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed	The Company has calculated the employee compensation cost, using the fair value method been used, in respect of stock options granted under the Employees Stock Option Scheme, 2014.		
(m) Weighted -average exercise prices and weighted -average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Options Grants Date	Exercise Price (Rs.)	Fair Value (Rs.)
	28 th October, 2014 and 31 st October, 2015, 22 nd November, 2016 22 nd November, 2017 28 th February, 2019 12 th March, 2021	10	170.97 131.75 169.43 83.51 144.09
(n) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted -average information:	The fair value of the Stock Options granted on 28 th October, 2014, 31 st October, 2015, 22 nd November, 2016, 22 nd November, 2017, 28 th February, 2019 and 12 th March, 2021 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%, 7.06% and 5.38% respectively.		
(ii) expected life	3.50 yrs., 5.50 yrs. 3.5 yrs., 3.5 yrs. and 3.50 yrs. respectively.		
(iii) expected volatility,	55%, 49%, 44%, 39.15% and 49.87% 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, Rs. 92.90, Rs. 110.35 and Rs. 157.70 respectively.		

Disclosures by the Board of Directors pursuant to regulation 14 read with Part F of Schedule I of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 may be accessed on the Company's website at the weblink: http://www.epcmahindra.com/pdf/Information_as_required_under_SEBI_SBEB_Regulation-14.pdf.

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.	7.31
2	The percentage increase in remuneration of each Director, CEO, CFO & CS.	MD – 50 % CEO – 3.33% CFO – 7 % CS – 5 %
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 13.63%. 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 323 permanent employees as on 31 st March, 2022.
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 8.6% whereas the average percentage change in Non Managerial employees is 10.7% in 2021-22.
6	Affirmation that the remuneration is as per the remuneration policy of the company.	The Company affirms that the remuneration is as per the remuneration policy of the Company.

ANNEXURE IV TO DIRECTORS' REPORT

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

DEFINITIONS

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

“**Board**” means Board of Directors of the Company.

“**Company**” means Mahindra EPC Irrigation Limited.

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

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

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

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

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

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

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

I. APPOINTMENT OF DIRECTORS

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

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

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

REMOVAL OF DIRECTORS

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

SENIOR MANAGEMENT PERSONNEL

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

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

II. SUCCESSION PLANNING:

Purpose

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

Board:

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

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

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

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

Senior Management Personnel:

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

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

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

in order to ensure talent readiness as per a ladder 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 :

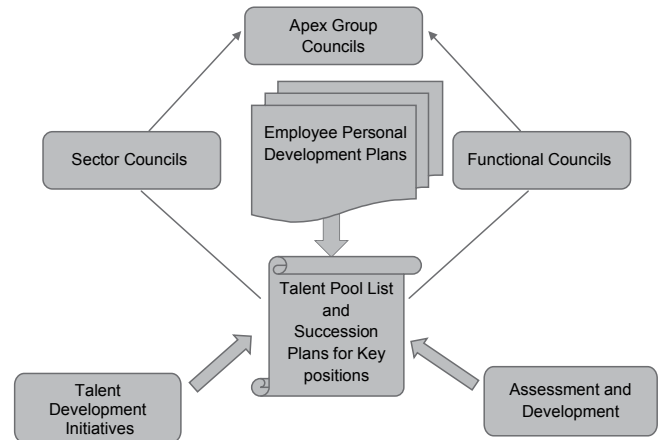
- a) **Experience** i.e. both long and short-term assignments. This has 70% weightage

- 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

Business Responsibility Report

For the financial year 2021-22

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

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

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

As per the National Guidelines for Responsible Business Conduct, 2018 (NGRBC), released by Ministry of Corporate Affairs, Govt. of India. MEIL has been participating in Sustainability and CSR initiatives. MEIL being subsidiary of M&M, it has been reporting both the initiatives to M&M. MEIL's sustainability initiatives are part of M&M's consolidated Sustainability report which is available on M&M's website <https://www.mahindra.com/resources/pdf/sustainability/Mahindra-Sustainability-Report-2020-21.pdf>

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

Section A: General Information about the Company

1) Corporate Identity Number (CIN) of the Company	L25200MH1981PLC025731
2) Name of the Company	MAHINDRA EPC IRRIGATION LIMITED
3) Registered address	Plot No. H-109, MIDC, Ambad, Nashik-422 010.
4) Website	www.mahindrairrigation.com
5) E-mail id	info@mahindrairrigation.com
6) Financial Year reported	01.04.2021- 31.03.2022
7) Sector(s) that the Company is engaged in (industrial activity code-wise)	Micro Irrigation Systems – Drip and Sprinklers
8) List three key products/services that the Company manufactures/provides (as in balance sheet)	Drip Irrigation Sprinkler Irrigation
9) Total number of locations where business activity is undertaken by the Company	
i. Number of International Locations	0
ii. Number of National Locations	3 manufacturing locations
10) Markets served by the Company – Local / State/ National / International	All, but predominantly domestic markets

Section B: Financial Details of the Company

1) Paid up Capital (INR)	27,83,94,750/-
2) Total Turnover (Rs. in Crores)	211.94
3) Total profit /(Loss)after taxes (Rs. In Crores)	(8.61)
4) Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2%
5) List of activities in which expenditure in 4 above has been incurred: -	i) Promotion of Education ii) Rural Development iii) Promotion of Health and Safety iv) Promotion of Sanitization v) Drinking Water Facility

Section C: Other details

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

Yes. The Company has one JV/Subsidiary Company, Mahindra TOP Greenhouses Private Limited.

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

N/A

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

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

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

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

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

Section D: BR Information

1) Details of Director/Directors responsible for BR

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

DIN Number : 02766679

Name : Ashok Sharma

Designation : Managing Director

ii) Details of the BR head

Particulars

DIN Number (if applicable) : N/A

Name : Ratnakar Nawghare

Designation : Company Secretary

Telephone number : (0253) 6642000

E-mail : rvnawghare@mahindrairrigation.com

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

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

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

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

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

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

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

P5: Businesses should respect and promote human rights.

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

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

P8: Businesses should support inclusive growth and equitable development.

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

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

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

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

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

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

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

Governance Related to BR

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

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

Further, BR performance related to Code of Conduct, Related party transactions, POSH, Whistle Blower Policy are being reviewed quarterly by the Committees of the Board. Quality Policy and Safety policy are being reviewed twice in a year by Chief Executive Officer.

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

The Company's sustainability initiatives are part of M&M's consolidated Sustainability report which is available on M&M's website. <https://www.mahindra.com/resources/pdf/sustainability/Mahindra-Sustainability-Report-2020-21.pdf>

Section E: Principle-wise performance

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

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

Yes.

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

The Code of Conduct & Whistle blower Policy covers only the Company and its Joint Venture.

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

During the reporting year, the Company has received 108 nos. of complaints from customers which have been resolved satisfactorily. Further, one complaint was received from the Company's shareholder pertaining to transfer of shares, which attended to and resolved.

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

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

The Company provides Micro Irrigation Solutions which

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

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

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

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

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

- 1. Please indicate the Total number of employees: **323**
- 2. Please indicate the Total number of employees hired on temporary/contractual/ casual basis: **353**
- 3. Please indicate the Number of permanent women employees: **6**
- 4. Please indicate the Number of permanent employees with disabilities: **1**
- 5. Do you have an employee association that is recognized by management: **Yes**
- 6. What percentage of your permanent employees is members of this recognized employee association?
(Total Unionized Permanent Workmen/Total Permanent Workmen): 100%
- 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

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

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

- i) Permanent Employees – 91% of employees covered for safety /5S/TPM training.
- ii) Permanent Women Employees – 66% of all officers

- iii) Casual/Temporary/Contractual Employees: 100% covered for safety training/ 5S, 28% temporary workmen are covered for skill upgradation
- iv) Employees with Disabilities – NA

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

1. Has the Company mapped its internal and external stakeholders? Yes/No:

Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, the Company has identified education of disadvantaged girls, tribal people living around the Company's main plant in Nashik, school for children of disadvantaged population around plants and farmers as focus stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

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

Under the reporting year, under Corporate Social Responsibility, the Company has completed the 11724 nos. Tree Plantations and 21626 tree saplings being raised under Project- Hariyali through "Naandi Foundation" in 2021- 22.

The Company has distributed Masks, Sanitizers and conducted medical camps in the vicinity for under privileged community.

The Company has provided Agriculture Equipment to the villagers of Pimpalgon Nipani and Chincholi Gurav and installed Solar water pump System for drinking water, development of school building at village Pimpalgaon Nipani which benefitted to the Villagers.

Principle 5: Businesses should respect and promote human rights

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

The Company has Whistle - Blower Policy in place and it covers only the Company and its joint Venture.

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

No complaint was received under the Whistle-blower policy.

The Company has introduced the third party helpline numbers for raising issues by any employee under Whistle blower policy or under Code of Conduct.

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

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

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

Currently the policy covers Safety aspects and the Company is in process of including Health and Environment in the policy. The Company's commitment towards safety, health and environment is being continuously enhanced and the Company encourages involvement of all its employees in activities related to safety, including promotion of safety standards. This is also demonstrated by the fact that there has been only one incidence of accident for the last 7 years. The Safety Committee, constituted for the same, regularly reviews the adherence to safety norms.

Some of the programs undertaken by the Company include behaviour-based safety training, knowledge-based fire extinguisher training, fire-fighting training and safety awareness, etc. Various health check-up programs for employees were regularly undertaken by the Company during the year. Requirements relating to various environmental legislations and environment protection have been duly complied by the Company.

2. Does the safety policy cover the company and its Joint Venture

Currently the policy covers Safety aspects and the Company policies and the Health and Environment related aspects would be included in the policy in due course.

The Company's commitment towards safety, health and environment is being continuously enhanced and the Company encourages involvement of all its employees in activities related to safety, including promotion of safety standards. This is also demonstrated by the fact that there has been only single reportable incidence of accident for the last 8 years. The Safety Committee, constituted for the same, regularly reviews the adherence to safety norms. Some of the programs undertaken by the Company include behaviour-based

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

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

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

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

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

Yes. Company complies with all environmental rules and regulations.

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

No

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

Yes. The Company has completed the Installation of roof top solar system resulting into considerable energy savings.

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

Yes. Available in M&M Sustainability report

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

NIL

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

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

Yes, Irrigation Association of India

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

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

Principle 8: Businesses should support inclusive growth and equitable development

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

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

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

- Rural Transformation: Creating sustainable livelihood solutions, addressing poverty, hunger and malnutrition.
- Health: Affordable solutions for healthcare through improved access, awareness and health seeking behaviour.
- Education: Access to quality education, training and skill enhancement.
- Environment: Environmental sustainability, ecological balance, conservation of natural resources.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

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

The main implementation partners of the Company are - The K C Mahindra Education Trust and Naandi Foundation.

3. **Have you done any impact assessment of your initiative? No. We capture the number of beneficiaries being impacted, which is done by our internal teams.**

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

During the year under review, the Company has spent Rs. 50.19 lacs, which is over 2% of the average net profits of last three financial years, on CSR activities. The Company undertakes major Projects through Naandi Foundation under the Project Hariyali for tree plantations. Further, through Project Nanhi Kali – Providing educational support to underprivileged girls from poor urban, remote rural and tribal communities across India to enable them to complete their schooling.



Last 3 years, every year, the Company also undertakes the projects on providing infrastructure for drinking water facilities for remote / underprivileged villages and for development of school(s).

During COVID 19 pandemic, the Company also took initiatives like distribution of Sanitizers and Masks, medical camps in the Company's vicinity.

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

Yes, after completion of these projects, we have handed over the maintenance of the drinking water facilities to the respective Gram Panchayat. In case of school development, the respective school have assumed the responsibility of the ongoing maintenance and operations thereof.

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

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

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

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

Yes. Further, the product manuals also provide the detailed information of use and maintenance of the product.

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

No.

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

SQL (Service Quality Index) by MEIL internal team, which has customer satisfaction measurement mechanism.

Dated: 4th May, 2022

ANNEXURE VII TO DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES (For FY 2021-22)

1. Brief outline on CSR Policy of the Company

For Mahindra EPC Irrigation Limited responsible business practices include being responsible for our business processes, products, engaging in responsible relations with employees, customers and the community. Hence the Corporate Social Responsibility for the Company goes beyond just adhering to statutory and legal compliances, and creates social and environmental value for our key stakeholders.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ashok Sharma	Chairperson	2	2
2	S Durgashankar	Member	2	2
3	Dr. Sudhir Kumar Goel	Member	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company

The details of the weblink is – http://www.mahindrairrigation.com/pdf/CSR_Policy_and_Report_22-23_.docx.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) - Not applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2020-21	1.67 lacs	1.67 lacs
	TOTAL	1.67 lacs	1.67 lacs

6. Average net profit of the company as per section 135(5) - Rs. 49.74 lacs

7. CSR obligation:

- Two percent of average net profit of the company as per section 135(5) – Rs. 49.74 lacs
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years – Nil
- Amount required to be set off for the financial year, if any – 1.67 lacs
- Total CSR obligation for the financial year (7a + 7b – 7c) – Rs. 48.07 lacs

8.

a. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
50,18,517/-	Nil	NA	NA	NA	NA

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b. Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project or activity identified	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number.
1.	Nil	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	TOTAL											

c. Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)	
Sl. No.	Name of the Project or activity identified	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation- Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
1.	Tree Plantation Project-Hariyali	Ensuring Environmental Sustainability	No	Himachal Pradesh/UP/ Punjab		24,87,000	No	Naandi Foundation	
2.	Cluster Development – Focused area V1: Pimpalgaon Nipani (Nashik District) V2: Chincholi Gaurav (Nashik District) Manage COVID-19 spurts. Health hygiene related activities	Tree Plantation, Agriculture Equipment's, Solar Water Pump unit, Assistance to school, Health Check up, Vicinity, Drinking water facilities Promoting Preventive Healthcare & Sanitation	Yes	Maharashtra	Nashik	23,64,619	Yes	Direct and Through NGO	NA
3.	Excess Spend of F20 Carried forward to F21	Excess Spend of F20 Carried forward to F21	Yes	Maharashtra	Nashik	1,66,898	Yes	Direct	NA
	Total					50,18,517			

d. Amount spent in Administrative Overheads – Nil

e. Amount spent on Impact Assessment, if applicable - Not applicable

f. Total amount spent for the Financial Year (8b +8c +8d+ 8e) – 5,018,517/-

g. Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	49,74,000
(ii)	Total amount spent for the Financial Year	50,18,517
(iii)	Excess amount spent for the financial year [(ii)-(i)]	44,517
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	44,517

9.

a. Details of Unspent CSR amount for the preceding three financial years

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account Under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	Nil	NA	NA	NA	NA	NA	NA
2.	Nil	NA	NA	NA	NA	NA	NA
3.	Nil	NA	NA	NA	NA	NA	NA
	TOTAL						

b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed/ Ongoing.
1.	Nil	NA	NA	NA	NA	NA	NA	Nil
2.	Nil	NA	NA	NA	NA	NA	NA	Nil
3.	Nil	NA	NA	NA	NA	NA	NA	Nil
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year - Nil

(asset-wise details).

- a. Date of creation or acquisition of the capital asset(s).
- b. Amount of CSR spent for creation or acquisition of capital asset.
- c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). - Not applicable.

For and on behalf of the Board

Anand Daga
Director

Ashok Sharma
Chairperson, CSR
Committee

Sunetra Ganesan
Chief Financial Officer

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, 2022

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.
- 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.
- Installation of roof top solar system resulting in saving of 7-8% energy bill through renewable / natural resources.
- Devised a system to use for cooling of water for sprinkler pipes using natural conditions.
- Indigenization of engineering services for production thereby reduced dependency on overseas contractor.
- Staggering off changed to common weekly off depends on market demand.
- Running of scroll type Hitachi water chiller to save power in case of low production demand.
- Running of 40 HP Air compressor instead of 75 HP Air compressor in case of less production demand to save electrical power.

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

The Company has implemented roof top solar systems using renewable / natural resources and

your Company would continue to explore alternative sources of energy in future.

(c) the capital investment on energy conservation equipments:

Nil – The Roof Top Solar System is on OPEX model – Recurring cost

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. Company's JV with Top Greenhouses, Israel has helped improve awareness and use of newer technologies in designing and providing solutions to the customers.

(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)	
		2021-22	2020-21
(a)	Capital Expenditure	Nil	Nil
(b)	Recurring Expenditure	284.26	27.50
(c)	Total	284.26	27.50
(d)	Total R&D expenditure as a % of total turnover	0.001	0.001

C. Foreign Exchange Earnings & Outgo

During the year under review, the Company got results of its long efforts in exports and recorded its highest ever revenue through exporting its products and systems to overseas customers. The Company's continued efforts to focus on potential countries are expected to yield better results in export business.

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

	(Rs. In Thousands)
Foreign exchange earnings :	58756.09
Foreign exchange outgo :	10806.26

For and on behalf of the Board

Anand Daga
Director

Ashok Sharma
Managing Director

Place : Nashik
Dated: 4th May, 2022

**ANNEXURE IX TO DIRECTORS' REPORT
SECRETARIAL AUDIT REPORT
For The Financial Year Ended 31st March, 2022**

[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
Plot no. H-109, MIDC Ambad, Nashik - 422010

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** (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Auditor's Responsibility:

My responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. I have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Modified Opinion:

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 (hereinafter called the '**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act), and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. 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 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity shares) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(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 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period);** and
 - h. 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 (“Listing Regulations”);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc *except in one case Company has not made prior intimation to National Stock Exchange India Limited under Regulation 29 of Listing Regulations. However, the same has been intimated to the BSE Ltd. within prescribed timelines.*

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The composition of the Board of Directors during the period under review was in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

Place : Pune
Date : 4th May 2022

Sachin Bhagwat
ACS: 10189, CP: 6029
PR No: 654/2020
UDIN: A010189D000263961

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

Annexure A

To
The Members,
Mahindra EPC Irrigation Limited
Plot no. H-109, MIDC Ambad, Nashik, MH - 422010

My report of event 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. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Pune
Date : 4th May, 2022

Sachin Bhagwat
ACS: 10189, CP: 6029
PR No.: 654/2020
UDIN: A010189D000263961

ANNEXURE X TO DIRECTORS' REPORT

Dividend Distribution Policy

The Dividend Distribution Policy ("the policy") establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company. The policy shall come into force for accounting periods beginning from 1st April, 2021.

Dividend would continue to be declared on per share basis on the Equity Shares of the Company having face value Rs.10 each. The Company currently has no other class of shares. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date.

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies Act. The Board may also declare interim dividends as may be permitted by the Companies Act.

The Company has had a dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

As in the past, subject to the provisions of the applicable law, the Company's dividend payout will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return. Within these parameters, the Company would endeavor to maintain a total dividend pay-out ratio in the range of 17% to 35% of the annual standalone Profits after Tax (PAT) of the Company.

While determining the nature and quantum of the dividend payout, including amending the suggested payout range as above, the Board would take into account the following factors:

- Internal Factors:
 - i. Profitable growth of the Company and specifically, profits earned during the financial year as compared with:
 - a. Previous years and
 - b. Internal budgets,
 - ii. Cash flow position of the Company,
 - iii. Accumulated reserves
 - iv. Earnings stability
 - v. Future cash requirements for organic growth/ expansion and/or for inorganic growth,
 - vi. Brand acquisitions,
 - vii. Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities,

- viii. Deployment of funds in short term marketable investments,
- ix. Long term investments,
- x. Capital expenditure(s), and
- xi. The ratio of debt to equity (at net debt and gross debt level).
- External Factors:
 - i. Business cycles,
 - ii. Economic environment,
 - iii. Cost of external financing,
 - iv. Applicable taxes including tax on dividend,
 - v. Industry outlook for the future years,
 - vi. Inflation rate, and
 - vii. Changes in the Government policies, industry specific rulings & regulatory provisions.

Apart from the above, the Board also considers past dividend history and a sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

The Board may consider not declaring dividend or may recommend a lower payout for a given financial year, in the event of challenging circumstances such as regulatory and financial environment. In such event, the Board will provide rationale in the Annual Report.

The retained earnings of the Company may be used in any of the following ways:

- i. Capital expenditure for working capital,
- ii. Organic and/ or inorganic growth,
- iii. Investment in new business(es) and/or additional investment in existing business(es),
- iv. Declaration of dividend,
- v. Capitalisation of shares,
- vi. Buy back of shares,
- vii. General corporate purposes, including contingencies,
- viii. Correcting the capital structure,
- ix. Any other permitted usage as per the Companies Act, 2013.

Information on dividends paid in the past period is provided in the Annual Report.

This policy may be reviewed periodically by the Board. Any changes or revisions to the policy will be communicated to shareholders in a timely manner.

The policy is available on the Company's website-at www.mahindrairrigation.com.

The policy will also be disclosed in the Company's annual report.

REPORT ON CORPORATE GOVERNANCE

(1) PHILOSOPHY ON CODE OF GOVERNANCE

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

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

(2) BOARD OF DIRECTORS ("Board")

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

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

The Management of the Company is entrusted in the hands of Key Managerial Personnel, headed by Mr. Ashok Sharma – Managing Director, Mr. Abhijit Page - Chief Executive Officer (CEO) and Ms. Sunetra Ganesan - Chief Financial Officer (CFO), who operate under the supervision and control of the Board.

Mr. Shriprakash Shukla, the Non-Independent, Non-Executive Director, is the Chairman and Mr. Ashok Sharma is the Managing Director of the Company.

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

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

Apart from reimbursement of expenses incurred and the commission paid in the discharge of their duties and the remuneration that a Director may receive for professional services rendered to the Company through a firm in which he is a partner, none of the Independent Directors have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Affiliates which in their judgment would affect their independence during the three 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.

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.

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(a) Composition of the Board:

The names and categories of Directors, the number of Directorships and Committee positions held by them in the companies are given below. None of the Directors on the Board is a Member of more than 10 public limited companies (as prescribed 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 /she 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 and thus, the composition of the Board of Directors is in conformity with the Regulation 17 of SEBI Listing Regulations read with Section 149 of the Companies Act.

Sr. No.	Directors & Director Identification number (DIN)	Total Number of Directorships of public companies #, Committee Chairmanships and Memberships, as on 31 st March, 2022.			Name of listed entities where the Director is a director along-with the category of directorship excluding the Company
		Directorships \$	Committee Chairmanships +	Committee Memberships +	
	NON-EXECUTIVE, NON-INDEPENDENT				
1	Mr. Shriprakash Shukla (DIN-00007418)	5	–	–	Mahindra CIE Automotive Limited (Chairperson, Non-Executive Director)
2	Mr. S. Durgashankar (DIN-00044713)	6	1	4	1. EID Parry (India) Limited (Independent Director) 2. Swaraj Engines Limited (Non-Executive Director) 3. Mahindra Lifespace Developers Limited (Non-Executive Director)
	NON-EXECUTIVE, INDEPENDENT				
3	Dr. Sudhir Kumar Goel (DIN-02965596)	2	1	3	NIL
4	Ms. Aruna Bhinge (DIN-07474950)	4	–	4	1. Laurus Labs Limited (Independent Director) 2. Punjab Chemicals and Crop Protection Limited (Independent Director)
5	Mr. Anand Daga (DIN-00696171)	1	1	–	NIL
	EXECUTIVE				
6	Mr. Ashok Sharma Managing Director (DIN-02766679)	3	–	1	NIL

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

\$ Includes Directorship in Mahindra EPC Irrigation Limited.

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

(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 – 11th May, 2021, 22nd July, 2021, 28th October, 2021 and 24th January, 2022. The gap between two Meetings did not exceed four months. These meetings were well attended. The 39th Annual General Meeting of the Company was held on 22nd July, 2021.

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

Directors	Number of Board Meetings Attended	Attendance at the AGM
Mr. Shriprakash Shukla	4	Yes
Mr. Ashok Sharma	4	Yes
Dr. Sudhir Kumar Goel	4	Yes
Mr. S. Durgashankar	4	Yes
Mrs. Aruna Bhingre	4	Yes
Mr. Anand Daga	4	Yes

(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 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, if any 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) Certificate from Practicing Company Secretary:

Certificate, as required under Part C of Schedule V of Listing Regulations, received from M/s. Makarand M. Joshi & Co., Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified for the financial year ending on 31st March, 2022 from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on 04th May, 2022.

(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 make effective contributions to the Board and its Committees.

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

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

(g) Directors seeking appointment/re-appointment

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

Ms. Aruna Bhinge was appointed as an Independent Director of the Company at the 38th Annual General Meeting of the Company for a term of three consecutive years commencing from 14th May, 2020 to 13th May, 2023 as Non-Executive Independent Director of the Company.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors recommended the re-appointment of Ms. Aruna Bhinge as Non Executive Independent Director, subject to approval of the Members of the Company at the AGM for a second term of three years with effect from 14th May, 2023 to 13th May, 2026 not liable to retire by rotation.

The profile of Mr. S. Durgashankar and Ms. Aruna Bhinge along with other details are as follows:

1) Mr. S. Durgashankar

Mr. S. Durgashankar (DIN: 00044713) aged 62 years, holds 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 Chief Financial Controller of Aerospace, Defence & Agri Sectors of Mahindra Group. Prior to that, he was President - Group Controller of Finance and Accounts and member of Group Executive Board at Mahindra & Mahindra Limited (M&M). During his overall work experience of over 37 years, he has handled a wide spectrum of Corporate Finance assignments at senior levels including Finance, Accounts, Treasury, and Commercial Operations, Project Evaluation and Risk Assessment in addition to tackling multiple complex matters like recasting the accounts for the past several years and handling legal cases. At M&M, he was instrumental in setting up the Mergers & Acquisitions (M&A) division and has rich M&A experience. The M&A division at M&M has successfully completed over 125+ inorganic transactions both (Domestic and International) for the Group. He was earlier Corporate Treasurer and Head of Treasury and Investor Relations at M&M.

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

During the year 1st April, 2021 to 31st March, 2022, four Board Meetings were held and all the meetings were attended by Mr. S. Durgashankar.

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

- i. Mahindra Integrated Business Solutions Private Limited
- ii. Mahindra HZPC Private Limited
- iii. Swaraj Engines Limited
- iv. Mahindra Lifespace Developers Limited
- v. Mahindra Holdings Limited
- vi. Mahindra Aerospace Private Limited
- vii. Mahindra Agri Solutions Limited
- viii. E I D Parry (India) Limited

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

The Board is of the view that Mr. S. Durgashankar's knowledge and experience will be of immense benefit and value to the Company.

2) Ms. Aruna Bhinge

Ms. Aruna Bhinge has completed 64 years of age. She holds Bachelor's and Master's degree in Life Sciences from the University of Poona and the University of Bombay, respectively. She completed her Management studies (MMS) from Narsee Monjee Institute of Management Studies, Mumbai. Ms. Aruna Bhinge started her career as Research Scientist at the Institute of Science and with Department of Atomic Energy, BARC and the Department of Science and Technology, Government of Maharashtra. Ms. Aruna Bhinge had held successful leadership positions in various Indian and multinational corporations. With over 32 years of experience as a Business Leader and Head of Strategy in Agri business, Ms. Bhinge led agri business projects in the Asia Pacific region as Head, Food Security Agenda and APAC at Syngenta India Limited.

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

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

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

The Board is of the view that Ms. Aruna Bhinge's knowledge and experience will be of immense benefit and value to the Company.

- (h) Disclosure on relationships between Directors inter-se**
The Directors have made disclosure that there are no relationships between directors.
- (i) Number of Shares and Convertible instruments held by Non-executive Directors.**
The Non-Executive Directors have made disclosure that they are not holding any Shares of the Company.
- (j) Web link where details of familiarization programmes imparted to independent directors is disclosed.**

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

(3) Risk Management

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

(4) Audit Committee

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. It assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

(a) Brief description of terms of reference

The Audit Committee comprises of three Non-Executive Directors and majority of whom are Independent Directors namely, Mr. Anand Daga as the Chairman (w.e.f. 24th July, 2019) of the Committee and Mr. S. Durgashankar and Dr. Sudhir Kumar Goel as other members of the Committee.

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

The Company Secretary is the Secretary of the Audit Committee.

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

- a) Review of the Company's financial reporting process and its financial statements.
- b) Review of accounting and financial policies and practices.
- c) Review of the internal control and internal audit system.
- d) Discussing with statutory Auditors to ascertain any area of concern.
- e) 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 the 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.
- r) To review the functioning of the whistle blower mechanism.

The Audit Committee also receives the report on compliance under the SEBI (Code of Conduct for Prohibition of Insider Trading) Regulations, 2015. Further, Compliance Reports under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Whistle Blower Policy are also placed before the Committee.

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

(b) Meetings and Attendance during the year

The meetings of the Audit Committee are also attended by the Managing Director, Statutory Auditors, Chief Executive Officer, Chief Financial Officer, Internal Auditor and the Company Secretary.

The Chairman of the Audit Committee was present at the 39th Annual General Meeting of the Company held on 22nd July, 2021.

The Committee met four times during the year under review. The Committee Meetings were held on the following dates – 11th May, 2021, 22nd July, 2021, 28th October, 2021 and 24th January, 2022. The attendance at the Meetings is as under:

Members	Number of Meetings attended
Mr. Anand Daga	4
Mr. S. Durgashankar	4
Dr. Sudhir Kumar Goel	4

(5) Nomination and Remuneration Committee

The Company has Nomination and Remuneration Committee pursuant to Section 178 of the Companies Act, 2013. The NRC Committee is responsible for formulating evaluation policies and reviewing all major aspects of Company's HR processes relating to hiring, training, talent management, succession planning and compensation structure of the Directors, KMPs and Senior Management. The Committee also anchored the performance evaluation of the Individual Directors.

(a) Brief description of terms of reference

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

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

(b) Composition, Name of members and Chairperson

The Committee comprises three Non-Executive Directors majority of whom are Independent Directors namely Mr. Anand Daga – Chairman, Mr. S. Durgashankar and Dr. Sudhir Kumar Goel.

(c) Meetings and Attendance during the year

The Committee met on 11th May, 2021, 22nd July, 2021 and 28th October, 2021 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	3
Mr. S. Durgashankar	3
Dr. Sudhir Kumar Goel	3

(d) Independent Directors and performance evaluation

The Independent Directors of your Company had a meeting on 11th May, 2021 without the presence of the Executive Chairman, Managing Director, other Non-Independent Director(s) or any other Management Personnel.

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

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

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

(6) Stakeholders Relationship Committee:

The Company has Stakeholders Relationship Committee under the provisions of the Companies Act, 2013. The Committee functions under the Chairmanship of Dr. Sudhir Kumar Goel. Mr. Ashok Sharma and Ms. Aruna Bhinge are the other Members of the Committee. Mr. Ratnakar Nawghare, Company Secretary is the Compliance Officer of the Company. The Stakeholders Relationship Committee resolves the grievances of security holders of the Company.

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

During the year under review, there was one complaint received from the Shareholder. There were no investor complaints remaining unresolved and pending as at 31st March, 2022.

The Committee met on 22nd July, 2021 and 28th October, 2021 the meetings were generally attended by all the members of the Committee. The attendance of the meeting is as under:

Members	Number of Meetings attended
Mr. Ashok Sharma	2
Dr. Sudhir Kumar Goel	2
Ms. Aruna Bhinge	2

(7) Corporate Social Responsibility Committee

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

The scope and functions of the Committee includes, inter alia, recommendation to the Board for its approval an amount of expenditure to be incurred on the CSR activities as enumerated in the Schedule VII of the Companies Act, 2013 and in the CSR Policy of the Company and further, 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://mahindrairrigation.com/pdf/Corporate_Social_Responsibility_Policy_MEIL.pdf

Mr. Ashok Sharma – Managing Director is the Chairman of the Committee. Dr. Sudhir Kumar Goel and Mr. S. Durgashankar are the other members of the Committee. The Committee Meeting was held on 11th May, 2021 and 28th October, 2021 and it was attended by all the members of the Committee.

(8) Risk Management Committee

(a) Composition, Name of members and Chairperson

The Committee functions under the Chairmanship of Mr. Ashok Sharma, Mr. S. Durgashankar and Mr. Anand Daga are the other members of the Committee.

(b) Meetings and Attendance during the year

During the year, three meetings were held on 22nd July, 2021, 28th October, 2021 and 24th January, 2022 and were attended by all the members.

(c) Brief description of terms of reference:

The broad roles and responsibilities of the Committee would be:

- Assessment of the Company’s risk profile and key areas of risk in particular.
- Recommending to the Board and adopting risk assessment and rating procedures.
- Examining and determining the sufficiency of the Company’s internal processes for reporting on and managing key risk areas.
- Assessing and recommending to the Board acceptable levels of risk.
- Review and monitoring of Risk management and risk mitigations measures.

(9) Remuneration of Directors

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

(a) Pecuniary relationship or transactions of the Non-Executive Directors.

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

(b) Criteria of making payments to Non-Executive Directors.

The Non-Executive Independent Directors are paid sitting fees of Rs. 30,000 for attending the meetings of the Board of Directors and Rs. 20,000 for attending Committee meetings of the Board

and reimbursement of expenses incurred for attending the Meetings of the Board of Directors of the Company and its Committees thereof. The sitting fees paid to Non-Executive Directors for the year ended 31st March, 2022 alongwith their shareholdings are as under:

Directors	Sitting Fees for the Board Meetings and Committee Meetings held during the year ended 31 st March, 2022 (Rs. in Lakhs)
Mr. Ashok Sharma	0
Dr. Sudhir Kumar Goel	3,40,000
Mr. S. Durgashankar	0
Mr. Shriprakash Shukla	0
Mrs. Aruna Bhinge	1,60,000
Mr. Anand Daga	3,20,000

Further, the Independent Directors shall be entitled to receive a commission of Rs. 5 lacs each or 1% of annual Net Profit of the Company computed in accordance with the provisions of Section 197 read with Section 198 of the Act or Rules framed thereunder whichever is lower from time to time commencing from the FY – 2015-16 in lieu of their services to the Company. The Shareholders in the Annual General Meeting dated 31st July, 2015 had accorded their consent for the same. Accordingly, the commission of Rs. 15.00 lakhs was paid in the year 2020-21 and in view of the loss incurred by the Company, the commission to Independent Directors for FY 2021-22 would not be payable.

The Non-Executive Non-Independent Directors have waived their right to receive sitting fees for attending the Meetings of the Board of Directors or any Committee thereof on which they may be appointed from time to time or any other remuneration payable to the Non-Executive Directors of the Company, effective from the date of their appointment as a Director on the Board of Directors of the Company, during their tenure as a Non-Executive Non-Independent Director of the Company.

(c) Disclosures with respect to Managerial Remuneration:

(i) Elements of remuneration package

During the year under review, the consolidated remuneration of Rs. 36.00 lakhs per annum (including taxes) was paid to Mr. Ashok Sharma.

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

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

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

(iii) Service contracts, notice period, severance fees

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

(iv) Stock option details

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

(10) General Body Meetings:

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

Year ended	Date	Time	Special Resolution passed
31 st March, 2019	Tuesday 23 rd July, 2019	2.30 p.m.	1. Re-appointment of Mr. Anand Daga (DIN: 00696171) as an Independent Director of the Company for the second term of five years. 2. Re-appointment of Mr. Nikhilesh Panchal (DIN: 00041080) as an Independent Director of the Company for the second term of five years.
31 st March, 2020	Monday, 3 rd August, 2020	3.00 p.m.	1. Appointment of Mr. Shriprakash Shukla as Non-Executive Non-Independent Director. 2. Re-appointment of Mr. Ashok Sharma as Managing Director and the remuneration payable with effect from 1 st October, 2020.

Year ended	Date	Time	Special Resolution passed
31 st March, 2021	Thursday, 22 nd July, 2021	10.30 a.m.	<p>1. Re-appointment of Dr. Sudhir Kumar Goel (DIN: 02965596) Non-Executive Independent Director for further period of 3 consecutive years, not liable to retire by rotation to the Board of Directors of the Company.</p> <p>2. Revision in remuneration of Mr. Ashok Sharma (DIN: 02766679), Managing Director of the Company.</p>

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

No Extraordinary General Meeting was held during the past three years.

(b) Postal Ballot

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

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

(11) Means of Communication

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

Members may utilise the facility extended by the Registrar and Transfer Agent for redressal of queries, by visiting <https://kprism.kfintech.com/investor/query/Correspondence.aspx>.

Investors can submit their query in the option provided on the above website, which would generate a registration number. For accessing the status / response to the query submitted, the grievance registration number can be used at the option "Click here to track your query" on right hand corner of above website. Investors can

continue to put an additional query, if any, relating to the grievance till they get a satisfactory reply.

(12) Auditors remuneration

The total fees for all services incurred by the Company and its Subsidiary Company to the Statutory Auditors Messrs B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022) – on a consolidated basis for the financial year 2021-22 was Rs. 31 lacs plus applicable Goods and Services Tax and out of pocket expenses. The Company has also incurred the fees for the first quarter of F'22 to M/s Deloitte Haskins and Sells, Chartered Accountants (ICAI Firm Registration No. 117364W) amounting to Rs. 2.75 lacs.

(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) 40th Annual General Meeting

Date: 29th July, 2022

Time : 5.00 P.M.

Deemed

Venue: Meeting through VC/OAVM at 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, 2022 – Second week of August, 2022

Half-year ending

30th September, 2022 – Second week of November, 2022

Quarter ending

31st December, 2022 – Second week of February, 2023

Year ending

31st March, 2023 – End May, 2023

Note: The above dates are indicative.

(c) Listing of Equity Shares on Stock Exchange

Your Company's Shares are listed on BSE Limited situated at Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001., and on National Stock Exchange of India Limited, situated at Exchange Plaza, C-1, Block G, Bandra- Kurla Complex, Bandra (East), Mumbai – 400 051. The requisite listing fees have been paid in full to both the Stock Exchanges.

(d) Stock Code

1. BSE Limited: 523754

2. National Stock Exchange Limited: MAHEPC

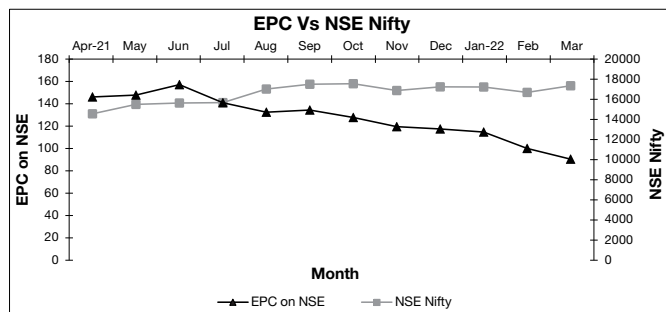
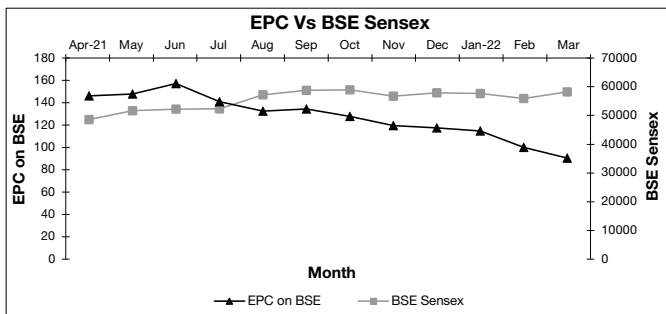
3. Demat International Securities Identification Number (ISIN) in NSDL and CDSL for Equity Shares: INE215D01010

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

Stock Exchanges	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Month				
April, 2021	153.30	135.80	154.00	137.60
May, 2021	157.95	140.15	157.90	140.00
June, 2021	167.00	147.05	167.40	148.50
July, 2021	178.00	139.95	178.20	139.65
August, 2021	147.85	125.95	147.95	126.00
September, 2021	144.90	130.10	145.00	131.15
October, 2021	143.45	127.00	145.00	127.00
November, 2021	135.00	117.00	135.20	116.70
December, 2021	127.50	112.95	125.50	113.10
January, 2022	132.00	108.15	134.00	108.00
February, 2022	120.00	93.05	119.75	93.30
March, 2022	104.00	85.00	104.70	85.10

(f) Stock Performance

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



(g) Suspension of Securities

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

(h) Registrar and Transfer Agent

KFin Technologies Ltd.

Selenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500 032, Telangana.

Contact details:-

Investor Service Toll Free No: 1800-309-4001

Email: einward.ris@kfintech.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 transmission of shares name deletion, issue of duplicate shares etc. and the same gets confirmed by the Board in their subsequent meeting.

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

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

- Request for effecting transfer of securities shall not be processed by the Company or KFin Technologies Limited (KFin), Registrar and Share Transfer Agents (RTA) of the Company, unless the securities are held in dematerialized form with effect from 1st April, 2020.
- SEBI vide its Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 has mandated:
 - a. Furnishing of PAN, email address, mobile number, bank account details, signature and nomination by holders of physical securities.
 - b. Freezing of folios in cases where PAN is not linked with Aadhaar by March 31, 2022 (or any other date as may be specified by the Central Board of Direct Taxes).
 - c. Folios wherein any one of the said document(s)/detail(s) are not available on

or after April 1, 2023, shall be frozen. Such shareholders shall not be eligible to lodge grievance(s) or avail service request(s) from the RTA and shall not be eligible for receipt of dividend in physical mode.

- d. After December 31, 2025, the frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

Further, in compliance to the SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, if the service requests are received by RTA (like Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal/Exchange, Endorsement, Sub-division/Splitting, Consolidation of securities certificates/folios, Transmission and Transposition of securities) from those shareholders whose details, as mentioned in SEBI Circular dated November 3, 2021, are duly updated in the system, the RTA/Company shall verify and process the service requests and issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days of its receipt of such request after removing objections, if any, which shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

(j) Distribution of Shareholding as on 31st March, 2022:

Shareholding	Shareholders		Shares	
	Number	% to total holders	Number	% to total capital
Upto 500	29023	89.41	3438801	12.35
501 – 1,000	1790	5.51	1429931	5.14
1,001 – 5,000	1355	4.17	2976718	10.69
5,001 – 10,000	172	0.53	1247412	4.48
10,001 – 1,00,000	115	0.35	2778737	9.98
1,00,001 & above	6	0.02	15967876	57.36
TOTAL	32461	100.00	27839475	100.00

Shareholding Pattern as on 31st March, 2022

Category	No. of shares held	%
Promoters	15144433	54.40
Banks	0	0
Private Corporate Bodies	379479	1.36
Indian Public	10787655	38.75
NBFC	0	0
Mutual Funds	0	0
NRIs/ OCBs / Others	1527908	5.49
GRAND TOTAL	27839475	100

(k) Dematerialisation of Shares and liquidity

97.85% 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, 2022. The Company's Shares are liquid and actively traded on the BSE Limited and National Stock Exchange of India Limited.

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

Nil

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

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

The nature of business of the Company does not involve / require 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:

KFin Technologies Ltd.
Selenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500 032, Telangana.

Contact details:-
Investor Service Toll Free No: 1-800-309-4001
Email: einward.ris@kfintech.com

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

The Registrar and Transfer Agents also have an office at:

KFin Technologies Limited
24-B, Raja Bahadur Mansion, Ground Floor,
Ambalal Doshi Marg, Behind BSE,
Fort, Mumbai – 400 023
Tel.: +91 22 66235454/412/427

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

Mahindra EPC Irrigation Limited
Plot No. H-109, MIDC Ambad, Nashik – 422 010.
Telephone Nos.: +91-253-6642000
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 will be 25th July, 2022 to 29th July, 2022 (both days inclusive). The Company has not declared any dividend for the year ended 31st March, 2022.

- (q) **Registered Office:**
Plot No. H-109, MIDC Ambad, Nashik – 422 010.

- (r) **Corporate Identity Number:**
L25200MH1981PLC025731

(15) Other Disclosures

- (a) **Disclosure on materially significant Related Party transactions**

During the financial year 2021-2022 there were no materially significant transactions entered into between the Company and its Promoters, Directors or the Management etc. that may have potential conflict with the interest of the Company at large. Further details of related party transactions are given in Note No. 30 to the Financial Statements.

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

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

The policy on Related Party Transaction is incorporated on the Company website:

http://www.epcmahindra.com/pdf/Policy_on_Materiality_of_and_Dealing_with_Related_Party_Transactions.pdf

- (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 was in receipt of the letter dated 15th November, 2021 from National Stock Exchange of India (NSE) pertaining to the non-compliance of Regulation 29 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) with respect of Non-disclosure of Intimation of Board Meeting to be held on 28th October, 2021, for which fine of Rs. 11,800/- was levied.

However, the Company paid the amount levied on 17th November, 2021 to avoid any further repercussions. Also, the Company requested for the waiver of fine levied via letter dated 22nd November, 2021 and the outcome of the same is still awaited.

The Company inadvertently failed to upload the said Intimation of Board Meeting to be held on 28th October, 2021 on NSE. However the same was duly uploaded on BSE as well as on website of the Company.

Your Company is a statutorily compliant company and the management and the Board has always placed paramount importance towards the statutory compliances applicable to the Company. Our primary focus always remains to comply with all the applicable laws and to protect the interest of the Investors/ stakeholders and to be transparent in every possible aspect.

- (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 and Regulation 22 of SEBI Listing Regulations, the Company has implemented a vigil mechanism which includes implementation of the whistle blower policy. No employee has been denied access to the Chairman of the Audit Committee. The Company in conjunction with the Corporate Disclosure and Investigation policy of its ultimate holding Company has informed its employees that any non-compliant behaviour of directors or employees including the non-compliance of its code of conduct to the notice of the management for investigation and necessary action, may be reported by them using the speak-up line number provided therein. The policy is posted on the Company website: <http://www.mahindrairrigation.com/InvestorInformation.aspx>

(e) Disclosure on Director's performance evaluation criteria

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

(f) Code of Conduct for Prevention of Insider Trading

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

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

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

(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. However, in addition to above your Company has adopted the non-mandatory requirements as listed out in Part E of Schedule II of SEBI Listing Regulations 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 directly reports to the Audit Committee.

3) Chairman of the Board of Directors

The position of the Chairman of the Board of Directors and that of the Managing Director and the Chief Executive Officer are separate.

4) Communication with the shareholders

Your Company follows a robust process of communicating with the shareholders which have been elaborated in the Report under the heading "Means of Communication".

(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 2021-22.

(16) CEO/CFO Certification

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

Nashik, 4th May, 2022.

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 31st March, 2022.

Nashik, 4th May, 2022

Ashok Sharma
Managing Director

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (Listing Obligations and Disclosure Requirements) REGULATIONS, 2015

TO
THE MEMBERS OF
MAHINDRA EPC IRRIGATION LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 18th October, 2021 and addendum to the engagement letter dated 2 May, 2022.
2. We have examined the compliance of conditions of Corporate Governance by Mahindra EPC Irrigation Limited ("the Company"), for the year ended 31 March, 2022, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the

Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March, 2022.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note 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. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (Listing Obligations and Disclosure Requirements) REGULATIONS, 2015 (Contd.)

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.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other

purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar

Partner

Membership No: 113959

UDIN: 22113959AIJARC8069

Nashik, 4th May, 2022

INDEPENDENT AUDITOR’S REPORT

To The Members of Mahindra EPC Irrigation Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Mahindra EPC Irrigation Limited (the “Company”), which comprise the standalone balance sheet as at 31 March, 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

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 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Description of Key Audit Matter

Revenue Recognition and Impairment of Trade receivable

[Refer to Note 1 (K) & (V) of Significant Accounting Policies and Note 5 & 17 to the Standalone Financial Statements]

The key audit matter	How the matter was addressed in our audit
<p>Revenue is recognised when the control of the underlying products has been transferred to the customer. We have identified recognition of revenue as a key audit matter as revenue is a key performance indicator. There is presumed fraud risk of revenue being overstated during the year on account of variation in the timing of transfer of control due pressure to achieve performance targets and meeting the external expectations.</p> <p>Trade receivables are mainly comprised of receivables from state government owned enterprises and private dealers. We have identified impairment of trade receivables as a significant audit matter on account of the significant judgment and estimate involved. These factors include customer’s ability and willingness to pay the outstanding amounts, past due receivables, financial and economic difficulties of customers.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • Obtained an understanding of the systems, processes and controls implemented by the Company for measurement of impairment of Trade Receivable and recognition of Revenue. • Evaluated the Company’s revenue recognition and measurement of impairment of trade receivable accounting policies by comparing with applicable accounting standards. • We evaluated the design of key internal financial controls and operating effectiveness of the relevant key controls with respect to revenue recognition and trade receivables. • Tested design, implementation and operating effectiveness of the Company’s general IT controls and key IT/manual application controls by involving IT Specialists over the Company’s systems. • Performed substantive testing (including year-end cut off testing) by selecting statistical samples of revenue transactions recorded during the year, and verifying the underlying documents i.e. Contracts, Sales Order, Sales invoices and shipping documents, farmers/dealer acceptance etc. • Tested manual journals posted to revenue and trade receivable during the year to identify unusual items. • Scrutinized sales returns/reversals/credit notes recorded in the general ledger subsequent to year-end to identify any significant unusual items.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor’s Responsibilities 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters (“KAM”) 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.

The key audit matter	How the matter was addressed in our audit
<p>This assessment is done for each customer resulting from possible defaults over the expected life of the receivables. Based on this assessment, credit loss rate is determined in provision matrix. The credit loss rate is based on the experience of actual credit losses over past years adjusted to reflect the current economic conditions and forecasts of future economic conditions. Based on such credit loss rate, the company recorded expected credit loss (ECL) allowance for trade receivable.</p> <p>In view of this, we have considered measurement of ECL on trade receivables as a key audit matter.</p>	<ul style="list-style-type: none"> • Performed analytical procedures on sales such as trend analysis to identify any unusual fluctuations. • Obtaining understanding on how the Company establishes an allowance for doubtful debts and impairment represents its estimate of incurred losses in respect of trade receivable. • We have evaluated the historical accuracy of impairment for trade receivables on a sample basis by examining the actual write-offs, the reversal of previous recorded allowance and new allowances recorded in the current year. • We have verified the Expected credit loss (ECL) provision working for trade receivable. We have tested the assumption (i.e., discount rate) for Net Present Value (NPV) method used to determine the ECL on non-current debtors. Verified the Trend Analysis for trade receivable and checked the percentage applied for ECL provision. • We have checked the ageing analysis (including testing of information produced by entity-IPEs), on a sample basis and subsequent receipt of the trade receivables, to the source documents, including bank statements. • Assessed the adequacy of the related disclosures in the Standalone financial statements with reference to revenue recognition and trade receivable as per relevant accounting standards.

Other Information

The Company’s Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the standalone financial statements and our auditor’s report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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 and Board of Directors’ Responsibilities for the Standalone Financial Statements

The Company’s Management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes

maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statements 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, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities 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 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 with reference to standalone financial statements 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 and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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.

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.

Other Matter

The standalone financial statements of the Company for the year ended 31 March, 2021 were audited by the predecessor auditor who had expressed an unmodified opinion thereon as per their report dated 11 May, 2021.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, 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 so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations as at 31 March, 2022 on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements.
- b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d) (i) The Management has represented that, to the best of it's knowledge and belief, as disclosed in note 35 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The Management has represented, that, to the best of it's knowledge and belief, note 35 to the accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- (C) The Company has neither declared nor paid any dividend during the year.
- (D) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959
UDIN: 22113959AIJAPP9281

Date: 4th May, 2022
Place: Nashik

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA EPC IRRIGATION LIMITED FOR THE YEAR ENDED 31 MARCH, 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except stock lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, reporting under clause 3(iii) (a) to 3(iii) (f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty

of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March, 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

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	FY 1996-97	180.14
		Commissioner of Central Excise	FY 1997-98	38.44
Central Sales Tax (CST) Act, 1956	Sales Tax	Commissioner of Commercial Tax (Appeal), Patna	FY 2013-14	9.47
Chhattisgarh VAT Act, 2005	Sales Tax	Sales Tax Officer	FY 2015-16	37.10
TN VAT Act 2006 and Central Sales Tax (CST) Act, 1956	Sales Tax	Deputy Commissioner (Appeal)	FY 2016-17	16.07
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2017-18	154.10
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2011-12	257.79
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2017-18	54.28

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its Joint Venture as defined in under the Companies Act, 2013. Company did not have any subsidiary or associate.
- (f) According to the information and explanations given to us and procedure performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its Joint venture as defined in under the Companies Act 2013. Company did not have any subsidiary or associate.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has six CICs as part of the Group.
- (xvii) The Company has incurred cash losses in the current year of Rs. 427.44 lakhs, however no cash losses incurred in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959
UDIN: 22113959AIJAPP9281
Date: 4th May, 2022
Place: Nashik

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA EPC IRRIGATION LIMITED FOR THE PERIOD ENDED 31 MARCH, 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Mahindra EPC Irrigation Limited ("the Company") as of 31 March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March, 2022, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included

obtaining an understanding of such internal financial controls, 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 standalone 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 with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 standalone 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 Standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959
UDIN: 22113959AIJAPP9281

Date: 4th May, 2022
Place: Nashik

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, 2022 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, 2022 are fraudulent, illegal or violative of the Company's code of conduct/ethics.
- C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the

Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, over financial reporting, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- D) We have indicated to the Auditors and the Audit Committee that:
 - 1) there has not been any significant change in internal control over financial reporting during the year under reference;
 - 2) there has not been any significant change in the accounting policies during the year requiring the disclosure in the notes to the financial statements; and
 - 3) We are not aware of any instance during the year of significant fraud with involvement therein of the Management or any employee having a significant role in the Company's internal control system over financial reporting.

Sunetra Ganesan
Chief Financial Officer

Abhijit Page
Chief Executive Officer

Nashik, 4th May, 2022

STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note No.	(Rs. in Lakhs)	
		As at March 31, 2022	As at March 31, 2021
ASSETS			
I NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2A	1,989.80	2,252.16
(b) Capital Work-in-Progress	2C	4.56	13.51
(c) Right of Use Assets	2B	292.57	299.18
(d) Other Intangible Assets	3	13.14	9.65
(e) Intangible Assets Under Development	3A	16.31	16.31
(f) Financial Assets			
(i) Investments	4	68.57	180.00
(ii) Trade Receivables	5	3,738.39	3,279.20
(iii) Other Financial Assets	6	78.44	59.29
(g) Income Tax Assets (Net)		399.09	152.21
(h) Deferred Tax Assets (Net)	7	828.06	578.76
(i) Other Non-Current Assets	8	194.84	228.50
Total Non-Current Assets		7,623.77	7,068.77
II CURRENT ASSETS			
(a) Inventories	9	3,605.42	3,429.08
(b) Financial Assets			
(i) Trade Receivables	5	13,808.68	13,960.94
(ii) Cash and Cash Equivalents	10	4.04	442.09
(iii) Bank Balances other than (ii) above	10	209.58	172.62
(iv) Other Financial Assets	6	58.45	53.59
(c) Other Current Assets	8	2,662.21	1,695.29
Total Current Assets		20,348.38	19,753.61
III Total Assets (I + II)		27,972.15	26,822.38
EQUITY AND LIABILITIES			
IV EQUITY			
(a) Equity Share Capital	11A	2,784.15	2,784.15
(b) Other Equity	11B	14,746.17	15,887.23
Total Equity		17,530.32	18,671.38
LIABILITIES			
V NON-CURRENT LIABILITIES			
(a) Provisions	14	71.79	39.68
Total Non-Current Liabilities		71.79	39.68
VI CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13	2,519.12	—
(ia) Lease Liabilities	26	—	2.64
(ii) Trade Payables	15		
a) Total outstanding dues of micro and small enterprises		375.27	383.34
b) Total outstanding dues of creditors other than micro and small enterprises		5,827.75	6,037.73
(iii) Other Financial Liabilities	12	1,048.21	914.78
(b) Provisions	14	284.45	325.23
(c) Other Current Liabilities	16	315.24	447.60
Total Current Liabilities		10,370.04	8,111.32
VII Total Liabilities (V+VI)		10,441.83	8,151.00
VIII Total Equity and Liabilities (IV+VII)		27,972.15	26,822.38
The accompanying notes 1 to 37 are an integral part of the Financial Statements	1-37		

In terms of our report attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Ashok Sharma
Managing Director
DIN-02766679
Place : Mumbai

Anand Daga
Director
DIN-00696171
Place : Nashik

Jayesh T Thakkar
Partner
Membership No. 113959

Abhijit Page
Chief Executive Officer
Place : Nashik

Sunetra Ganesan
Chief Financial Officer
Place : Nashik

R. V. Nawghare
Company Secretary
Place : Nashik

Place : Nashik
Date : May 04, 2022

Date: May 04, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Note No.	(Rs. in Lakhs)	
		For the year ended March 31, 2022	For the year ended March 31, 2021
I Revenue from operations	17	21,193.51	25,422.22
II Other Income	18	46.17	308.69
III Total Income (I+II)		21,239.68	25,730.91
IV EXPENSES			
(a) Cost of materials consumed	19(a)	13,561.97	13,057.92
(b) Purchases of Stock-in-trade	19(b)	25.59	0.09
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19(c)	(241.70)	246.34
(d) Employee benefit expense	20	3,012.85	2,749.92
(e) Finance costs	21	198.03	65.37
(f) Depreciation, amortisation and impairment expense	2A,2B,3	316.19	309.12
(g) Other expenses	22	5,377.83	6,771.54
Total Expenses (IV)		22,250.76	23,200.30
V Profit/(loss) before exceptional items and tax (III - IV)		(1,011.08)	2,530.61
VI Exceptional items	4	(111.43)	—
VII Profit/(loss) before tax (V - VI)		(1,122.51)	2,530.61
VIII Tax Expense			
(1) Current tax	7	—	673.89
(2) Deferred tax	7	(246.99)	(41.62)
(3) Short/(Excess) provision for tax relating to prior years		(14.28)	(21.12)
Total tax expense (VIII)		(261.27)	611.15
IX Profit/(loss) after tax for the year (VII - VIII)		(861.24)	1,919.46
X Other comprehensive income/(loss)			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(9.21)	(23.98)
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.31	6.04
Total Other comprehensive Income/(loss) for the Year		(6.90)	(17.94)
XI Profit for the year attributable to owners of the Company (IX+X)		(868.14)	1,901.52
XII Earnings per equity share			
(1) Basic (Face value Rs. 10 per share)	23	(3.09)	6.89
(2) Diluted (Face value Rs. 10 per share)	23	(3.08)	6.86
The accompanying notes 1 to 37 are an integral part of the Financial Statements	1-37		

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959

Place : Nashik
Date : May 04, 2022

For and on behalf of the Board of Directors

Ashok Sharma
Managing Director
DIN-02766679
Place : Mumbai

Abhijit Page
Chief Executive Officer
Place : Nashik

R. V. Nawghare
Company Secretary
Place : Nashik

Date: May 04, 2022

Anand Daga
Director
DIN-00696171
Place : Nashik

Sunetra Ganesan
Chief Financial Officer
Place : Nashik

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
(Loss)/Profit before tax for the period	(1,122.51)	2,530.61
Adjustments for:		
Finance costs recognised in profit or loss	198.03	65.36
Interest Income recognised in profit or loss	(8.88)	(20.98)
Liabilities no longer required written back	(2.45)	(116.67)
Profit on disposal of property, plant and equipment	(4.59)	(1.56)
Impairment Loss recognised on financial assets	193.38	61.90
Bad trade and other receivables, loans and advances written off	—	197.69
Provision for Impairment of Investment in Joint Venture	111.43	—
Depreciation and amortisation expense	316.19	309.12
Expense recognised in respect of equity-settled share-based payments	61.14	32.29
	(258.26)	3,057.76
Movements in working capital:		
(Increase) in trade receivables	(500.29)	(1,120.95)
(Increase)/Decrease in inventories	(176.34)	158.55
Decrease in other Financial and Non current assets	14.51	2.12
(Increase) in other Financial and current assets	(971.78)	(451.01)
(Decrease)/Increase in trade payables	(215.61)	128.66
(Decrease) in provisions	(17.88)	(10.69)
Increase in other Financial and Non financial current liabilities	45.09	157.40
	(1,822.30)	(1,135.92)
Cash (used in)/generated from operations	(2,080.56)	1,921.84
Income taxes paid (net)	(232.59)	(821.16)
Net cash (used in)/generated from operating activities	(2,313.15)	1,100.68
Cash flows from investing activities		
Payments to acquire property, plant and equipment and other Intangible assets	(81.76)	(138.36)
Proceeds from sale of plant and equipment and other Intangible assets	13.57	2.25
Interest received	8.61	21.10
Bank balance not considered as cash and cash equivalents matured (net)	(36.69)	9.41
Net cash (used in) investing activities	(96.27)	(105.60)
Cash flows from financing activities		
Proceeds from issue of equity instruments	—	5.78
Share application money (refunded)	—	(1.60)
Proceeds from borrowings	2,519.12	300.00
Repayment of borrowings	—	(1,600.00)
Interest paid	(210.38)	(29.79)
Dividend paid for Equity shares (Including tax thereon)	(334.67)	(333.38)
Repayment of lease liability	(2.70)	(4.80)
Net cash generated from/(used in) financing activities	1,971.37	(1,663.79)
Net (Decrease) in cash and cash equivalents	(438.05)	(668.71)
Cash and cash equivalents at the beginning of the year	442.09	1,110.80
Cash and cash equivalents at the end of the period	4.04	442.09
Components of cash and cash equivalents		
Cash*	—	0.18
With Banks - on Current account/Balance in Cash Credit Accounts	4.04	441.91
	4.04	442.09

* Less than One Thousand

** Refer note no. 13 for Cash & Non Cash movement as per Ind AS 7

See accompanying notes to the financial statements

1-37

In terms of our report attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No : 101248W/W-100022

Jayesh T Thakkar

Partner

Membership No. 113959

Ashok Sharma

Managing Director

DIN-02766679

Place : Mumbai

Abhijit Page

Chief Executive Officer

Place : Nashik

R. V. Nawghare

Company Secretary

Place : Nashik

Anand Daga

Director

DIN-00696171

Place : Nashik

Sunetra Ganesan

Chief Financial Officer

Place : Nashik

Place : Nashik

Date : May 04, 2022

Date: May 04, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

Rs. in Lakhs

Equity share capital	
As at March 31, 2020	2,778.18
Changes in Equity Share Capital due to prior period errors	—
Restated balance as at March 31, 2020	2,778.18
Changes in equity share capital during the year	
Issue of equity shares under employee share option plan (Refer note 20)	5.78
As at March 31, 2021	2,783.96
Changes in Equity Share Capital due to prior period errors	—
Restated balance as at March 31, 2021	2,783.96
Changes in equity share capital during the year	
Issue of equity shares under employee share option plan (Refer note 20)	—
As at March 31, 2022	2,783.96

Other Equity

Particulars	Reserves and Surplus					Share Application Money Pending Allotment	Total
	Capital Reserve	Securities Premium	General Reserve	Share based payments (ESOP)	Retained earnings		
Balances as at March 31, 2020	40.00	9,367.06	425.44	92.55	4,361.75	1.60	14,288.40
Changes in Equity Share Capital due to prior period errors	—	—	—	—	—	—	—
Restated balance as at March 31, 2020	40.00	9,367.06	425.44	92.55	4,361.75	1.60	14,288.40
Profit for the year	—	—	—	—	1,919.46	—	1,919.46
Other Comprehensive Income/(loss)(net of tax)	—	—	—	—	(17.94)	—	(17.94)
Total Comprehensive Income for the year	40.00	9,367.06	425.44	92.55	6,263.27	1.60	16,189.92
Dividend paid on Equity Shares	—	—	—	—	(333.38)	—	(333.38)
Exercise of employee stock options	—	61.24	—	(61.24)	—	—	—
Share based payment to employees	—	—	—	32.29	—	—	32.29
Share Application money refunded	—	—	—	—	—	(1.60)	(1.60)
Balances as at March 31, 2021	40.00	9,428.30	425.44	63.60	5,929.89	—	15,887.23
Changes in Equity Share Capital due to prior period errors	—	—	—	—	—	—	—
Restated balance as at March 31, 2021	40.00	9,428.30	425.44	63.60	5,929.89	—	15,887.23
Profit for the year	—	—	—	—	(861.24)	—	(861.24)
Other Comprehensive Income/(loss)(net of tax)	—	—	—	—	(6.90)	—	(6.90)
Total Comprehensive Income for the year	40.00	9,428.30	425.44	63.60	5,061.75	—	15,019.09
Dividend paid on Equity Shares	—	—	—	—	(334.07)	—	(334.07)
Exercise of employee stock options	—	—	—	—	—	—	—
Share based payment to employees	—	—	—	61.14	—	—	61.14
Share Application money received	—	—	—	—	—	—	—
Balances as at March 31, 2022	40.00	9,428.30	425.44	124.74	4,727.69	—	14,746.17

Remeasurement loss (net) on defined benefit plans Rs. 6.90 lakhs (March 31, 2021 loss (net) Rs. 17.94 lakhs) is recognised as part of retained earnings. For nature of reserves refer note no. 11 B

In terms of our report attached

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Ashok Sharma
Managing Director
DIN-2766679
Place : Mumbai

Anand Daga
Director
DIN-696171
Place : Nashik

Jayesh T Thakkar
Partner
Membership No. 113959

Abhijit Page
Chief Executive Officer
Place : Nashik

Sunetra Ganesan
Chief Financial Officer
Place : Nashik

R. V. Nawghare
Company Secretary
Place : Nashik

Place : Nashik
Date : May 04, 2022

Date: May 04, 2022

Notes to the standalone financial statements for the year ended March 31, 2022

Note No. 1 - Corporate information and Significant accounting policies

A. Corporate Information:

Mahindra EPC Irrigation Limited (Formerly known as EPC Industrie Limited) is a Public Limited Company listed on the BSE Limited and National Stock Exchange. It was incorporated on November 28, 1981 in India. It is engaged in the business of Micro Irrigation Systems such as Drip and Sprinklers, Agricultural Pumps, Greenhouses and Land Scape Products. The Company is a public limited Company and domiciled in India. The address of its corporate office is H-109, MIDC, Ambad, Nashik, Maharashtra 422010. As at 31st March, 2022 Mahindra & Mahindra Limited, the holding company owns 54.39% of the Company's equity share capital.

B. Statement of compliance:

These standalone financial statements of Mahindra EPC Irrigation Limited ('the Company') have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

These standalone financial statements were approved by the Company's Board of Directors and authorised for issue on 4th May, 2022.

The figures for the previous periods have been regrouped / rearranged wherever necessary to conform to the current periods classification in the amended schedule III to Companies Act, 2013 effective from 1st April, 2021.

C. Basis of measurement and fair value:

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. Recent Accounting Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

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.

The management’s estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes, based on the Company’s expected usage pattern supported by technical assessment:

Assets	Useful life
Extrusion Machines	19 Years
Moulds and Dies	6 Years
Vehicles - Cars (For employee use)	3 Years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on prospective basis.

G. Intangible Assets:

Intangible assets with definite useful lives are amortised on a straight line basis so as to reflect the pattern in which the asset’s economic benefits are consumed.

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

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 36 months.

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 date. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognised as income or expense, as the case may be. Non-Monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

K. Revenue recognition:

Revenue from contracts with customer

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and Goods and Service tax.

Notes to the standalone financial statements for the year ended March 31, 2022 (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-upon specifications. Accordingly, the Company accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets (refer note no. 14).

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 and conditions in his agreement. Following delivery, the dealer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

For sales of MIS to project market, revenue is recognised when control of the 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 distributor / MIS installation acknowledged by the farmer 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.

Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine degree of completion of the performance obligation.

Project revenue is recognised on the basis of cost completion after the threshold limit of 30% of the cost is completed.

b) Sale of Services

Sale of services are recognised on satisfaction of performance obligation towards rendering of such services.

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 and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to statement of profit or loss on a systematic and rational basis over the useful lives of the related assets.

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

N. Employee benefits:

a) Short term and other long term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that services. Liabilities recognised in respect of other long -term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees upto the reporting date.

b) Post-employment benefits

(i) Defined contribution plans

The Company's contribution to provident fund, employee state insurance scheme and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employee.

(ii) Defined benefit plans

The employees' gratuity fund scheme, managed by Life Insurance Corporation (LIC) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation carried out as at the end of each financial year using the Projected Unit Credit Method.

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 No. 20.

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:

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

At the commencement date of the lease, the Company recognise a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116.

As a lessor:

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term.

P. Borrowing Costs:

All borrowing costs are charged to the Statement of Profit and Loss except, borrowing costs that are attributable to the acquisition or construction of qualifying assets which are those that necessarily take a substantial period of time to get ready for their intended use or sale, which are capitalised as part of the cost of such assets.

Q. Product Warranty:

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are discounted when required and are reviewed and revisions are made as required by the management of the company.

R. Taxes on income:

- **Current Tax**

Income Taxes are accounted for in accordance with IND AS-12. Tax expenses comprise both current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act 1961, and other applicable tax laws.

- **Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

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

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

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 - Refer Note No. 28) 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 the Statement of Profit & 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.

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

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.

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.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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.

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

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 (Refer Note 1, Point F)
- estimation of defined benefit obligation (Refer Note 28)
- provision for warranty claims (Refer Note 14)
- income taxes - current and deferred taxes (Refer Note 7)
- impairment of trade receivables (Refer Note 5)
- impairment of investments

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 2A - PROPERTY, PLANT AND EQUIPMENT

Description of Assets	Rs. in Lakhs										
	Buildings	Plant and Equipment	Electrical Installations	Factory Equipments	Moulds and Dies	Office Equipment	Furniture and Fixtures	Computers	Vehicles	Total	
I. Gross Carrying Amount											
Balance as at March 31, 2021	978.53	4,165.91	161.34	186.56	1,131.11	60.66	113.75	146.51	210.40	7,154.77	
Additions	—	11.33	—	13.52	0.89	4.34	0.23	9.51	9.85	49.67	
Disposals	—	—	—	—	—	—	—	18.97	41.04	60.01	
Balance as at March 31, 2022	978.53	4,177.24	161.34	200.08	1,132.00	65.00	113.98	137.05	179.21	7,144.43	
II. Accumulated depreciation											
Balance as at March 31, 2021	673.01	2,571.90	141.85	117.30	1,031.92	36.23	86.21	127.49	116.70	4,902.61	
Depreciation expense for the year	31.89	181.22	2.37	11.22	21.71	6.60	6.51	9.80	31.73	303.05	
Eliminated on disposal of assets	—	—	—	—	—	—	—	18.82	32.21	51.03	
Balance as at March 31, 2022	704.90	2,753.12	144.22	128.52	1,053.63	42.83	92.72	118.47	116.22	5,154.63	
III. Net carrying amount (I-II)	273.63	1,424.12	17.12	71.56	78.37	22.17	21.26	18.58	62.99	1,989.80	
I. Gross Carrying Amount											
Balance as at March 31, 2020	973.39	4,132.69	150.04	185.74	1,131.11	49.52	111.37	140.91	175.66	7,050.43	
Additions	5.14	33.22	11.30	0.82	—	12.31	2.38	6.67	42.12	113.96	
Disposals	—	—	—	—	—	1.17	—	1.07	7.38	9.62	
Balance as at March 31, 2021	978.53	4,165.91	161.34	186.56	1,131.11	60.66	113.75	146.51	210.40	7,154.77	
II. Accumulated depreciation											
Balance as at March 31, 2020	637.95	2,396.23	134.82	106.50	1,007.45	31.80	80.51	120.32	99.93	4,615.51	
Depreciation expense for the year	35.06	175.67	7.03	10.80	24.47	5.33	5.70	8.18	23.79	296.03	
Eliminated on disposal of assets	—	—	—	—	—	0.90	—	1.01	7.02	8.93	
Balance as at March 31, 2021	673.01	2,571.90	141.85	117.30	1,031.92	36.23	86.21	127.49	116.70	4,902.61	
III. Net carrying amount (I-II)	305.52	1,594.01	19.49	69.26	99.19	24.43	27.54	19.02	93.70	2,252.16	

NOTE NO. 2B - RIGHT OF USE ASSETS (REFER NOTE 26)

Description of Assets	Lease		Buildings	Total
	Hold	Land		
I. Gross Carrying Amount				
Balance as at March 31, 2021	305.33	—	47.77	353.11
Additions	—	—	—	—
Disposals	—	—	—	—
Balance as at March 31, 2022	305.33	—	47.77	353.11
II. Accumulated depreciation				
Balance as at March 31, 2021	8.51	—	45.42	53.93
Depreciation expense for the year	4.26	—	2.35	6.61
Disposals	—	—	—	—
Balance as at March 31, 2022	12.77	—	47.77	60.54
III. Net carrying amount (I-II)	292.57	—	—	292.57
I. Gross Carrying Amount				
Balance as at March 31, 2020	305.33	—	55.21	360.55
Additions	—	—	—	—
Disposals	—	—	7.44	7.44
Balance as at March 31, 2021	305.33	—	47.77	353.11
II. Accumulated depreciation				
Balance as at March 31, 2020	4.26	—	44.97	49.22
Depreciation expense for the year	4.26	—	4.03	8.28
Disposals	—	—	3.57	3.57
Balance as at March 31, 2021	8.52	—	45.43	53.93
III. Net carrying amount (I-II)	296.81	—	2.34	299.18

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 2C - CAPITAL WORK-IN-PROGRESS

CWIP Movement	Rs. in Lakhs	
	31st March 2022	31st March 2021
Opening Balance	13.51	10.04
- Additions	40.71	117.45
- Capitalised & Transferred to Property, Plant & Equipments during the year.	49.67	113.97
Closing balance	<u>4.56</u>	<u>13.51</u>

Capital work in progress (CWIP) Ageing Schedule for the year ended 31st March 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	4.56	—	—	—	4.56
Project Name					
1. JIB Crane & Trolley	3.66	—	—	—	3.66
2. Attendance data processing device for canteen	0.90	—	—	—	0.90

Capital work in progress (CWIP) Ageing Schedule for the year ended 31st March 2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	13.51	—	—	—	13.51
Project Name					
1. Vision system for round inline driper inspection	13.51	—	—	—	13.51

Notes to the standalone financial statements for the year ended March 31, 2022 (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, 2021	217.85	217.85
Additions	10.01	10.01
Disposals	—	—
Balance as at March 31, 2022	227.86	227.86
II. Accumulated amortisation		
Balance as at March 31, 2021	208.20	208.20
Amortisation expense for the year	6.52	6.52
Eliminated on disposal of assets	—	—
Balance as at March 31, 2022	214.72	214.72
III. Net carrying amount (I-II)	13.14	13.14
I. Gross Carrying Amount		
Balance as at March 31, 2020	214.66	214.66
Additions	3.19	3.19
Disposals	—	—
Balance as at March 31, 2021	217.85	217.85
II. Accumulated amortisation		
Balance as at March 31, 2020	203.39	203.39
Amortisation expense for the year	4.81	4.81
Eliminated on disposal of assets	—	—
Balance as at March 31, 2021	208.20	208.20
III. Net carrying amount (I-II)	9.65	9.65

NOTE NO. 3A - INTANGIBLE ASSET UNDER DEVELOPMENT

		Rs. in Lakhs
Intangible asset under development Movement	31st March 2022	31st March 2021
Opening Balance	16.31	—
– Additions	10.01	19.50
– Capitalised & Transferred to Property, Plant & Equipments during the year	10.01	3.19
Closing balance	16.31	16.31

Intangible assets under development for the year ended 31st March 2022

Intangible assets under development	Amount Intangible assets under development					
	Particulars	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress						
Project Name - Sales Project Digitization	—	16.31	—	—	—	16.31

Intangible assets under development for the year ended 31st March 2021

Intangible assets under development	Amount Intangible assets under development					
	Particulars	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress						
Project Name - Sales Project Digitization	—	—	16.31	—	—	16.31

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)
NOTE NO. 4 - INVESTMENTS

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Investment in Equity Instruments (fully paid-up)		
Unquoted		
In Joint Venture company - Mahindra Top Greenhouses Private Limited (18,00,000 shares of Rs. 10 each)	68.57	180.00
Total	<u>68.57</u>	<u>180.00</u>
Other Disclosures :		
	As at March 31, 2022	As at March 31, 2021
Aggregate amount of unquoted investments (Gross)	180.00	180.00
Aggregate amount of impairment in value of investments	111.43	—
Aggregate amount of unquoted investments (Net)	<u>68.57</u>	<u>180.00</u>

Note for Impairment:

During the year ended 31st March 2022 the Company has recognised an aggregate impairment loss of Rs. 111.43 lakhs on investment in joint venture considering the performance of the Company.

NOTE NO. 5 - TRADE RECEIVABLES

Particulars	Rs. in Lakhs			
	As at March 31, 2022		As at March 31, 2021	
	Current	Non Current	Current	Non Current
Unsecured, considered good	14,887.75	3,644.39	14,761.79	3,579.56
Trade Receivables which have significant increase in credit risk	59.17	932.53	249.79	438.32
Trade Receivables - credit impaired	—	5.94	—	—
	<u>14,946.92</u>	<u>4,582.86</u>	<u>15,011.58</u>	<u>4,017.88</u>
Less: Expected credit loss	<u>(1,138.23)</u>	<u>(844.47)</u>	<u>(1,050.64)</u>	<u>(738.68)</u>
Total	<u>13,808.68</u>	<u>3,738.39</u>	<u>13,960.94</u>	<u>3,279.20</u>

Refer Note No. 24 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

The Company applies the simplified approach to provide for expected credit losses prescribed by IND AS 109, which permits the use of the lifetime expected credit loss provision for all trade receivables. The Company has expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Refer Note No. 29 for disclosures relating to receivables from related parties.

Trade receivables are hypothecated against the working capital facilities provided by the banks.

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 5A - TRADE RECEIVABLES AGEING SCHEDULE UNDER NON-CURRENT ASSETS AND CURRENT ASSETS AS ON 31ST MARCH 2022

Trade Receivables ageing schedule under Non-current assets as on 31st March 2022

Outstanding for following periods from due date of payment								
Sr. No.	Particulars	Not Due	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
i	Undisputed Trade receivables – considered good	4.06	1,521.15	470.72	574.03	475.52	598.92	3,644.39
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	1.19	4.10	32.69	93.98	209.76	341.72
iii	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
iv	Disputed Trade receivables – considered good	–	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	0.52	2.72	2.94	0.42	584.22	590.81
vi	Disputed Trade Receivables – credit impaired	–	–	5.94	–	–	–	5.94
	Total	4.06	1,522.86	483.48	609.65	569.92	1,392.90	4,582.86
Less: Expected credit loss								(844.47)
Net outstanding for following periods from due date of payment								3,738.39

Trade Receivables ageing schedule under Current assets as on 31st March 2022

Outstanding for following periods from due date of payment								
Sr. No.	Particulars	Not Due	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
i	Undisputed Trade receivables – considered good	166.97	5,444.25	1,932.12	4,147.90	2,479.94	678.73	14,849.91
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	0.76	0.18	3.78	20.37	34.08	59.17
iii	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
iv	Disputed Trade receivables – considered good	–	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
vi	Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
	Total	166.97	5,445.01	1,932.30	4,151.68	2,500.32	712.80	14,909.07
Less: Expected credit loss								(1,138.23)
Add: Unbilled								37.84
Net outstanding for following periods from due date of payment								13,808.68

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)**Trade Receivables ageing schedule under Non-current assets as on 31st March 2021**

Outstanding for following periods from due date of payment								
Sr. No.	Particulars	Not Due	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
i	Undisputed Trade receivables – considered good	20.84	2,522.20	340.17	260.83	230.65	204.87	3,579.56
ii	Undisputed Trade Receivables – which have significant increase in credit risk	—	—	9.53	11.05	21.94	93.31	135.83
iii	Undisputed Trade Receivables – credit impaired	—	—	—	—	—	—	—
iv	Disputed Trade receivables – considered good	—	—	—	—	—	—	—
v	Disputed Trade Receivables – which have significant increase in credit risk	—	0.91	0.25	2.90	23.16	275.26	302.49
vi	Disputed Trade Receivables – credit impaired	—	—	—	—	—	—	—
	Total	20.84	2,523.12	349.95	274.78	275.75	573.44	4,017.88
Less: Expected credit loss								(738.68)
Net outstanding for following periods from due date of payment								3,279.20

Trade Receivables ageing schedule under Current assets as on 31st March 2021

Outstanding for following periods from due date of payment								
Sr. No.	Particulars	Not Due	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
i	Undisputed Trade Receivables – considered good	180.41	5,268.30	2,469.12	5,964.43	778.78	100.76	14,761.79
ii	Undisputed Trade Receivables – which have significant increase in credit risk	—	8.82	14.29	109.26	22.83	24.09	179.28
iii	Undisputed Trade Receivables – credit impaired	—	—	—	—	—	—	—
iv	Disputed Trade receivables – considered good	—	—	—	—	—	—	—
v	Disputed Trade Receivables – which have significant increase in credit risk	—	0.11	10.44	3.90	10.94	45.11	70.50
vi	Disputed Trade Receivables – credit impaired	—	—	—	—	—	—	—
	Total	180.41	5,277.23	2,493.85	6,077.59	812.54	169.96	15,011.58
Less: Expected credit loss								(1,050.64)
Net outstanding for following periods from due date of payment								13,960.94

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 6 - OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non-Current	Current	Non-Current
Rs. in Lakhs				
Carried at amortised cost:				
Security deposits	35.96	78.44	51.88	59.29
Balance with Gratuity Fund (LIC)	22.49	—	1.71	—
Total	58.45	78.44	53.59	59.29

NOTE NO. 7 - CURRENT TAX AND DEFERRED TAX

(a) Income Tax recognised in profit or loss

Particulars	Rs. in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Current Tax:		
In respect of current year	—	673.89
In respect of prior years	(14.28)	(21.12)
Deferred Tax:		
In respect of current year	(246.99)	(41.62)
In respect of prior years	—	—
Total income tax expense recognised in the current year relating to continuing operations	(261.27)	611.15

(b) Income tax recognised in other Comprehensive income

Particulars	Rs. in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Deferred Tax		
Remeasurement of defined benefit obligations	(9.21)	(23.98)
	(9.21)	(23.98)
Income taxes related to items that will not be reclassified to profit or loss	2.31	6.04
Total	(6.90)	(17.94)

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

Particulars	Rs. in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax from continuing operations	(1,122.51)	2,530.61
Income tax expense calculated at 25.17% (2021: 25.17%)	(282.54)	636.95
Effect of expense that is non-deductible in determining taxable profit	40.44	24.89
Income tax relating to items that will not be reclassified to Profit or Loss Account	—	6.00
Others	(4.89)	(36.00)
	(246.98)	632.27
Adjustments recognised in the current year in relation to the current tax of prior years	(14.28)	(21.12)
Income tax expense recognised In profit or loss from continuing operations	(261.27)	611.15

The tax rate used for the March 31, 2022 and March 31, 2021 reconciliations above is the corporate tax rate of 25.17% on taxable profits under Indian Income Tax Act, 1961.

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)**(d) Movement in deferred tax assets/(Liabilities) for the year ended March 31, 2022**

Particulars	Rs. in Lakhs			
	Opening Balance	Recognised in Profit and Loss (including for earlier year)	Recognised in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>				
Property, Plant and Equipment	238.18	(30.70)	—	207.48
	<u>238.18</u>	<u>(30.70)</u>	<u>—</u>	<u>207.48</u>
<u>Tax effect of items constituting deferred tax assets</u>				
Employee Benefits	77.73	(11.44)	2.31	68.60
Provision for receivables and advances	462.22	48.68	—	510.90
Other Temporary Differences		211.73	—	211.73
Other items	276.99	(32.68)	—	244.31
	<u>816.94</u>	<u>216.29</u>	<u>2.31</u>	<u>1,035.54</u>
Net Deferred Tax Asset (Liabilities)	<u>578.76</u>	<u>246.99</u>	<u>2.31</u>	<u>828.06</u>
Total	<u>578.76</u>	<u>246.99</u>	<u>2.31</u>	<u>828.06</u>

(e) Movement in deferred tax assets/(Liabilities) for the year ended March 31, 2021

Particulars	Rs. in Lakhs			
	Opening Balance	Recognised in Profit and Loss (including for earlier year)	Recognised in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>				
Property, Plant and Equipment	252.71	(14.53)	—	238.18
	<u>252.71</u>	<u>(14.53)</u>	<u>—</u>	<u>238.18</u>
<u>Tax effect of items constituting deferred tax assets</u>				
Employee Benefits	76.11	(4.42)	6.04	77.73
Provision for receivables and advances	447.87	14.35	—	462.22
Other items	259.83	17.16	—	276.99
	<u>783.81</u>	<u>27.09</u>	<u>6.04</u>	<u>816.94</u>
Net Deferred Tax Asset (Liabilities)	<u>531.10</u>	<u>41.62</u>	<u>6.04</u>	<u>578.76</u>
Total	<u>531.10</u>	<u>41.62</u>	<u>6.04</u>	<u>578.76</u>

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 8 - OTHER NON FINANCIAL ASSETS

Particulars	Rs. in Lakhs			
	As at March 31, 2022		As at March 31, 2021	
	Current	Non-Current	Current	Non-Current
(a) Prepayments	31.40	3.84	34.73	8.54
(b) Balances with government authorities	2,016.49	191.00	1,290.13	219.96
(i) VAT credit receivable	—	24.20	—	53.15
(ii) GST credit receivable	2,016.49	—	1,290.13	—
(iii) Excise Refund Claim	—	166.79	—	166.79
(c) Contract Assets	399.62	—	213.46	—
(d) Others				
(i) Advance to Creditors				
Considered Good	208.89	—	149.94	—
Doubtful	—	21.92	—	21.92
Less : Provision for Doubtful advances	—	(21.92)	—	(21.92)
	<u>208.89</u>	<u>—</u>	<u>149.94</u>	<u>—</u>
(ii) Advances to employees				
Considered Good	5.81	—	7.03	—
Doubtful	25.31	—	25.31	—
Less : Provision for Doubtful advances	(25.31)	—	(25.31)	—
	<u>5.81</u>	<u>—</u>	<u>7.03</u>	<u>—</u>
Total	<u><u>2,662.21</u></u>	<u><u>194.84</u></u>	<u><u>1,695.29</u></u>	<u><u>228.50</u></u>

NOTE NO. 9 - INVENTORIES

[Lower of cost and net realisable value]

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
(a) Raw materials and components	2,072.02	2,137.38
(b) Work-in-progress	448.91	235.59
(c) Finished goods	994.10	913.89
(d) Stock-in-trade of goods acquired for trading	90.39	142.22
Total	<u><u>3,605.42</u></u>	<u><u>3,429.08</u></u>
Included above, goods-in-transit:		
Raw materials and Components	—	69.19
Total	<u><u>—</u></u>	<u><u>69.19</u></u>

All inventories are pledged as security for credit facilities from banks.

Mode of valuation of inventories is stated in Note 1(I).

Out of the above, Rs. 140.71 lakhs are lying with third parties (year ended March 31, 2021 Rs. 143.49 lakhs).

The amount of inventories recognised as an expense is Rs. 13,345.86 lakhs (for the year ended 31 March 2021 – Rs. 13,304.35 lakhs) including Rs. 25.13 lakhs (for the year ended 31 March 2021 – Rs. 34.66 lakhs) in respect of write down of inventories to net realisable value, and has been reduced by Rs. 1 lakhs (for the year ended 31 March 2021 – Rs. 7.80 lakhs) in respect of reversal of such write downs. Reversal in provision is due to sale and/or consumption of inventories provided for in earlier years.

Inventories are valued considering provision for allowance for obsolescence, inventory carrying risk and possible delayed usage in view of lower production due to slowly pacing off-take in present situation. In addition to the historical pattern of inventory provision, we have considered the likelihood of variations in sales price, possibilities of cancellation of order, nature and aging of inventories due to Covid-19. This assessment is not based on any mathematical model but it is based on an assessment considering the product demand, expected price trend and sales plan. Based on the above assessment, the Company is of the view that the carrying amounts of inventories are expected to be realisable.

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 10 - CASH AND BANK BALANCES

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Balances with banks - Current and Cash Credit Accounts	4.04	441.91
Cash on hand	—	0.18
Total Cash and cash equivalents	4.04	442.09
Other Bank Balances		
Earmarked balances with banks	85.73	20.20
Balances with Banks - on margin accounts	114.42	143.26
Interest accrued on deposits	9.43	9.16
Total Other Bank Balances	209.58	172.62

NOTE NO. 11 A - EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
Authorised				
Equity shares of Rs. 10 each	32,000,000	3,200.00	32,000,000	3,200.00
Preference share of Rs. 100 each	1,800,000	1,800.00	1,800,000	1,800.00
Issued				
Equity shares of Rs. 10 each	27,843,375	2,784.34	27,843,375	2,784.34
Subscribed and fully paid up				
Equity shares of Rs. 10 each	27,839,475	2,783.96	27,839,475	2,783.96
Forfeited shares (Amount originally paid up)	3,900	0.19	3,900	0.19
Total		2,784.15		2,784.15

Fully paid equity shares, which have a per share 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 year.

Particulars		Rs. in Lakhs		
		Opening Balance	Issued during the year under ESOP Scheme	Closing Balance
Equity share- Issued, Subscribed and Paid-up:				
March 31, 2022	No. of Shares	27,839,475	—	27,839,475
	Amount	2,783.96	—	2,783.96
March 31, 2021	No. of Shares	27,781,698	57,777	27,839,475
	Amount	2,778.18	5.78	2,783.96

Rights, preferences and restrictions attached to equity shares

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

(ii) Details of shares held by the holding company

Particulars	As at March 31, 2022	As at March 31, 2021
Mahindra and Mahindra Ltd., the Holding Company	15,144,433	15,144,433

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
Mahindra and Mahindra Limited	15,144,433	54.40%	15,144,433	54.40%

(iv) Shares reserved for issuance as follows: (Refer Note No. – 20)

Particulars	No. of shares	
	As at March 31, 2022	As at March 31, 2021
Outstanding employee stock options granted/available for grant.	343,972	343,972

(v) Details of shares held by promoter at the end of the year:

Name of promoter	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	
Mahindra and Mahindra Limited	15,144,433	54.40%	15,144,433	54.40%	0.00%

NOTE NO. 11 B - OTHER EQUITY

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Capital Reserve	40.00	40.00
Securities Premium	9,428.30	9,428.30
General Reserve	425.44	425.44
Share based payments (ESOP)	124.74	63.60
Retained Earnings	4,727.69	5,929.89
Total	<u>14,746.17</u>	<u>15,887.23</u>

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

Nature of Reserves

- Capital Reserve** - Capital reserve mainly represents the amount of net assets acquired over and above consideration paid consequent to the Scheme of Arrangement.
- Securities Premium** - Securities premium reserve is used to record the premium on issue of shares. The fair value of employee stock options is recognised in Securities Premium once the shares have been allotted on exercise of the options. The reserve can be utilised only for limited purpose such as issuance of bonus shares in accordance with the provision of the Companies Act, 2013.
- General Reserve** - The general reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.
- Share based payments (ESOP)** - 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.
- Retained earnings:** - Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to/from other reserves from time to time. The reserve can be utilized or distributed by the Company in accordance with the provisions of the Companies Act, 2013.

Details of Dividend Proposed

Particulars	Rs. in Lakhs	
	2022	2021
Dividend per share (Rupees)	—	1.20
Dividend on Equity Shares	—	334.07
Total Dividend	—	334.07

NOTE NO. 12 - OTHER CURRENT FINANCIAL LIABILITIES

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Carried at Amortised Cost:		
Interest payables to vendors/others	165.96	178.37
Unpaid matured deposits and interest accrued thereon*	0.16	0.16
Unclaimed Dividend *	7.87	8.48
Security Deposits	476.84	442.16
Employee benefits payable	318.94	242.54
Others **	78.43	43.07
Total	1,048.21	914.78

Notes:

* There are no amounts due for transfer to Investor Education and Protection Fund

** Others include payable for capital assets, retention money and accruals towards claims

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 13 - SHORT TERM BORROWINGS

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Secured (Carried at Amortised Cost):		
Secured Borrowings - at amortised cost		
Loans repayable on demand from Bank	2,519.12	—
Total	2,519.12	—

Reconciliation of movement in borrowings to cash flows from financing activities

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Opening Balance		
– Short term borrowings	—	1,300.00
Cash flow movements		
– Net increase/(decrease) in Loans repayable on demand and cash credit	2,519.12	(1,300.00)
Non-cash movements		
Closing Balance		
– Short term borrowings	2,519.12	—

BORROWING NOTE:

- i. Company has filed quarterly returns/statement with Banks and same are in agreement with the books of accounts. There are no material discrepancies found.
- ii Working capital facilities are secured by hypothecation of Inventory & Trade receivable.
- iii The Company has availed working capital facilities from Banks aggregating to Rs. 2,519.12 lacs with the interest rates which are linked to Repo rate with spread ranging from 0% p.a. to 2% p.a.

NOTE NO. 14 - PROVISIONS

Particulars	Rs. in Lakhs			
	As at March 31, 2022		As at March 31, 2021	
	Current	Non-Current	Current	Non-Current
(a) Provision for employee benefits				
Compensated absences	214.46	—	238.21	—
(b) Other Provisions				
Warranty	69.99	71.79	87.02	39.68
Total	284.45	71.79	325.23	39.68

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

Details of movement in Warranty Provisions is as follows:

Particulars	Rs. in Lakhs
Balance at March 31, 2020	141.23
Additional provisions recognised	44.71
Amounts used during the year	(23.87)
Unused amounts reversed during the year	(38.40)
Unwinding of discount	3.03
Balance at March 31, 2021	126.70
Additional provisions recognised	38.20
Amounts used during the year	(25.57)
Unused amounts reversed during the year	—
Unwinding of discount	2.46
Balance at March 31, 2022	141.79

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. 15 - TRADE PAYABLES

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Current		
a) Total outstanding dues of micro and small enterprises	375.27	383.34
b) Total outstanding dues of creditors other than micro and small enterprises	5,827.75	6,037.73
Total	6,203.02	6,421.07

Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as below:

(a) Dues remaining unpaid as at 31 st March		
Principal	375.27	383.34
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	—	—
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	—	—
(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	—	—

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
(e) Amount of interest accrued and remaining unpaid as at March 31	—	—
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 Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. Interest is charged on the over due balances as per terms agreed with vendors.

Refer Note No. 29 for disclosures relating to receivables from related parties.

NOTE NO. 15A - TRADE PAYABLES AGEING SCHEDULE

Ageing for trade payable outstanding as at March 31, 2022 is as follows:

Sr. No.	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i)	MSME	375.27	—	—	—	375.27
(ii)	Others	2,864.83	1,024.24	892.32	730.59	5,511.98
(iii)	Disputed dues - MSME	—	—	—	—	—
(iv)	Disputed dues - Others	—	—	—	—	—
	Total	3,240.10	1,024.24	892.32	730.59	5,887.25
	Unbilled dues (Accrued expenses)					315.77
	Total Trade Payable					6,203.02

Ageing for trade payable outstanding as at March 31, 2021 is as follows:

Sr. No.	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i)	MSME	383.34	—	—	—	383.34
(ii)	Others	1,488.94	2,930.53	526.46	482.36	5,428.29
(iii)	Disputed dues - MSME	—	—	—	—	—
(iv)	Disputed dues - Others	—	—	—	—	—
	Total	1,872.28	2,930.53	526.46	482.36	5,811.63
	Unbilled dues (Accrued expenses)					609.43
	Total Trade Payable					6,421.07

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 16 - OTHER CURRENT LIABILITIES

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
(a) Revenue received in advance	108.38	267.42
(b) Others		
(i) Statutory dues		
– taxes payable (other than income taxes)	120.27	63.10
– Employee Recoveries and Employer Contributions	6.17	5.17
– Customs Duty Payable	80.43	111.46
(ii) Deferred interest income	–	0.45
Total	315.24	447.60

NOTE NO. 17 - REVENUE FROM OPERATIONS

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
From contract with customers for goods & services		
(a) Revenue from sale of products	21,043.46	25,370.49
(b) Revenue from Sale of Services	135.49	15.97
(c) Other operating revenue	14.56	35.75
Total	21,193.51	25,422.22

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Sale of products comprises		
Manufactured goods	21,043.46	25,333.55
Total - Sale of manufactured goods	21,043.46	25,333.55
Traded goods	–	36.94
Total - Sale of traded goods	–	36.94
Total - Sale of products	21,043.46	25,370.49
(ii) Sale of services comprises		
Installation Services	135.49	15.97
Total - Sale of services	135.49	15.97
(iii) Other operating revenues comprise:		
Sale of scrap	14.56	35.75
Total - Other operating revenues	14.56	35.75

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from contract with customer as per the contract price	21,359.02	25,615.73
Adjustments made to contract price		
– Trade discounts, volume rebates, return etc	326.66	285.36
– Deferment of revenue	52.31	–
– Recognition of revenue out of opening balance of contract	213.46	91.85
Revenue from contract with customer as per the Standalone statement of profit and loss	21,193.51	25,422.22

Changes in contract assets are as follows

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	213.46	–
– Invoices raised that were included in the contract assets balance at the beginning of the year	(213.46)	–
– Increase due to revenue recognised during the year, excluding amounts billed during the year.	399.62	213.46
Balance at the end of the year	399.62	213.46

Segment information

Geographical Information:

Particulars	Rs. in Lakhs			
	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Domestic	Overseas*	Domestic	Overseas*
Revenue from contract with customer	20,608.34	585.17	25,172.06	250.16
Total Revenue	20,608.34	585.17	25,172.06	250.16

* Uganda, Nigeria & Bangkok

The Company recognises revenue as per 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.

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revaluations of the estimates, economic factors. The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is Rs. 533.60 lakhs out of which 100% is expected to be recognised as revenue in the next year. No consideration from contracts with customers is excluded from the amount mentioned above.

NOTE NO. 18 - OTHER INCOME

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Interest Income - On financial assets carried at amortised cost		
1) Bank deposits (at amortised cost)	7.12	12.39
2) Interest on Security Deposit (at amortised cost)	1.76	8.59
(b) Operating lease rental income	—	1.28
(c) Profit on sale of Property, Plant & Equipment	4.59	1.56
(d) Liabilities no longer required written back	2.45	116.67
(e) Miscellaneous income	30.25	168.20
Total	46.17	308.69

NOTE NO. 19 (A) - COST OF MATERIALS CONSUMED

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock	2,137.38	2,049.59
Add: Purchases	13,496.61	13,145.71
	15,633.99	15,195.30
Less: Closing stock	2,072.02	2,137.38
Cost of materials consumed	13,561.97	13,057.92

NOTE 19 (B) PURCHASES OF STOCK-IN-TRADE

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Stock-in-trade - Pumps, Greenhouses & Landscape	25.59	0.09
Total	25.59	0.09

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 19 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<u>Inventories at the end of the year:</u>		
Finished goods	994.10	913.89
Work-in-progress	448.91	235.59
Stock-in-trade	90.39	142.22
	<u>1,533.40</u>	<u>1,291.70</u>
<u>Inventories at the beginning of the year:</u>		
Finished goods	913.89	1,131.15
Work-in-progress	235.59	195.97
Stock-in-trade	142.22	210.92
	<u>1,291.70</u>	<u>1,538.04</u>
Net (increase)/decrease	(241.70)	246.34

NOTE NO. 20 - EMPLOYEE BENEFITS EXPENSE

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Salaries and wages, including bonus	2,640.90	2,487.95
(b) Contribution to provident and other funds (Refer Note No. 28)	186.91	125.77
(c) Share based payment transactions expenses	61.14	32.29
(d) Staff welfare expenses	123.90	103.91
Total Employee Benefit Expense	3,012.85	2,749.92

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, 80,110 and 71,459 Stock Options to the eligible employees on October 28, 2014, October 31, 2015, November 22, 2016, November 22, 2017, February 28, 2019 and March 12, 2021 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, 2019 and 2021 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.

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

	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
6 Series 6 Granted on March 12, 2021	71,459	March 12, 2021	March 12, 2026	10	144.09

Movement in Share Options

Particulars	Year ended 31 March, 2022		Year ended 31 March, 2021	
	Number of Shares	Weighted average exercise price	Number of Shares	Weighted average exercise price
1 Outstanding at the beginning of the year	147,280	10	133,598	10
2 Granted during the year	—	10	71,459	10
3 Exercised during the year	—	10	(57,777)	10
4 Expired during the year	—	10	—	10
5 Outstanding at the end of the year	147,280	10	147,280	10

Options vested but not exercised on 31st March, 2022 - 56,538 options

Share Options Exercised in the Year

Particulars	Year end March 31, 2022			Year end March 31, 2021		
	Number Exercised	Exercise Date	Share Price at Exercise Date	Number Exercised	Exercise Date	Share Price at Exercise Date
Equity Settled						
1 Series 1 Granted on October 28, 2014	—	—	—	24,373	Jan 01, 2021	158.00
2 Series 2 Granted on October 31, 2015	—	—	—	1,433	Jan 01, 2021	158.00
3 Series 3 Granted on November 22, 2016	—	—	—	15,985	Jan 01, 2021	158.00
4. Series 4 Granted on November 22, 2017	—	—	—	15,986	Mar 12, 2021	160.35

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

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		Series 6	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Share price at grant date	177.35	177.35	158.30	158.30	138.75	138.75	176.25	176.25	92.90	92.90	157.50	157.50
Exercise price	10	10	10	10	10	10	10	10	10	10	10	10
Expected volatility (weighted average)	55%	55%	55%	55%	49%	49%	46%	45%	42%	41%	50%	—
Expected life/Option Life	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.0	4.5	4.0	3.5	—
	Years	Years	Years	Years	Years	Years	Years	Years	Years	Years	Years	—
Expected dividends yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.54%	0.54%	0.76%	—
Risk-free interest rate (based on government bonds)	8.06%	8.06%	8.06%	8.06%	6.33%	6.33%	6.94%	6.89%	7.19%	7.13%	5.00%	—

Expected early exercise option is not considered in the assumption at the time of valuation. Hence relevant disclosure is not applicable.

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.

NOTE NO. 21 - FINANCE COST

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Interest expense on financial liabilities measured at amortised cost		
– On credit facilities from Banks	167.24	15.01
– On trade creditors	17.86	—
(b) Interest expense on Lease Rental (Refer Note 26)	0.06	0.38
(c) Interest expense on delayed payment of taxes	1.19	7.09
(d) Interest expense on other borrowing cost		
Processing fees / Guarantee Commission	8.98	8.96
Unwinding of discount on provisions	2.46	3.03
On government Grant	0.24	30.89
Total finance costs	198.03	65.37

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expenses		
On Financial Liability at Amortised Cost	<u>185.10</u>	<u>15.01</u>

NOTE NO. 22 - OTHER EXPENSES

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Stores consumed	36.73	35.72
Power & Fuel	381.91	436.24
Rent including lease rentals	211.77	219.84
Rates and taxes	20.21	8.04
Insurance	34.47	52.10
Repairs and maintenance - Buildings	0.27	0.32
Repairs and maintenance - Machinery	97.95	73.48
Repairs and maintenance - Others	32.28	48.33
Commission on sales	1,325.17	2,266.83
Freight outward	835.99	1,056.20
Travelling and Conveyance Expenses	369.37	307.41
Subcontracting, Hire and Service Charges	842.20	839.98
Expenditure on Corporate Social Responsibility (CSR) (Refer Note 22A)	48.52	41.51
Donations	20.04	2.11
Expected Credit Loss	193.38	61.90
Bad trade and other receivables, loans and advances written off	—	197.69
Net loss on foreign currency transactions	0.80	3.83
Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	19.01	32.75
(ii) For Other services	14.75	8.25
(iii) For Cost auditors for Cost audit	1.60	1.60
(iv) For reimbursement of expenses	1.65	—
Legal and other professional costs	163.40	221.07
Site Expenses	277.16	413.72
Warranty Claim	34.49	6.31
Directors' Fees and Commission	8.20	23.30
Other General Expenses	<u>406.51</u>	<u>413.01</u>
Total Other Expenses	<u><u>5,377.83</u></u>	<u><u>6,771.54</u></u>

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 22 A - SCHEDULE OF EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	Rs. in Lakhs	
	March 31, 2022	March 31, 2021
(a) Gross amount required to be spent by the Company during the year	49.74	39.84
(b) Amount approved by the Board to be spent during the year	49.74	39.84
(c) Amount spent during the year		
i) Construction/acquisition of any asset	—	—
ii) On purposes other than (i) above*	48.52	41.51
(d) Details related to spent / unspent obligations:		
i) Contribution to Public Trust	—	—
ii) Contribution to Charitable Trust	—	—
iii) Unspent amount in relation to:	—	—
– Ongoing Project	—	—
– Other than ongoing project	—	—
	—	—
	—	—

* Tree Plantation, Agriculture Equipment's, Solar Water Pump unit, Assistance to school, Health Check up, Vicinity, Drinking water facilities, Ensuring Environmental Sustainability, Promoting Preventive Healthcare & Sanitation.

In case of S. 135(5) Excess amount spent for the FY 2021-22			
Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
1.67	49.74	48.52	0.45

In case of S. 135(5) Excess amount spent for the FY 2020-21			
Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
—	39.84	41.51	1.67

NOTE NO. 23 - EARNINGS PER SHARE

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Profit/(loss) for the year for basic and diluted EPS (Rs. in Lakhs)	(861.24)	1919.46
Weighted average number of Equity shares used in computing basic EPS	2,78,39,475	2,78,39,475
Effect of potential Equity share on employee stock options	1,36,134	1,37,264
Weighted average number of equity shares used in computing of diluted EPS	2,79,75,609	2,79,76,739
Basic Earnings per share (Rs.) (Face value of Rs. 10 per share)	(3.09)	6.89
Diluted Earnings per share (Rs.) (Face value of Rs. 10 per share)	(3.08)	6.86

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 24 - 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.

Net Debt and Equity is given in the table below :

Particulars	Rs. in Lakhs	
	March 31, 2022	March 31, 2021
Total Shareholders' Equity as reported in Balance Sheet	17,530.32	18,671.38
Net Debts		
- Short term debt	2,519.12	—
Gross Debt	2,519.12	—
Less:		
- Cash and cash equivalents	4.04	442.09
Net Debts	2,515.08	(442.09)
Total Capital deployed	20,045.40	18,229.29

II Categories of financial assets and financial liabilities

Particulars	Rs. in Lakhs			
	As at March 31, 2022			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investment	68.57	—	—	68.57
Trade Receivables	3,738.39	—	—	3,738.39
Other Financial Assets	78.44	—	—	78.44
Current Assets				
Trade Receivables	13,808.68	—	—	13,808.68
Cash and Cash Equivalents	4.04	—	—	4.04
Other Bank Balances	209.58	—	—	209.58
Other Financial Assets	58.45	—	—	58.45

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

Rs. in Lakhs

As at March 31, 2022

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Current Liabilities				
Borrowings	2,519.12	—	—	2,519.12
Trade Payables	6,203.01	—	—	6,203.01
Other Financial Liabilities	1,048.21	—	—	1,048.21

Rs. in Lakhs

As at March 31, 2021

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investment	180.00	—	—	180.00
Trade Receivables	3,279.20	—	—	3,279.20
Other Financial Assets	59.29	—	—	59.29
Current Assets				
Trade Receivables	13,960.94	—	—	13,960.94
Cash and Cash Equivalents	442.09	—	—	442.09
Other Bank Balances	172.62	—	—	172.62
Other Financial Assets	53.59	—	—	53.59
Current Liabilities				
Lease Liability	2.64	—	—	2.64
Borrowings	—	—	—	—
Trade Payables	6,421.07	—	—	6,421.07
Other Financial Liabilities	914.78	—	—	914.78

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk management

Definition of default

The financial services business considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. The company has dealings with government organisation for subsidy related transaction and with private parties. For private non-government parties credit limits are set quarterly. The Company has adopted a policy of only dealing with creditworthy non-government parties and obtaining security cheques, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and credit worthiness of such parties are continuously monitored and controlled by counterparty limits that are reviewed by Credit Control function based on the approved process.

No interest is charged on overdue balance.

Trade receivables consist of a large number of customers, spread across geographical areas. On going credit evaluation is performed on the financial condition of accounts receivable. There are no non government customers who represent more than 5% of the total balance of trade receivable.

The Company applies the simplified approach to provide expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

The loss allowance provision is determined as follows:

Rs. in Lakhs
As at March 31, 2022

Particulars	Not due	Less than 1 Year	Non-Current	Total
Project				
Expected loss rate	0.00%	5.03%	16.14%	
Gross carrying amount	179.56	13,270.48	4,135.74	17,585.78
Loss allowance provision	—	667.47	667.41	1,334.88
Non Project				
Expected loss rate	0.00%	31.45%	39.60%	
Gross carrying amount	—	1,496.87	447.12	1,943.99
Loss allowance provision	—	470.76	177.06	647.82
Contract Assets	399.62	—	—	399.62

Rs. in Lakhs
As at March 31, 2021

Particulars	Not due	Less than 1 Year	Non-Current	Total
Project				
Expected loss rate	0.00%	5.15%	16.71%	
Gross carrying amount	179.60	13,420.44	3,641.67	17,241.71
Loss allowance provision	—	690.81	608.38	1,299.19
Non-Project				
Expected loss rate	—	25.49%	34.63%	
Gross carrying amount	—	1,411.54	376.21	1,787.75
Loss allowance provision	—	359.83	130.30	490.13
Contract Assets	213.46	—	—	213.46

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

Reconciliation of loss allowance provision for Trade Receivables

Particulars	Rs. in Lakhs	
	March 31, 2022	March 31, 2021
Balance as at beginning of the year	1,789.32	1,727.42
Impairment losses recognised in the year based on lifetime expected credit loss		
– On receivables originated in the year	193.38	259.59
– Amounts written off during the year as uncollectible	–	(197.69)
Balance at end of the year	1,982.70	1,789.32

The loss allowance provision has changed during the year due to recovery from debtors and business circumstances.

During the year, the company has written off Rs. NIL lakhs, (March 31, 2021 Rs. 197.69 lakhs) of trade receivables.

Cash & Cash equivalents

The Company held cash and cash equivalents with credit worthy banks of Rs. 4.04 lakhs as at 31 March 2022 and fixed deposits of Rs. 200.15 lakhs as at 31 March 2022.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short - medium - and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Rs. in Lakhs			
	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
March 31, 2022				
Non-interest bearing	7,251.23	–	–	–
Interest bearing	2,519.12	–	–	–
Total	9,770.35	–	–	–
March 31, 2021				
Non-interest bearing	7,338.49	–	–	–
Interest bearing	–	–	–	–
Total	7,338.49	–	–	–

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Rs. in Lakhs			
	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
March 31, 2022				
Non-interest bearing	13,871.17	3,775.96	—	68.57
Fixed interest rate instruments	209.58	—	—	40.87
Total	14,080.75	3,775.96	—	109.44
March 31, 2021				
Non-interest bearing	14,456.62	3,279.20	18.42	180.00
Fixed interest rate instruments	172.62	—	40.87	—
Total	14,629.24	3,279.20	59.29	180.00

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. As at the year end, there were no material foreign currency exposure.

The currency profile of financial assets and financial liabilities as at 31 March 2022 and 31 March 2021 are as below:

Exposure to foreign currency liabilities	Rs. in Lakhs			
	Trade receivables		Trade payables	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
USD	0.21	0.37	—	—
INR	15.62	27.00	—	—
EUR	—	—	—	0.06
INR	—	—	—	4.79
CHF	—	—	0.01	—
INR	—	—	0.65	—

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from banks.

Exposure to interest rate

The Company's main interest rate risk arises from short term borrowings with variable interest rate and fixed interest rate carrying investments like fixed deposits with banks, which exposes the Company to cash flow interest rate risk.

Particulars	Rs. in Lakhs	
	March 31, 2022	March 31, 2021
Fixed rate instruments		
Financial assets (bank deposits)	250.45	213.49
Variable rate instruments		
Financial liabilities (Short term borrowings)	2,519.12	—

Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate bank deposits and loans to its subsidiaries are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis for floating rate liabilities is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole period. A reasonable possible change of 100 basis points (100 bps) in interest rate at the reporting date would have increased / (decreased) profit after tax and equity by the amount shown below:

Particulars	Profit or (loss)		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31-Mar-22				
Variable-rate instruments	(25.16)	25.16	(18.83)	18.83
31-Mar-21				
Variable-rate instruments	—	—	—	—

Policy for write off of Loan Assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the MEIL business determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 25 - FAIR VALUE MEASUREMENT

The Company consider that the carrying amounts of financial assets and financial liabilities that are not measured at fair value, recognised in the financial statement approximate their fair values.

NOTE NO. 26 - LEASES (REFER NOTE 2B)

In adopting Ind AS 116, the Company has applied the below practical expedients:

The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Company has treated the leases with remaining lease term of less than 12 months as if they were “short term leases”.

The Company has not applied the requirements of Ind AS 116 for leases of low value assets (assets of less than Rs. 3.5 lakhs in value).

The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition.

The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.

On transition to Ind AS 116, the Company has followed the Modified Retrospective Approach, accordingly recognised right-of-use assets amounting to Rs. 360.55 lakhs, lease liabilities amounting to Rs. 55.21 lakhs as at April 1, 2019. The Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019, which is 8.50% for measuring the lease liability. In view of this, the operating lease rent which was hitherto accounted under ‘Other expenses’ in previous periods has now been accounted as depreciation and finance costs.

The following is the movement in lease liabilities

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Opening Lease liabilities recognised	2.64	10.93
Impact of Adoption of IND AS 116	—	—
Additions	—	—
Finance cost accrued during the period	0.06	0.38
Deletions	—	(4.13)
Payment of lease liabilities	(2.70)	(4.54)
Closing Balance	—	2.64

The following is the break-up of current and non-current lease liabilities

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Current lease liabilities	—	2.64
Non-current lease liabilities	—	—
Closing Balance	—	2.64

Carrying Value of Right of use assets (Refer Note 2B)	292.57	299.18
--	---------------	---------------

The table below provides details regarding the contractual maturities of lease liabilities

Particulars	For the	For the
	year ended	year ended
	March 31, 2022	March 31, 2021
Less than one year	—	2.64
One to Three years	—	—

Rental expense recorded for short-term leases was Rs. 211.77 Lakhs (Previous Year: Rs. 219.84 Lakhs) for the year ended 31st March, 2022.

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 27 - 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 17 for the analysis of revenue from its major products and services.

NOTE NO. 28 - EMPLOYEE BENEFITS

(a) Defined Contribution Plan

The Company's contribution to Provident Fund Rs. 109.82 lakhs (year ended March 31, 2021 : Rs. 101.36 lakhs) and Superannuation Fund Rs. 35.75 lakhs (year ended March 31, 2021 : Rs. 33.58 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

Through its defined plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets under perform compared to the government bond discount rate, this will create or increase a deficit. The defined benefit plans hold on investment with LIC, which are expected to perform in line with government bonds in the long-term.

The Company believes that due to the long-term nature of the plan liabilities, investments of funds with LIC is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan assets.

Life expectancy

The plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

Defined benefit plans - as per actuarial valuation

Particulars	Rs. in Lakhs	
	Funded Plan	
	Gratuity	
	2022	2021
Ia. Expense recognised in the Statement of Profit and Loss		
1. Current service cost	32.92	34.15
2. Interest cost	19.53	15.44
3. Expected return on plan assets	(20.63)	(14.97)
	31.82	34.62

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

Particulars	Rs. in Lakhs	
	Funded Plan	
	Gratuity	
	2022	2021
Ib. Included in other Comprehensive Income		
1. Return on plan assets	(5.05)	(4.47)
2. Actuarial (Gain)/Loss on account of :		
– Demographic Assumptions	1.57	0.58
– Financial Assumptions	(4.82)	2.61
– Experience Adjustments	17.51	25.26
	<u>9.21</u>	<u>23.98</u>
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	(5.05)	(4.47)
Actuarial gains and loss arising from changes in financial assumptions	(4.82)	2.61
Actuarial gains and loss arising from experience adjustments	17.51	25.26
Others (describe)	–	–
– Demographic Assumptions	1.57	0.58
Actuarial gains and loss arising from components of defined benefit costs recognised in other comprehensive income	<u>9.21</u>	<u>23.98</u>
Total	<u>41.02</u>	<u>58.59</u>
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	374.14	366.73
2. Fair value of plan assets as at 31st March	396.63	368.45
3. Surplus/(Deficit)	22.49	1.71
4. Current portion of the above	–	–
5. Non current portion of the above	22.49	1.71
II. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year	366.73	302.38
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	–	–
3. Expenses Recognised in Profit and Loss Account		
– Current Service Cost	32.92	34.15
– Interest Cost	19.53	15.44
4. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
– Actuarial Gain (Loss) arising from:		
– Demographic Assumptions	1.57	0.58
– Financial Assumptions	(4.82)	2.61
– Experience Adjustments	17.51	25.26
5. Benefit payments	(59.29)	(13.68)
6. Present value of defined benefit obligation at the end of the year	<u>374.14</u>	<u>366.73</u>
III. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	368.45	277.30
2. Adjustment to Opening Fair Value of the Asset	0.43	(0.09)
3. Expenses Recognised in Profit and Loss Account		
– Expected return on plan assets	20.63	14.97
4. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)	–	–
– Actual Return on plan assets in excess of the expected return	5.05	4.47
– Others (specify)	0.99	(0.49)

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

Particulars	Rs. in Lakhs	
	Funded Plan	
	Gratuity	
	2022	2021
5. Contributions by employer (including benefit payments recoverable)	1.08	72.30
6. Benefit payments	—	—
7. Fair value of plan assets at the end of the year	<u>396.63</u>	<u>368.44</u>
IV. The Major categories of plan assets		
- Funds Managed By Insurer (LIC of India)	396.63	368.44
V. Actuarial assumptions		
1. Discount rate	5.64%	6.44%
2. Expected rate of return on plan assets	6.00%	7.50%
3. Salary escalation	5.00%	5.70%
4. Mortality Rate disclosure	IALM (2012-14) Ult.	IALM (2012-14) Ult.
5. Attrition rate	19.09%	19.00%

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

Principal assumption		Rs. in Lakhs		
		Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	2022	1.00%	12.48	13.40
	2021	1.00%	15.80	17.30
Salary growth rate	2022	1.00%	11.26	10.76
	2021	1.00%	15.03	14.11

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:	Rs. in Lakhs	
	2022	2021
Within 1 year	76.23	67.61
1 - 2 year	71.20	44.22
2 - 3 year	62.64	45.46
3 - 4 year	58.79	56.85
4 - 5 year	36.70	46.22
5 - 10 year	118.62	105.80

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.

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

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.

	<u>2022</u>	<u>2021</u>
Weighted average remaining duration of Defined Benefit Obligation (Year)	3.63	5.00
		Rs. in Lakhs
	<u>2022</u>	<u>2021</u>
Expected contribution to the plan for next financial year:	76.23	67.61

NOTE NO. 29 - 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 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 Summit Agriscience Limited	Fellow subsidiary
Marvel Solren Pvt Ltd.	Fellow subsidiary
Mahindra World City (Jaipur) Limited	Joint Venture of Parent
Mahindra Top Greenhouses Private Limited	Joint Venture
Mr. Ashok Sharma	Key Management Personnel (Managing Director)
Mr. Abhijit Page	Key Management Personnel (Chief Executive Officer)
Ms. Sunetra Ganesan	Key Management Personnel (Chief Financial Officer)
Mr. Ratnakar Nawghare	Key Management Personnel (Company Secretary)

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, 2022	For the year ended March 31, 2021
Sale of goods		
Mahindra World City Jaipur Limited	0.41	0.50
Mahindra and Mahindra Ltd. - Swaraj	—	—
Mahindra Top Greenhouses Private Limited	27.03	15.12
Mahindra HZPC Pvt Ltd.	—	37.28
Purchase of Goods & Services		
Mahindra & Mahindra Ltd.	—	25.18
Mahindra Top Greenhouses Private Limited	—	—
Mahindra Summit Agriscience Limited	—	5.46
Marvel Solren Pvt Ltd.	17.05	6.24
Mahindra Agri Solutions Ltd.	—	12.74

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

Rs. in Lakhs

Nature of transactions with Related Parties	For the year ended March 31, 2022	For the year ended March 31, 2021
Remuneration		
Mr. Ashok Sharma	36.00	24.00
Mr. Abhijit Page	82.67	87.13
Ms. Sunetra Ganesan	70.48	65.87
Mr. Ratnakar Nawghare	36.85	—
Management contract fees expenses (Including for deputation of personnel)		
Mahindra and Mahindra Limited	—	119.16
Mahindra Logistics Limited	4.70	4.35
Management contract fees income (Including for deputation of personnel)		
Mahindra Top Greenhouses Private Limited	89.94	82.78
Business Support Services		
Mahindra Agri Solutions Ltd.	22.02	8.07
Mahindra and Mahindra Limited	61.30	—
Mahindra Farm Equipment Sector	18.55	—
Reimbursement of Expenses to		
Mahindra and Mahindra Limited	16.44	26.74
Mahindra Agri Solutions Ltd.	0.24	—
Reimbursement of Expenses from		
Mahindra Top Greenhouses Private Limited	10.00	10.00
Mahindra and Mahindra Limited - Transfer of employees	—	61.71
Mahindra Agri Solutions Ltd. - Transfer of employee	—	22.08
Professional Fees		
Mahindra and Mahindra Limited	25.00	117.58
Mahindra Integrated Business Solutions Pvt Ltd.	2.39	2.56

Nature of Balances with Related Parties	As at March 31, 2022	As at March 31, 2021
Trade payables		
Mahindra and Mahindra Limited	72.68	52.41
Mahindra Integrated Business Solutions Pvt Ltd.	0.27	0.28
Mahindra Agri Solutions Ltd.	17.19	—
Mahindra Summit Agriscience Limited	—	0.66
Marvel Solren Pvt Ltd.	4.53	2.07
Mahindra Farm Equipment Sector	14.06	—
Mahindra Logistics Limited	—	1.30

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

Nature of Balances with Related Parties	As at March 31, 2022	As at March 31, 2021
Trade Receivables		
Mahindra Agri Solutions Ltd.	—	16.44
Mahindra Lifespace Developers Ltd.	2.68	2.68
Mahindra World City (Jaipur) Limited	1.58	15.15
Mahindra Top Greenhouses Private Limited	49.00	54.78
Investments		
Investment in Joint Venture - Mahindra Top Greenhouses Private Limited	68.57	180.00

* * Company has incurred Rs. 36 lakhs (March 31, 2021 Rs. 62.44 lakhs) for key managerial personnel services provided by Mahindra and Mahindra Limited and Mahindra Agri Solutions 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, 2022						Year ended March 31, 2021					
	Directors	Managing Director	Chief Executive Officer	Chief Financial Officer	Company Secretary	Total	Directors	Managing Director	Chief Executive Officer	Chief Financial Officer	Company Secretary	Total
Remuneration	—	36.00	82.67	70.48	36.85	226.00	—	24.00	87.13	65.87	—	177.00
Fees for attending board committee meetings	8.20	—	—	—	—	8.20	8.30	—	—	—	—	8.30
Commission to independent directors	—	—	—	—	—	—	15.00	—	—	—	—	15.00
Post-employment 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 accounted as per actuarial valuation.

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 30 - CONTINGENT LIABILITIES AND COMMITMENTS

	As at March 31, 2022	Rs. in Lakhs As at March 31, 2021
Contingent liabilities (to the extent not provided for)		
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt	34.64	33.32
(b) 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:	218.58	211.55
(c) Non-current non-financial asset includes refund claim made for excise duty paid under protest consequent upon the judicial pronouncement made by CESTAT in favour of the Company, which was disputed by the department before higher authorities.	166.79	166.79
<p>The Commissioner (Appeals), Central Excise and Customs, Nashik has sanctioned the claim on merit but taking recourse to the principle of “Unjust Enrichment” has ordered the claim to be transferred to the credit of the “Consumer Welfare Fund”.</p> <p>The Company had filed an appeal against the order. On hearing the appeal the Hon’ CESTAT, Mumbai remanded back the case to the adjudicating authorities to examine the issue afresh. The Adjudicating Authority issued a Show Cause Notice and after personal hearing passed an order rejecting the claim without following the guidelines given by the Hon’ CESTAT.</p> <p>The Company had filed an appeal against the order with the Commissioner (Appeals), Central Excise & Customs, Nashik. The order Passed by the Commissioner (Appeals), Central Excise & Customs, Nashik is similar to order as given in order in appeal. The Company has filed an appeal to CESTAT Mumbai and no hearing has happened thereafter. The Claim is still tenable, no provision has been considered.</p>		
(d) Determination of Turnover ignoring return filed 15-16- VAT/ CST / Entry Tax M P state Ex-party Assessment 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.	—	439.19
(e) Local Sales Tax Bihar – CST Recovery Under appeal FY 13-14	9.47	9.47
(f) Local sales Tax – CG Vat/ CST demand under appeal FY 14-15	—	12.88
(g) Local sales Tax – CG Vat/ CST demand under appeal FY 15-16	37.10	—
(h) Local Sales Tax TN – CST. FY 16-17 Demand for F form	16.07	13.62
(i) Local Sales Tax TN – CST. FY 17-18 Demand for F form	—	5.13
(j) 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.	154.10	140.50
(k) Income Tax demand for A.Y. 12-13 u/s section 143(3) r.w.s. 147 against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal.	257.79	237.08
(l) Income Tax demand for A.Y. 18-19 against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal.	54.28	48.46

Note: In respect of items mentioned above, till the matters are finally decided, the timing of outflows of economic benefits cannot be ascertained.

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 31 - COMMITMENTS

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for in respect of Tangible assets.	0.46	—

NOTE NO. 32 - DIVIDEND

The Board has recommended a dividend of Rs. Nil per equity share (FY 20-21 Rs. 1.20 Per equity share), subject to the approval of shareholders of the Company at the forthcoming Annual General Meeting.

NOTE NO. 33 - EVENT OCCURRING AFTER THE REPORTING PERIOD

No material events have occurred between the Balance sheet date and before the approvals of financials statements by Board of Directors

NOTE NO. 34 -

Additional regulatory information

Ratio Analysis and its elements

Ratio	Numerator	Denominator	Standalone			Reasons for changes in ratios
			FY 2022	FY 2021	% Change	
Debtors Turnover (Days)	Average Debtors	Net Sales	332.04	266.59	24.55%	
Inventory Turnover (Times)	COGS	Average Inventory	3.79	3.79	0.06%	
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.09	92.78	-99.91%	F22 Short term borrowing for working capital (Last Year Nil)
Current Ratio (Times)	Total Current Assets	Total Current Liabilities	1.96	2.44	-19.43%	
Debt Equity Ratio (Times)	Debt	Shareholders Equity	0.14	—	NA	
Net Profit Margin (%)	PAT	Net Sales	-4.06%	7.55%	-153.82%	Lower revenue due to overall de-growth in the industry & increase in input costs impacting the margins.
Return on Equity (%)	PAT	Net Worth	-4.76%	10.28%	-146.28%	Lower revenue due to overall de-growth in the industry & increase in input costs impacting the returns.
Trade Payable Turnover (Days)	Average Trade Payables	Net Purchases	170.70	180.14	-5.24%	
Return on Capital employed	EBIT	Capital Employed	-4.06%	13.90%	-129.17%	Lower revenue due to overall de-growth in the industry & increase in input costs impacting the returns.
Working Capital Turnover Ratio	Net Sales	Average Working Capital	2.12	2.18	-2.73%	
Return on Investments	Income generated from invested fund	Average invested funds in treasury investment	5.53%	8.70%	-36.48%	Decrease in investment in F22 as compared to F21 due to lower funds availability.

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 35 - DISCLOSURE UNDER RULE 11(E) OF THE COMPANIES RULES 2014

No Funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE NO. 36 - CODE OF SOCIAL SECURITY

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NOTE NO. 37 - APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Company were approved by the Board of Directors and authorised for issue on May 04, 2022

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959

Place : Nashik
Date : May 04, 2022

For and on behalf of the Board of Directors

Ashok Sharma
Managing Director
DIN-2766679
Place : Mumbai

Abhijit Page
Chief Executive Officer
Place : Nashik

R. V. Nawghare
Company Secretary
Place : Nashik

Date: May 04, 2022

Anand Daga
Director
DIN-696171
Place : Nashik

Sunetra Ganesan
Chief Financial Officer
Place : Nashik

INDEPENDENT AUDITOR’S REPORT

To the Members of Mahindra EPC Irrigation Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Mahindra EPC Irrigation Limited** (hereinafter referred to as the “Company”), and its joint venture, which comprise the consolidated balance sheet as at 31 March, 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

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 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, its joint venture as at 31 March, 2022, of its consolidated loss and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Description of Key Audit Matter

Revenue Recognition and Impairment of Trade receivable

[Refer to Note 1 (L) & (V) of Significant Accounting Policies and Note 5 & 17 to the Consolidated Financial Statements]

The key audit matter	How the matter was addressed in our audit
<p>Revenue is recognised when the control of the underlying products has been transferred to the customer. We have identified recognition of revenue as a key audit matter as revenue is a key performance indicator. There is presumed fraud risk of revenue being overstated during the year on account of variation in the timing of transfer of control due pressure to achieve performance targets and meeting the external expectations.</p> <p>Trade receivables are mainly comprised of receivables from state government owned enterprises and private dealers. We have identified impairment of trade receivables as a significant audit matter on account of the significant judgment and estimate involved. These factors include customer’s ability and willingness to pay the outstanding amounts, past due receivables, financial and economic difficulties of customers.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • Obtained an understanding of the systems, processes and controls implemented by the Company for measurement of impairment of Trade Receivable and recognition of Revenue. • Evaluated the Company’s revenue recognition and measurement of impairment of trade receivable accounting policies by comparing with applicable accounting standards. • We evaluated the design of key internal financial controls and operating effectiveness of the relevant key controls with respect to revenue recognition and trade receivables. • Tested design, implementation and operating effectiveness of the Company’s general IT controls and key IT/manual application controls by involving IT Specialists over the Company’s systems. • Performed substantive testing (including year-end cut off testing) by selecting statistical samples of revenue transactions recorded during the year, and verifying the underlying documents i.e. Contracts, Sales Order, Sales invoices and shipping documents, farmers/dealer acceptance etc.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company, and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our 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.

The key audit matter	How the matter was addressed in our audit
<p>This assessment is done for each customer resulting from possible defaults over the expected life of the receivables. Based on this assessment, credit loss rate is determined in provision matrix. The credit loss rate is based on the experience of actual credit losses over past years adjusted to reflect the current economic conditions and forecasts of future economic conditions. Based on such credit loss rate, the company recorded expected credit loss (ECL) allowance for trade receivable.</p> <p>In view of this, we have considered measurement of ECL on trade receivables as a key audit matter.</p>	<ul style="list-style-type: none"> • Tested manual journals posted to revenue and trade receivables during the year to identify unusual items. • Scrutinized sales returns/reversals/credit notes recorded in the general ledger subsequent to year-end to identify any significant unusual items. • Performed analytical procedures on sales such as trend analysis to identify any unusual fluctuations. • Obtaining understanding on how the Company establishes an allowance for doubtful debts and impairment represents its estimate of incurred losses in respect of trade receivable. • We have evaluated the historical accuracy of impairment for trade receivables on a sample basis by examining the actual write-offs, the reversal of previous recorded allowance and new allowances recorded in the current year. • We have verified the Expected credit loss (ECL) provision working for trade receivable. We have tested the assumption (i.e., discount rate) for Net Present Value (NPV) method used to determine the ECL on non-current debtors. Verified the Trend Analysis for trade receivable and checked the percentage applied for ECL provision. • We have checked the ageing analysis (including testing of information produced by entity-IPEs), on a sample basis and subsequent receipt of the trade receivables, to the source documents, including bank statements. • Assessed the adequacy of the related disclosures in the Consolidated financial statements with reference to revenue recognition and trade receivable as per relevant accounting standards.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, 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 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 in the 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 and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Company's Management and Board of Directors are responsible for the preparation and presentation of these

consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Company including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Company and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Management and Board of Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Company and its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and its joint venture are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities 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 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 with reference to consolidated financial statements 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 and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 Company 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.

We communicate with those charged with governance of the 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.

Other Matters

The consolidated financial statements of the Company and its joint venture for the year ended 31 March, 2021 were

audited by the predecessor auditor who had expressed an unmodified opinion on 11 May 2021.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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.
 - e) On the basis of the written representations received from the directors of the Company as on 31 March, 2022 taken on record by the Board of Directors of the Company and report of the Statutory auditors of its Joint Venture incorporated in India, as on 31 March, 2022 none of the directors of the Company and its joint venture incorporated in India is disqualified as on 31 March, 2022 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 with reference to financial statements of the Company and its joint venture incorporated in India and the operating

effectiveness of such controls, refer to our separate Report in "Annexure B".

- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The consolidated financial statements disclose the impact of pending litigations as at 31 March, 2022 on the consolidated financial position of the Company, and its joint venture. Refer Note 30 to the consolidated financial statements.
 - b) The Company, and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March, 2022.
 - c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company or its joint venture incorporated in India during the year ended 31 March, 2022.
 - d) (i) The Managements of the Company and its joint venture which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in note 37 to the accounts no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company and joint ventures to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company and joint ventures ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The Managements of the Company and its joint ventures which are companies incorporated in India whose financial statements have been audited under the Act

have represented to us that, to the best of their knowledge and belief, as disclosed in note 37 to the accounts no funds have been received by the Company and joint ventures from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company and joint ventures shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries")
 - or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.
- e) The Company and its joint venture companies incorporated in India have neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of joint venture incorporated in India, the remuneration paid during the current year by the Company and its joint venture to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company and its joint venture is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Jayesh T Thakkar
Partner
Membership Number: 113959
UDIN: 22113959AIJAQC3399

Date: 4th May 2022
Place: Nashik

Annexure A to the Independent Auditor's report on the Consolidated financial statements of Mahindra EPC Irrigation Limited for the year ended 31 March, 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) According to the information and explanations given to us, in respect of the companies incorporated in India and included in the consolidated financial statements, the CARO report relating to them has been issued by their statutory auditors till the date of this audit report and they have reported qualification/adverse remarks in the CARO report as mentioned below:

Sr. No	Name	CIN	Company/Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Mahindra EPC Irrigation Limited	L25200MH1981PLC025731	Company	clause 3 (XVII)
2	Mahindra Top Greenhouses Private Limited	U74999MH2018PTC317132	Joint Venture	clause 3 (XVII)

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.101248W/W-100022

Jayesh T Thakkar
Partner
Membership Number: 113959
UDIN: 22113959AIJAQC3399
Date: 4th May 2022
Place: Nashik

Annexure B to the Independent Auditors' report on the consolidated financial statements of Mahindra EPC Irrigation Limited for the period ended 31 March, 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Mahindra EPC Irrigation Limited (hereinafter referred to as "the Company") as of and for the year ended 31 March, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Company and such companies incorporated in India under the Companies Act, 2013 which are its joint venture, as of that date. Reporting on internal financial controls over financial reporting is not applicable to the Joint venture as per the auditor's report of the said Joint venture.

In our opinion, the Company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March, 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in

accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated 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 with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements 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 consolidated 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 consolidated financial statements.

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.101248W/W-100022

Jayesh T Thakkar
Partner
Membership Number: 113959
UDIN: 22113959AIJQC3399

Date: 4th May 2022
Place: Nashik

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, 2022 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, 2022 are fraudulent, illegal or violative of the Company's code of conduct/ethics.
- C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies

in the design or operation of internal controls, over financial reporting, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- D) We have indicated to the Auditors and the Audit Committee that:
- 1) there has not been any significant change in internal control over financial reporting during the year under reference;
 - 2) there has not been any significant change in the accounting policies during the year requiring the disclosure in the notes to the financial statements; and
 - 3) We are not aware of any instance during the year of significant fraud with involvement therein of the Management or any employee having a significant role in the Company's internal control system over financial reporting.

Sunetra Ganesan
Chief Financial Officer

Abhijit Page
Chief Executive Officer

Nashik, 4th May, 2022

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note No.	As at March 31, 2022	Rs. in Lakhs As at March 31, 2021
ASSETS			
I NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2A	1,989.80	2,252.16
(b) Capital Work-in-Progress	2C	4.56	13.51
(c) Right of Use Assets	2B	292.57	299.18
(d) Other Intangible Assets	3	13.14	9.65
(e) Intangible Assets Under Development	3A	16.31	16.31
(f) Investments accounted using equity method	4	76.14	117.07
(g) Financial Assets			
(i) Trade Receivables	5	3,738.39	3,279.20
(ii) Other Financial Assets	6	78.44	59.29
(h) Income Tax Assets (Net)		399.09	152.21
(i) Deferred Tax Assets (Net)	7	828.06	578.76
(j) Other Non-Current assets	8	194.84	228.50
Total Non-Current Assets		7,631.34	7,005.84
II CURRENT ASSETS			
(a) Inventories	9	3,605.42	3,429.08
(b) Financial Assets			
(i) Trade Receivables	5	13,808.68	13,960.94
(ii) Cash and Cash Equivalents	10	4.04	442.09
(iii) Bank Balances other than (ii) above	10	209.58	172.62
(iv) Other Financial Assets	6	58.45	53.59
(c) Other Current Assets	8	2,662.21	1,695.29
Total Current Assets		20,348.38	19,753.61
III Total Assets (I + II)		27,979.72	26,759.45
EQUITY AND LIABILITIES			
IV EQUITY			
(a) Equity Share Capital	11A	2,784.15	2,784.15
(b) Other Equity	11B	14,753.74	15,824.30
Total Equity		17,537.89	18,608.45
LIABILITIES			
V NON-CURRENT LIABILITIES			
(a) Provisions	14	71.79	39.68
Total Non-Current Liabilities		71.79	39.68
VI CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13	2,519.12	—
(iia) Lease Liabilities	26	—	2.64
(ii) Trade Payables	15	375.27	383.34
a) total outstanding dues of micro and small enterprises			
b) total outstanding dues of creditors other than micro and small enterprises		5,827.75	6,037.73
(iii) Other Financial Liabilities	12	1,048.21	914.78
(b) Provisions	14	284.45	325.23
(c) Other Current Liabilities	16	315.24	447.60
Total Current Liabilities		10,370.04	8,111.32
VII Total Liabilities (V + VI)		10,441.83	8,151.00
VIII Total Equity and Liabilities (IV + VII)		27,979.72	26,759.45
The accompanying notes 1 to 39 are an integral part of the Financial Statements	1-39		

In terms of our report attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Ashok Sharma
Managing Director
DIN-02766679
Place : Mumbai

Anand Daga
Director
DIN-00696171
Place : Nashik

Jayesh T Thakkar
Partner
Membership no.113959

Abhijit Page
Chief Executive Officer
Place : Nashik

Sunetra Ganesan
Chief Financial Officer
Place : Nashik

R. V. Nawghare
Company Secretary
Place : Nashik

Place : Nashik
Date : May 04, 2022

Date: May 04, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Note No.	For the year ended March 31, 2022	Rs. in Lakhs For the year ended March 31, 2021
I Revenue from operations	17	21,193.51	25,422.22
II Other Income	18	46.17	308.69
III Total Income (I + II)		21,239.68	25,730.91
IV EXPENSES			
(a) Cost of materials consumed	19(a)	13,561.97	13,057.92
(b) Purchases of Stock-in-trade	19(b)	25.59	0.09
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19(c)	(241.70)	246.34
(d) Employee benefit expense	20	3,012.85	2,749.92
(e) Finance costs	21	198.03	65.37
(f) Depreciation, amortisation and impairment expense	2A,2B,3	316.19	309.12
(g) Other expenses	22	5,377.82	6,771.54
Total Expenses (IV)		22,250.75	23,200.30
V Profit before Profit/(Loss) of Joint Venture and Tax (III - IV)		(1,011.07)	2,530.61
VI Share of Profit/(Loss) of Joint Venture (Net)	4	(40.93)	(23.30)
VII Profit/(Loss) before tax (V + VI)		(1,052.00)	2,507.31
VIII Tax Expense			
(1) Current tax	7	—	673.89
(2) Deferred tax	7	(246.99)	(41.62)
(3) Short/(Excess) provision for tax relating to prior years		(14.28)	(21.12)
Total tax expense (VIII)		(261.27)	611.15
IX Profit/(loss) after tax for the year (VII - VIII)		(790.73)	1,896.16
X Other comprehensive income/(Loss)			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(9.21)	(23.98)
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.31	6.04
Total Other comprehensive income/(loss) for the year		(6.90)	(17.94)
XI Profit for the year attributable to owners of the Company (IX+X)		(797.63)	1,878.22
XII Earnings per equity share			
(1) Basic (Face value Rs. 10 per share)	23	(2.84)	6.81
(2) Diluted (Face value Rs. 10 per share)	23	(2.83)	6.78
The accompanying notes 1 to 39 are an integral part of the Financial Statements	1-39		

In terms of our report attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Ashok Sharma
Managing Director
DIN-02766679
Place : Mumbai

Anand Daga
Director
DIN-00696171
Place : Nashik

Jayesh T Thakkar
Partner
Membership no.113959

Abhijit Page
Chief Executive Officer
Place : Nashik

Sunetra Ganesan
Chief Financial Officer
Place : Nashik

R. V. Nawghare
Company Secretary
Place : Nashik

Place : Nashik
Date : May 04, 2022

Date: May 04, 2022

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

Particulars	For the Year ended March 31, 2022	Rs. in Lakhs For the Year ended March 31, 2021
(Loss)/ Profit before tax for the period	(1,052.00)	2,507.31
Adjustments for:		
Finance costs recognised in profit or loss	198.03	65.36
Interest Income recognised in profit or loss	(8.88)	(20.98)
Liabilities no longer required written-off	(2.45)	(116.67)
Profit on disposal of property, plant and equipment	(4.59)	(1.56)
Impairment Loss recognised on financial assets	193.38	61.90
Bad trade and other receivables, loans and advances written off	—	197.69
Depreciation and amortisation expense	316.19	309.12
Expense recognised in respect of equity-settled share-based payments	61.14	32.29
Share of loss in Joint Venture	40.93	23.30
	(258.26)	3,057.76
Movements in working capital:		
(Increase) in trade receivables	(500.29)	(1,120.95)
(Increase)/Decrease in inventories	(176.34)	158.55
Decrease in other Financial and Non-current assets	14.51	2.12
(Increase) in other Financial and current assets	(971.78)	(451.01)
(Decrease)/Increase in trade payables	(215.61)	128.66
(Decrease) in provisions	(17.88)	(10.69)
Increase in other Financial and Non financial current liabilities	45.09	157.40
	(1,822.30)	(1,135.92)
Cash (used in) /generated from operations	(2,080.56)	1,921.84
Income taxes paid (net)	(232.59)	(821.16)
Net cash (used in)/ generated from operating activities	(2,313.15)	1,100.68
Cash flows from investing activities		
Payments to acquire property, plant and equipment and other Intangible assets	(81.76)	(138.36)
Proceeds on sale of plant and equipment and other Intangible assets	13.57	2.25
Interest received	8.61	21.10
Bank balance not considered as cash and cash equivalents matured (net)	(36.69)	9.41
Net cash used in investing activities	(96.27)	(105.60)
Cash flows from financing activities		
Proceeds from issue of equity instruments	—	5.78
Share application money (refunded)	—	(1.60)
Proceeds from borrowings	2,519.12	300.00
Repayment of borrowings	—	(1,600.00)
Interest paid	(210.38)	(29.79)
Dividend paid for Equity shares (Including tax thereon)	(334.67)	(333.38)
Repayment of lease liability	(2.70)	(4.80)
Net cash generated from/ (used in) financing activities	1,971.37	(1,663.79)
Net (Decrease) in cash and cash equivalents	(438.05)	(668.71)
Cash and cash equivalents at the beginning of the year	442.09	1,110.80
Cash and cash equivalents at the end of the period	4.04	442.09
Components of cash and cash equivalents		
Cash*	—	0.18
With Banks - on Current account/Balance in Cash Credit Accounts	4.04	441.91
	4.04	442.09

* Less than one thousand

** Refer note no. 13 for Cash & Non Cash movement as per Ind AS 7

See accompanying notes to the financial statements

1-39

In terms of our report attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Jayesh T Thakkar
Partner
Membership no.113959

Place : Nashik
Date : May 04, 2022

Ashok Sharma
Managing Director
DIN-02766679
Place : Mumbai

Abhijit Page
Chief Executive Officer
Place : Nashik

R. V. Nawghare
Company Secretary
Place : Nashik

Date: May 04, 2022

Anand Daga
Director
DIN-00696171
Place : Nashik

Sunetra Ganesan
Chief Financial Officer
Place : Nashik

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

Rs. in Lakhs

A. Equity share capital		Rs. in Lakhs
As at March 31, 2020	2,778.18	
Changes in Equity Share Capital due to prior period errors	—	
Restated balance as at March 31, 2020	2,778.18	
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan (Refer note 20)	5.78	
As at March 31, 2021	2,783.96	
Changes in equity share capital during the year		
Restated balance as at March 31, 2021	2,783.96	
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan (Refer note 20)	—	
As at March 31, 2022	2,783.96	

C. Other Equity

Rs. in Lakhs

Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium	General Reserve	Share based payments (ESOP)	Retained earnings	Share Application Money Pending Allotment	
Balances as at March 31, 2020	40.00	9,367.06	425.44	92.55	4,322.12	1.60	14,248.77
Changes in Equity Share Capital due to prior period errors	—	—	—	—	—	—	—
Restated balance as at March 31, 2020	40.00	9,367.06	425.44	92.55	4,322.12	1.60	14,248.77
Profit for the year	—	—	—	—	1,896.16	—	1,896.16
Other Comprehensive Income/(loss)(net of tax)	—	—	—	—	(17.94)	—	(17.94)
Total Comprehensive Income for the year	40.00	9,367.06	425.44	92.55	6,200.34	1.60	16,126.99
Dividend paid on Equity Shares	—	—	—	—	(333.38)	—	(333.38)
Exercise of employee stock options	—	61.24	—	(61.24)	—	—	—
Share based payment to employees	—	—	—	32.29	—	—	32.29
Share Application money refunded	—	—	—	—	—	(1.60)	(1.60)
Balances as at March 31, 2021	40.00	9,428.30	425.44	63.60	5,866.96	—	15,824.30
Changes in Equity Share Capital due to prior period errors	—	—	—	—	—	—	—
Restated balance as at March 31, 2021	40.00	9,428.30	425.44	63.60	5,866.96	—	15,824.30
Profit for the year	—	—	—	—	(790.73)	—	(790.73)
Other Comprehensive Income/(loss)(net of tax)	—	—	—	—	(6.90)	—	(6.90)
Total Comprehensive Income for the year	40.00	9,428.30	425.44	63.60	5,069.33	—	15,026.67
Dividend paid on Equity Shares	—	—	—	—	(334.07)	—	(334.07)
Exercise of employee stock options	—	—	—	—	—	—	—
Share based payment to employees	—	—	—	61.14	—	—	61.14
Share Application money received	—	—	—	—	—	—	—
Balances as at March 31, 2022	40.00	9,428.30	425.44	124.74	4,735.27	—	14,753.75
Remeasurement loss (net) on defined benefit plans Rs. 6.90 lakhs (March 31, 2021 loss (net) Rs. 17.94 lakhs) is recognised as part of retained earnings. For nature of reserves refer note no. 11 B							

In terms of our report attached

For B S R & Co. LLPs
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Jayesh Thakkar
Partner
Membership no.113959

Place : Nashik
Date : May 04, 2022

For and on behalf of the Board of Directors

Ashok Sharma
Managing Director
DIN-02766679
Place : Mumbai

Abhijit Page
Chief Executive Officer
Place : Nashik

R. V. Nawghare
Company Secretary
Place : Nashik

Date: May 04, 2022

Anand Daga
Director
DIN-00696171
Place : Nashik

Sunetra Ganesan
Chief Financial Officer
Place : Nashik

Notes to the consolidated financial statements for the year ended March 31, 2022

Note No. 1 - Corporate information and Significant accounting policies

A. Corporate Information

Mahindra EPC Irrigation Limited (Formerly known as EPC Industrie Limited) is a Public Limited Company listed on the Bombay Stock Exchange Limited and National Stock Exchange. It was incorporated on November 28, 1981 in India. It is engaged in the business of Micro Irrigation Systems such as Drip and Sprinklers, Agricultural Pumps, Greenhouses and Land Scape Products. The Company is a public limited Company and domiciled in India. The address of its corporate office is H-109, MIDC, Ambad, Nashik, Maharashtra 422010. As at 31st March 2022 Mahindra & Mahindra Limited, the holding company own 54.39% of the Company's equity share capital.

B. Statement of compliance

These consolidated financial statements of Mahindra EPC Irrigation Limited ('the Company') and its Joint Venture have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

These consolidated financial statements were approved by the Company's Board of Directors and authorised for issue on 4th May 2022.

The figures for the previous periods have been regrouped/ rearranged wherever necessary to conform to the current periods classification in the amended schedule III to Companies Act, 2013 effective from 1st April 2021.

C. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Mahindra EPC Irrigation Limited and its Joint venture.

Joint Arrangements

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have the rights to the net assets of the arrangement. The results, assets and liabilities of a joint venture are accounted using the equity method of accounting.

D. Basis of measurement and fair value

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.

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, 2022 (Contd.)

F. Recent Accounting Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

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.

The management’s estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes, based on the Company’s expected usage pattern supported by technical assessment:

Assets	Useful life
Extrusion Machines	19 Years
Moulds and Dies	6 Years
Vehicles - Cars (For employee use)	3 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 with definite useful lives are amortised on a straight line basis so as to reflect the pattern in which the asset’s economic benefits are consumed.

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

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 36 months.

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.

K. Foreign Exchange Transactions:

In preparing the financial statements transactions in other than the company's functional currency are recorded at the exchange rates prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognised as income or expense, as the case may be. Non - Monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

L. Revenue recognition:

Revenue from contracts with customer

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and Goods and Service tax.

The Company recognises revenue from the following major sources:

- a) Sale of Products; and
- b) Sale of Services.

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)**a) Sale of Products**

The company sells Micro irrigation systems (MIS) both to the Open market and Project market. Sales-related warranties associated with MIS cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets (refer note no. 14).

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 and conditions in his agreement. Following delivery, the dealer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

For sales of MIS to project market, revenue is recognised when control of the 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 distributor /MIS installation acknowledged by the farmer 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.

Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine degree of completion of the performance obligation.

Project revenue is recognised on the basis of cost completion after the threshold limit of 30% of the cost is completed.

b) Sale of Services

Sale of services are recognised on satisfaction of performance obligation towards rendering of such services.

M. Other income:

Dividend income from investments is recognised in statement of profit and loss when the shareholders right to receive payment has been established.

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest method is a method of calculating the amortised cost of the financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets, to that asset's net carrying amount on initial recognition.

N. Government Grants:

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Statement of Profit & Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to statement of profit or loss on a systematic and rational basis over the useful lives of the related assets.

O. Employee benefits:**a) Short term and other long term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that services. Liabilities recognised in respect of other long -term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees upto the reporting date.

Notes to the consolidated financial statements for the year ended March 31, 2022 (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 20.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate with a corresponding adjustment to the equity-settled employee benefits reserve.

P. Leases:

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognise a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116.

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)**As a lessor:**

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term.

Q. Borrowing Costs:

All borrowing costs are charged to the Statement of Profit and Loss except, borrowing costs that are attributable to the acquisition or construction of qualifying assets which are those that necessarily take a substantial period of time to get ready for their intended use or sale, which are capitalised as part of the cost of such assets.

R. Product Warranty:

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are discounted when required and are reviewed and revisions are made as required by the management of the company.

S. Taxes on income:

- Current Tax

Income Taxes are accounted for in accordance with IND AS-12. Tax expenses comprise both current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act 1961, and other applicable tax laws.

- Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

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

T. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits - Refer Note No. 28) are discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities and assets are not recognised but are disclosed in the notes.

U. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the company. The CODM operation of the company reviews the operation of the company as Precision Farming Products & Services.

V. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit & 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.

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.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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 consolidated financial statements for the year ended March 31, 2022 (Contd.)

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

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 (Refer Note 1, Point G)
- estimation of defined benefit obligation (Refer Note 28)
- provision for warranty claims (Refer Note 14)
- income taxes - current and deferred taxes (Refer Note 7)
- impairment of trade receivables (Refer Note 5)
- impairment of investments

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)
NOTE NO. 2A - PROPERTY, PLANT AND EQUIPMENT

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, 2021	978.53	4,165.91	161.34	186.56	1,131.11	60.66	113.75	146.51	210.40	7,154.77
Additions	—	11.33	—	13.52	0.89	4.34	0.23	9.51	9.85	49.67
Disposals	—	—	—	—	—	—	—	18.97	41.04	60.01
Balance as at March 31, 2022	978.53	4,177.24	161.34	200.08	1,132.00	65.00	113.98	137.05	179.21	7,144.43
II. Accumulated depreciation										
Balance as at March 31, 2021	673.01	2,571.90	141.85	117.30	1,031.92	36.23	86.21	127.49	116.70	4,902.61
Depreciation expense for the year	31.89	181.22	2.37	11.22	21.71	6.60	6.51	9.80	31.73	303.05
Eliminated on disposal of assets	—	—	—	—	—	—	—	18.82	32.21	51.03
Balance as at March 31, 2022	704.90	2,753.12	144.22	128.52	1,053.63	42.83	92.72	118.47	116.22	5,154.63
III. Net carrying amount (I-II)	273.63	1,424.12	17.12	71.56	78.37	22.17	21.26	18.58	62.99	1,989.80
I. Gross Carrying Amount										
Balance as at March 31, 2020	973.39	4,132.69	150.04	185.74	1,131.11	49.52	111.37	140.91	175.66	7,050.43
Additions	5.14	33.22	11.30	0.82	—	12.31	2.38	6.67	42.12	113.96
Disposals	—	—	—	—	—	1.17	—	1.07	7.38	9.62
Balance as at March 31, 2021	978.53	4,165.91	161.34	186.56	1,131.11	60.66	113.75	146.51	210.40	7,154.77
II. Accumulated depreciation										
Balance as at March 31, 2020	637.95	2,396.23	134.82	106.50	1,007.45	31.80	80.51	120.32	99.93	4,615.51
Depreciation expense for the year	35.06	175.67	7.03	10.80	24.47	5.33	5.70	8.18	23.79	296.03
Eliminated on disposal of assets	—	—	—	—	—	0.90	—	1.01	7.02	8.93
Balance as at March 31, 2021	673.01	2,571.90	141.85	117.30	1,031.92	36.23	86.21	127.49	116.70	4,902.61
III. Net carrying amount (I-II)	305.52	1,594.01	19.49	69.26	99.19	24.43	27.54	19.02	93.70	2,252.16

Note No. 2B - Right of Use Assets (Refer Note 26)

Description of Assets	Lease Hold Land	Buildings	Total
I. Gross Carrying Amount			
Balance as at March 31, 2021	305.33	47.77	353.11
Additions	—	—	—
Disposals	—	—	—
Balance as at March 31, 2022	305.33	47.77	353.11
II. Accumulated depreciation			
Balance as at March 31, 2021	8.51	45.42	53.93
Depreciation expense for the year	4.26	2.35	6.61
Disposals	—	—	—
Balance as at March 31, 2022	12.77	47.77	60.54
III. Net carrying amount (I-II)	292.57	—	292.57
I. Gross Carrying Amount			
Balance as at March 31, 2020	305.33	55.21	360.55
Additions	—	—	—
Disposals	—	7.44	7.44
Balance as at March 31, 2021	305.33	47.77	353.11
II. Accumulated depreciation			
Balance as at March 31, 2020	4.26	44.97	49.22
Depreciation expense for the year	4.26	4.03	8.28
Disposals	—	3.57	3.57
Balance as at March 31, 2021	8.52	45.43	53.93
III. Net carrying amount (I-II)	296.81	2.34	299.18

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 2C - CAPITAL WORK-IN-PROGRESS

	31st March 2022	31st March 2021
CWIP Movement		Rs. in Lakhs
Opening Balance	13.51	10.04
– Additions	40.71	117.45
– Capitalised & Transferred to Property, Plant & Equipments during the year.	49.67	113.97
Closing balance	4.56	13.51

Capital work in progress (CWIP) Ageing Schedule for the year ended 31st March 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	4.56	–	–	–	4.56
Project Name					
1. JIB Crane & Trolley	3.66	–	–	–	3.66
2. Attendance data processing device for canteen	0.90	–	–	–	0.90

Capital work in progress (CWIP) Ageing Schedule for the year ended 31st March 2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	13.51	–	–	–	13.51
Project Name					
1. Vision system for round inline driper inspection	13.51	–	–	–	13.51

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 3 - OTHER INTANGIBLE ASSETS

Description of Assets	Rs. in Lakhs	
	Computer Software	Total
I. Gross Carrying Amount		
Balance as at March 31, 2021	217.85	217.85
Additions	10.01	10.01
Disposals	—	—
Balance as at March 31, 2022	227.86	227.86
II. Accumulated amortisation		
Balance as at March 31, 2021	208.20	208.20
Amortisation expense for the year	6.52	6.52
Eliminated on disposal of assets	—	—
Balance as at March 31, 2022	214.72	214.72
III. Net carrying amount (I-II)	13.14	13.14
I. Gross Carrying Amount		
Balance as at March 31, 2020	214.66	214.66
Additions	3.19	3.19
Disposals	—	—
Balance as at March 31, 2021	217.85	217.85
II. Accumulated amortisation		
Balance as at March 31, 2020	203.39	203.39
Amortisation expense for the year	4.81	4.81
Eliminated on disposal of assets	—	—
Balance as at March 31, 2021	208.20	208.20
III. Net carrying amount (I-II)	9.65	9.65

NOTE NO. 3A - INTANGIBLE ASSET UNDER DEVELOPMENT

Intangible asset under development Movement	Rs. in Lakhs	
	31st March 2022	31st March 2021
Opening Balance	16.31	—
– Additions	10.01	19.50
– Capitalised & Transferred to Property, Plant & Equipments during the year.	10.01	3.19
Closing balance	16.31	16.31

Intangible assets under development for the year ended 31st March 2022

Intangible assets under development	Amount Intangible assets under development				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress					
Project Name - Sales Project Digitization	—	16.31	—	—	16.31

Intangible assets under development for the year ended 31st March 2021

Intangible assets under development	Amount Intangible assets under development				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress					
Project Name - Sales Project Digitization	—	—	16.31	—	16.31

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 4 - INVESTMENTS ACCOUNTED USING EQUITY METHOD

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Investment in Equity Instruments (fully paid-up)		
Unquoted		
In Joint Venture company - Mahindra Top Greenhouses Private Limited* (18,00,000 shares of Rs. 10 each)	76.14	117.07
Total	76.14	117.07

*Refer Note No. 34

NOTE NO. 5 - TRADE RECEIVABLES

Particulars	Rs. in Lakhs			
	As at March 31, 2022		As at March 31, 2021	
	Current	Non Current	Current	Non Current
Unsecured, considered good	14,887.75	3,644.39	14,761.79	3,579.56
Trade Receivables which have significant increase in credit risk	59.17	932.53	249.79	438.32
Trade Receivables - credit impaired	—	5.94	—	—
	14,946.92	4,582.86	15,011.58	4,017.88
Less: Expected credit loss	(1,138.23)	(844.47)	(1,050.64)	(738.68)
Total	13,808.68	3,738.39	13,960.94	3,279.20

Refer Note 24 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

The Company applies the simplified approach to provide for expected credit losses prescribed by IND AS 109, which permits the use of the lifetime expected credit loss provision for all trade receivables. The Company has expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Refer Note 29 for disclosures relating to receivables from related parties.

Trade receivables are hypothecated against the working capital facilities provided by the Banks.

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)**NOTE NO. 5A - TRADE RECEIVABLES AGEING SCHEDULE UNDER NON-CURRENT ASSETS AND CURRENT ASSETS AS ON 31ST MARCH 2022****Trade Receivables ageing schedule under Non-current assets as on 31st March 2022**

Outstanding for following periods from due date of payment								
Sr. No.	Particulars	Not Due	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
i	Undisputed Trade receivables – considered good	4.06	1,521.15	470.72	574.03	475.52	598.92	3,644.39
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	1.19	4.10	32.69	93.98	209.76	341.72
iii	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
iv	Disputed Trade receivables – considered good	–	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	0.52	2.72	2.94	0.42	584.22	590.81
vi	Disputed Trade Receivables – credit impaired	–	–	5.94	–	–	–	5.94
	Total	4.06	1,522.86	483.48	609.65	569.92	1,392.90	4,582.86
Less: Expected credit loss								(844.47)
Net outstanding for following periods from due date of payment								3,738.39

Trade Receivables ageing schedule under Current assets as on 31st March 2022

Outstanding for following periods from due date of payment.								
Sr. No.	Particulars	Not Due	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
i	Undisputed Trade receivables – considered good	166.97	5,444.25	1,932.12	4,147.90	2,479.94	678.73	14,849.91
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	0.76	0.18	3.78	20.37	34.08	59.17
iii	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
iv	Disputed Trade receivables – considered good	–	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
vi	Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
	Total	166.97	5,445.01	1,932.30	4,151.68	2,500.32	712.80	14,909.07
Less: Expected credit loss								(1,138.23)
Add: Unbilled								37.84
Net outstanding for following periods from due date of payment								13,808.68

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

Trade Receivables ageing schedule under Non-current assets as on 31st March 2021

Outstanding for following periods from due date of payment								
Sr. No.	Particulars	Not Due	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
i	Undisputed Trade receivables – considered good	20.84	2,522.20	340.17	260.83	230.65	204.87	3,579.56
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	–	9.53	11.05	21.94	93.31	135.83
iii	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
iv	Disputed Trade receivables – considered good	–	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	0.91	0.25	2.90	23.16	275.26	302.49
vi	Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
	Total	20.84	2,523.12	349.95	274.78	275.75	573.44	4,017.88
Less: Expected credit loss								(738.68)
Net outstanding for following periods from due date of payment								3,279.20

Trade Receivables ageing schedule under Current assets as on 31st March 2021

Outstanding for following periods from due date of payment								
Sr. No.	Particulars	Not Due	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
i	Undisputed Trade Receivables – considered good	180.41	5,268.30	2,469.12	5,964.43	778.78	100.76	14,761.79
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	8.82	14.29	109.26	22.83	24.09	179.28
iii	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
iv	Disputed Trade receivables – considered good	–	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	0.11	10.44	3.90	10.94	45.11	70.50
vi	Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
	Total	180.41	5,277.23	2,493.85	6,077.59	812.54	169.96	15,011.58
Less: Expected credit loss								(1,050.64)
Net outstanding for following periods from due date of payment								13,960.94

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)**NOTE NO. 6 - OTHER FINANCIAL ASSETS**

Particulars	As at March 31, 2022		Rs. in Lakhs As at March 31, 2021	
	Current	Non-Current	Current	Non-Current
Carried at amortised cost:				
Security deposits	35.96	78.44	51.88	59.29
Balance with Gratuity Fund (LIC)	22.49	—	1.71	—
Total	58.45	78.44	53.59	59.29

NOTE NO. 7 - CURRENT TAX AND DEFERRED TAX**(a) Income Tax recognised in profit or loss**

Particulars	Rs. in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Current Tax:		
In respect of current year	—	673.89
In respect of prior years	(14.28)	(21.12)
Deferred Tax:		
In respect of current year	(246.99)	(41.62)
In respect of prior years	—	—
Total income tax expense recognised in the current year relating to continuing operations	(261.27)	611.15

(b) Income tax recognised in other Comprehensive income

Particulars	Rs. in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Deferred Tax		
Remeasurement of defined benefit obligations	(9.21)	(23.98)
	(9.21)	(23.98)
Income taxes related to items that will not be reclassified to profit or loss	2.31	6.04
Total	(6.90)	(17.94)

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

Particulars	Rs. in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax from continuing operations	(1,052.00)	2,530.61
Income tax expense calculated at 25.17% (2021: 25.17%)	(264.79)	636.95
Effect of expense that is non-deductible in determining taxable profit	40.44	24.89
Effect of current year losses for which on deferred tax assets is recognised	(17.75)	—
Income tax relating to items that will not be reclassified to Profit or Loss Account	—	6.00
Others	(4.89)	(36.00)
	(246.99)	632.27
Adjustments recognised in the current year in relation to the current tax of prior years	(14.28)	(21.12)
Income tax expense recognised In profit or loss from continuing operations	(261.27)	611.15

The tax rate used for the March 31, 2022 and March 31, 2021 reconciliations above is the corporate tax rate of 25.17% on taxable profits under Indian Income Tax Act, 1961.

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

(d) Movement in deferred tax assets/(Liabilities) for the year ended March 31, 2022

Particulars	Opening Balance	Recognised in Profit and Loss (including for earlier year)	Recognised in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>				
Property, Plant and Equipment	238.18	(30.70)	—	207.48
	<u>238.18</u>	<u>(30.70)</u>	<u>—</u>	<u>207.48</u>
<u>Tax effect of items constituting deferred tax assets</u>				
Employee Benefits	77.73	(11.44)	2.31	68.60
Provision for receivables and advances	462.22	48.68	—	510.90
Other Temporary Differences		211.73	—	211.73
Other items	276.99	(32.68)	—	244.31
	<u>816.94</u>	<u>216.29</u>	<u>2.31</u>	<u>1,035.54</u>
Net Deferred Tax Asset (Liabilities)	<u>578.76</u>	<u>246.99</u>	<u>2.31</u>	<u>828.06</u>
Total	<u>578.76</u>	<u>246.99</u>	<u>2.31</u>	<u>828.06</u>

(e) Movement in deferred tax assets/(Liabilities) for the year ended March 31, 2021

Particulars	Opening Balance	Recognised in Profit and Loss (including for earlier year)	Recognised in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>				
Property, Plant and Equipment	252.71	(14.53)	—	238.18
	<u>252.71</u>	<u>(14.53)</u>	<u>—</u>	<u>238.18</u>
<u>Tax effect of items constituting deferred tax assets</u>				
Employee Benefits	76.11	(4.42)	6.04	77.73
Provision for receivables and advances	447.87	14.35	—	462.22
Other items	259.83	17.16	—	276.99
	<u>783.81</u>	<u>27.09</u>	<u>6.04</u>	<u>816.94</u>
Net Deferred Tax Asset (Liabilities)	<u>531.10</u>	<u>41.62</u>	<u>6.04</u>	<u>578.76</u>
Total	<u>531.10</u>	<u>41.62</u>	<u>6.04</u>	<u>578.76</u>

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)**NOTE NO. 8 - OTHER NON FINANCIAL ASSETS**

Particulars	Rs. in Lakhs			
	As at March 31, 2022		As at March 31, 2021	
	Current	Non-Current	Current	Non-Current
(a) Prepayments	31.40	3.84	34.73	8.54
(b) Balances with government authorities	2,016.49	191.00	1,290.13	219.96
(i) VAT credit receivable	—	24.20	—	53.15
(ii) GST credit receivable	2,016.49	—	1,290.13	—
(iii) Excise Refund Claim	—	166.79	—	166.79
(c) Contract Assets	399.62	—	213.46	—
(d) Others				
(i) Advance to Creditors				
Considered Good	208.89	—	149.94	—
Doubtful	—	21.92	—	21.92
Less : Provision for Doubtful advances	—	(21.92)	—	(21.92)
	208.89	—	149.94	—
(ii) Advances to employees				
Considered Good	5.81	—	7.03	—
Doubtful	25.31	—	25.31	—
Less : Provision for Doubtful advances	(25.31)	—	(25.31)	—
	5.81	—	7.03	—
Total	2,662.21	194.84	1,695.29	228.50

NOTE NO. 9 - INVENTORIES

[Lower of cost and net realisable value]

Particulars	Rs. in Lakhs	
	As at	As at
	March 31, 2022	March 31, 2021
(a) Raw materials and components	2,072.02	2,137.38
(b) Work-in-progress	448.91	235.59
(c) Finished goods	994.10	913.89
(d) Stock-in-trade of goods acquired for trading	90.39	142.22
Total	3,605.42	3,429.08
Included above, goods-in-transit:		
Raw materials and Components	—	69.19
Total	—	69.19

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. 140.71 lakhs are lying with third parties (year ended March 31, 2021 Rs. 143.49 Lakhs).

The amount of inventories recognised as an expense is Rs. 13,345.86 lakhs (for the year ended 31 March, 2021 Rs. 13,304.35 lakhs) including Rs. 25.13 lakhs (for the year ended 31 March, 2021 Rs. 34.66 lakhs) in respect of write down of inventories to net realisable value, and has been reduced by Rs. 1 lakhs (for the year ended 31 March, 2021 - Rs. 7.80 lakhs) in respect of reversal of such write downs. Reversal in provision is due to sale and/or consumption of inventories provided for in earlier years.

Inventories are valued considering provision for allowance for obsolescence, inventory carrying risk and possible delayed usage in view of lower production due to slowly pacing off-take in present situation. In addition to the historical pattern of inventory provision, we have considered the likelihood of variations in sales price, possibilities of cancellation of order, nature and aging of inventories due to Covid-19. This assessment is not based on any mathematical model but it is based on an assessment considering the product demand, expected price trend and sales plan. Based on the above assessment, the Company is of the view that the carrying amounts of inventories are expected to be realisable.

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 10 - CASH AND BANK BALANCES

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Balances with banks - Current and Cash Credit Accounts	4.04	441.91
Cash on hand	—	0.18
Total Cash and cash equivalents	4.04	442.09
Other Bank Balances		
Earmarked balances with banks	85.73	20.20
Balances with Banks - on margin accounts	114.42	143.26
Interest accrued on deposits	9.43	9.16
Total Other Bank Balances	209.58	172.62

NOTE NO. 11 A - EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
Authorised				
Equity shares of Rs. 10 each	3,20,00,000	3,200.00	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
Issued				
Equity shares of Rs. 10 each	2,78,43,375	2,784.34	2,78,43,375	2,784.34
Subscribed and fully paid up				
Equity shares of Rs. 10 each	2,78,39,475	2,783.96	2,78,39,475	2,783.96
Forfeited shares (Amount originally paid up)	3,900	0.19	3,900	0.19
Total		2,784.15		2,784.15

Fully paid equity shares, which have a per share 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 year.

Particulars	Rs. in Lakhs		
	Opening Balance	Issued during the year under ESOP Scheme	Closing Balance
Equity share- Issued, Subscribed and Paid-up:			
March 31, 2022	No. of Shares 27,839,475	—	27,839,475
	Amount 2,783.96	—	2,783.96
March 31, 2021	No. of Shares 27,781,698	57,777	27,839,475
	Amount 2,778.18	5.78	2,783.96

Rights, preferences and restrictions attached to equity shares

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

(ii) Details of shares held by the holding company

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Mahindra and Mahindra Ltd., the Holding Company	15,144,433	15,144,433

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
Mahindra and Mahindra Limited	15,144,433	54.40%	15,144,433	54.40%

(iv) Shares reserved for issuance as follows: (Refer Note No. – 20)

Particulars	No. of shares	
	As at March 31, 2022	As at March 31, 2021
Outstanding employee stock options granted/available for grant.	343,972	343,972

(v) Details of shares held by promoter at the end of the year:

Name of promoter	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	
Mahindra and Mahindra Limited	15,144,433	54.40%	15,144,433	54.40%	0.00%

NOTE NO. 11 B - OTHER EQUITY

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Capital Reserve	40.00	40.00
Securities Premium	9,428.30	9,428.30
General Reserve	425.44	425.44
Share based payments (ESOP)	124.74	63.60
Retained Earnings	4,735.27	5,929.89
Total	14,753.75	15,887.23

Nature of Reserves

Capital Reserve - Capital reserve mainly represents the amount of net assets acquired over and above consideration paid consequent to the Scheme of Arrangement.

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

Securities Premium - Securities premium reserve is used to record the premium on issue of shares. The fair value of employee stock options is recognised in Securities Premium once the shares have been allotted on exercise of the options. The reserve can be utilised only for limited purpose such as issuance of bonus shares in accordance with the provision of the Companies Act, 2013.

General Reserve - The general reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

Share based payments (ESOP) - 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.

Retained earnings: Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to/from other reserves from time to time. The reserve can be utilized or distributed by the Company in accordance with the provisions of the Companies Act, 2013.

Details of Dividend Proposed

Particulars	Rs. in Lakhs	
	2022	2021
Dividend per share (Rupees)	—	1.20
Dividend on Equity Shares	—	334.07
Total Dividend	<u>—</u>	<u>334.07</u>

NOTE NO. 12 - OTHER CURRENT FINANCIAL LIABILITIES

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Carried at Amortised Cost:		
Interest payables to vendors/others	165.96	178.37
Unpaid matured deposits and interest accrued thereon*	0.16	0.16
Unclaimed Dividend *	7.87	8.48
Security Deposits	476.84	442.16
Employee benefits payable	318.94	242.54
Others **	78.43	43.07
Total	<u>1,048.21</u>	<u>914.78</u>

Notes:

* There are no amounts due for transfer to Investor Education and Protection Fund

** Others include payable for capital assets, retention money and accruals towards claims

NOTE NO. 13 - SHORT TERM BORROWINGS

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Secured (Carried at Amortised Cost):		
Secured Borrowings - at amortised cost		
Loans repayable on demand from Bank	2,519.12	—
Total	<u>2,519.12</u>	<u>—</u>

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)**Reconciliation of movement in borrowings to cash flows from financing activities**

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Opening Balance		
- Short term borrowings	—	1,300.00
Cash flow movements		
- Net increase/(decrease) in Loans repayable on demand and cash credit	2,519.12	(1,300.00)
Non-cash movements		
Closing Balance		
- Short term borrowings	2,519.12	—

Borrowing Note:

- Company has filed quarterly returns/statement with Banks and same are in agreement with the books of accounts. There are no material discrepancies found.
- Working capital facilities are secured by hypothecation of Inventory & Trade receivable.
- The Company has availed working capital facilities from Banks aggregating to Rs. 2,519.12 lacs with the interest rates which are linked to Repo rate with spread ranging from 0% p.a. to 2% p.a.

NOTE NO. 14 - PROVISIONS

Particulars	Rs. in Lakhs			
	As at March 31, 2022		As at March 31, 2021	
	Current	Non-Current	Current	Non-Current
a. Provision for employee benefits				
Compensated absences	214.46	—	238.21	—
b. Other Provisions				
Warranty	69.99	71.79	87.02	39.68
Total	284.45	71.79	325.23	39.68

Details of movement in Warranty Provisions is as follows:

Particulars	Rs. in Lakhs
Balance at March 31, 2020	141.23
Additional provisions recognised	44.71
Amounts used during the year	(23.87)
Unused amounts reversed during the year	(38.40)
Unwinding of discount	3.03
Balance at March 31, 2021	126.70
Additional provisions recognised	38.20
Amounts used during the year	(25.57)
Unused amounts reversed during the year	—
Unwinding of discount	2.46
Balance at March 31, 2022	141.79

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

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. 15 - TRADE PAYABLES

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Current		
a) total outstanding dues of micro and small enterprises	375.27	383.34
b) total outstanding dues of creditors other than micro and small enterprises	5,827.75	6,037.73
Total	6,203.02	6,421.07

Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as below:

(a) Dues remaining unpaid as at 31st March		
Principal	375.27	383.34
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	—	—
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	—	—
(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	—	—
(e) Amount of interest accrued and remaining unpaid as at March 31	—	—

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 Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. Interest is charged on the over due balances as per terms agreed with vendors.

Refer Note 29 for disclosures relating to receivables from related parties.

NOTE NO. 15A - TRADE PAYABLES AGEING SCHEDULE

Ageing for trade payable outstanding as at March 31, 2022 is as follows:

Sr. No.	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i)	MSME	375.27	—	—	—	375.27
(ii)	Others	2,864.83	1,024.24	892.32	730.59	5,511.98
(iii)	Disputed dues - MSME	—	—	—	—	—
(iv)	Disputed dues - Others	—	—	—	—	—
	Total	3,240.10	1,024.24	892.32	730.59	5,887.25
	Unbilled dues (Accrued expenses)					315.77
	Total Trade Payable					6,203.02

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

Ageing for trade payable outstanding as at March 31, 2021 is as follows:

Outstanding for following periods from due date of payment

Sr. No.	Particulars	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i)	MSME	383.34	—	—	—	383.34
(ii)	Others	1,488.94	2,930.53	526.46	482.36	5,428.29
(iii)	Disputed dues - MSME	—	—	—	—	—
(iv)	Disputed dues - Others	—	—	—	—	—
	Total	1,872.28	2,930.53	526.46	482.36	5,811.63
	Unbilled dues (Accrued expenses)					609.43
	Total Trade Payable					6,421.07

NOTE NO. 16 - OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2022	Rs. in Lakhs As at March 31, 2021
(a) Revenue received in advance	108.38	267.42
(b) Others		
i) Statutory dues		
– taxes payable (other than income taxes)	120.27	63.10
– Employee Recoveries and Employer Contributions	6.17	5.17
– Customs Duty Payable	80.43	111.46
ii) Deferred interest income	0.00	0.45
Total	315.24	447.60

NOTE NO. 17 - REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2022	Rs. in Lakhs For the year ended March 31, 2021
From contract with customers for goods & services		
(a) Revenue from sale of products	21,043.46	25,370.49
(b) Revenue from rendering of services	135.49	15.97
(c) Other operating revenue	14.56	35.75
Total	21,193.51	25,422.22
Particulars	As at March 31, 2022	As at March 31, 2021
(i) Sale of products comprises		
Manufactured goods	21,043.46	25,333.55
Total - Sale of manufactured goods	21,043.46	25,333.55
Traded goods	—	36.94
Total - Sale of traded goods	—	36.94
Total - Sale of products	21,043.46	25,370.49
(ii) Sale of services comprises		
Installation Services	135.49	15.97
Total - Sale of services	135.49	15.97
(iii) Other operating revenues comprise:		
Sale of scrap	14.56	35.75
Total - Other operating revenues	14.56	35.75

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

Particulars	For the year ended March 31, 2022	Rs. in Lakhs For the year ended March 31, 2021
Revenue from contract with customer as per the contract price	21,359.02	25,615.73
Adjustments made to contract price		
– Trade discounts, volume rebates, return etc	326.66	285.36
– Deferment of revenue	52.31	–
– Recognition of revenue out of opening balance of contract	213.46	91.85
Revenue from contract with customer as per the consolidated statement of profit and loss	<u>21,193.51</u>	<u>25,422.22</u>

Changes in contract assets are as follows

Particulars	As at March 31, 2022	Rs. in Lakhs As at March 31, 2021
Balance at the beginning of the year	213.46	–
– Invoices raised that were included in the contract assets balance at the beginning of the year	(213.46)	–
– Increase due to revenue recognised during the year, excluding amounts billed during the year.	399.62	213.46
Balance at the end of the year	<u>399.62</u>	<u>213.46</u>

Segment information

Geographical Information:

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Domestic	Overseas*	Domestic	Overseas*
Revenue from contract with customer	20,608.34	585.17	25,172.06	250.16
Total Revenue	<u>20,608.34</u>	<u>585.17</u>	<u>25,172.06</u>	<u>250.16</u>

* Uganda, Nigeria & Bangkok

The company recognises revenue as per 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.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors . The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is Rs. 533.60 lakhs out of which 100% is expected to be recognised as revenue in the next year. No consideration from contracts with customers is excluded from the amount mentioned above.

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)
NOTE NO. 18 - OTHER INCOME

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Interest Income - On financial assets carried at amortised cost		
1) Bank deposits (at amortised cost)	7.12	12.39
2) Interest on Security Deposit (at amortised cost)	1.76	8.59
(b) Operating lease rental income	—	1.28
(c) Profit on sale of Property, Plant & Equipment	4.59	1.56
(d) Liabilities no longer required written back	2.45	116.67
(e) Miscellaneous income	30.25	168.20
Total	46.17	308.69

NOTE NO. 19 (a) - COST OF MATERIALS CONSUMED

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock	2,137.38	2,049.59
Add: Purchases	13,496.61	13,145.71
	15,633.99	15,195.30
Less: Closing stock	2,072.02	2,137.38
Cost of materials consumed	13,561.97	13,057.92

NOTE NO. 19 (b) PURCHASES OF STOCK-IN-TRADE

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Stock-in-trade - Pumps, Greenhouses & Landscape	25.59	0.09
Total	25.59	0.09

NOTE NO. 19 (c) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<u>Inventories at the end of the year:</u>		
Finished goods	994.10	913.89
Work-in-progress	448.91	235.59
Stock-in-trade	90.39	142.22
	1,533.40	1,291.70
<u>Inventories at the beginning of the year:</u>		
Finished goods	913.89	1,131.15
Work-in-progress	235.59	195.97
Stock-in-trade	142.22	210.92
	1,291.70	1,538.04
Net (increase)/decrease	(241.70)	246.34

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 20 - EMPLOYEE BENEFITS EXPENSE

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Salaries and wages, including bonus	2,640.90	2,487.95
(b) Contribution to provident and other funds (Refer Note No. 28)	186.91	125.77
(c) Share based payment transactions expenses	61.14	32.29
(d) Staff welfare expenses	123.90	103.91
Total Employee Benefit Expense	3,012.85	2,749.92

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, 80,110 and 71,459 Stock Options to the eligible employees on October 28, 2014, October 31, 2015, November 22, 2016, November 22, 2017, February 28, 2019 and March 12, 2021 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, 2019 and 2021 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 value 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
6 Series 6 Granted on March 12, 2021	71,459	March 12, 2021	March 12, 2026	10	144.09

Movement in Share Options

Particulars	Year ended 31 March, 2022		Year ended 31 March, 2021	
	Number of Shares	Weighted average exercise price	Number of Shares	Weighted average exercise price
1 Outstanding at the beginning of the year	147,280	10	133,598	10
2 Granted during the year	—	10	71,459	10
3 Exercised during the year	—	10	(57,777)	10
4 Expired during the year	—	10	—	10
5 Outstanding at the end of the year	1,47,280	10	147,280	10

Options vested but not exercised on 31st March, 2022 - 56,538 options

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)
Share Options Exercised in the Year

Particulars	Year end March 31, 2022			Year end March 31, 2021		
	Number Exercised	Exercise Date	Share Price at Exercise Date	Number Exercised	Exercise Date	Share Price at Exercise Date
Equity Settled						
1 Series 1 Granted on October 28, 2014	—	—	—	24,373	Jan 01, 2021	158.00
2 Series 2 Granted on October 31, 2015	—	—	—	1,433	Jan 01, 2021	158.00
3 Series 3 Granted on November 22, 2016	—	—	—	15,985	Jan 01, 2021	158.00
4 Series 4 Granted on November 22, 2017	—	—	—	15,986	Mar 12, 2021	160.35

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		Series 6	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Share price at grant date	177.35	177.35	158.30	158.30	138.75	138.75	176.25	176.25	92.90	92.90	157.50	157.50
Exercise price	10	10	10	10	10	10	10	10	10	10	10	10
Expected volatility (weighted-average)	55%	55%	55%	55%	49%	49%	46%	45%	42%	41%	50%	—
Expected life / Option Life (weighted-average)	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.0	4.5	4.0	3.5	—
Expected dividends yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.54%	0.54%	0.76%	—
Risk-free interest rate (based on government bonds)	8.06%	8.06%	8.06%	8.06%	6.33%	6.33%	6.94%	6.89%	7.19%	7.13%	5.00%	—

Expected early exercise option is not considered in the assumption at the time of valuation. Hence relevant disclosure is not applicable.

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.

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 21 - FINANCE COST

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Interest expense on financial liabilities measured at amortised cost		
— On credit facilities from Banks	167.24	15.01
— On trade creditors	17.86	—
(b) Interest expense on Lease Rental (Refer Note 26)	0.06	0.38
(c) Interest expense on delayed payment of taxes	1.19	7.09
(d) Interest expense on other borrowing cost		
Processing fees / Guarantee Commission	8.98	8.96
Unwinding of discount on provisions	2.46	3.03
On government Grant	0.24	30.89
Total finance costs	198.03	65.37

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expenses		
On Financial Liability at Amortised Cost	185.10	15.01

NOTE NO. 22 - OTHER EXPENSES

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Stores consumed	36.73	35.72
Power & Fuel	381.91	436.24
Rent including lease rentals	211.77	219.84
Rates and taxes	20.21	8.04
Insurance	34.47	52.10
Repairs and maintenance - Buildings	0.27	0.32
Repairs and maintenance - Machinery	97.95	73.48
Repairs and maintenance - Others	32.28	48.33
Commission on sales	1,325.17	2,266.83
Freight outward	835.99	1,056.20
Travelling and Conveyance Expenses	369.37	307.41
Subcontracting, Hire and Service Charges	842.20	839.98
Expenditure on corporate social responsibility (CSR)	48.52	41.51
Donations	20.04	2.11
Expected Credit Loss	193.38	61.90
Bad trade and other receivables, loans and advances written off	—	197.69
Net loss on foreign currency transactions	0.80	3.83

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	19.01	32.75
(ii) For Other services	14.75	8.25
(iii) For Cost auditors for Cost audit	1.60	1.60
(iv) For reimbursement of expenses	1.65	—
Legal and other professional costs	163.40	221.07
Site Expenses	277.16	413.72
Warranty Claim	34.49	6.31
Directors' Fees and Commission	8.20	23.30
Other General Expenses	406.50	413.01
Total Other Expenses	5,377.82	6,771.54

NOTE NO. 23 - EARNINGS PER SHARE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/(loss) for the year for basic and diluted EPS (Rs. in Lakhs)	(790.73)	1896.16
Weighted average number of Equity shares used in computing basic EPS	2,78,39,475	2,78,39,475
Effect of potential Equity share on employee stock options	1,36,134	1,37,264
Weighted average number of equity shares used in computing of diluted EPS	2,79,75,609	2,79,76,739
Basic Earnings per share (Rs.) (Face value of Rs. 10 per share)	(2.84)	6.81
Diluted Earnings per share (Rs.) (Face value of Rs. 10 per share)	(2.83)	6.78

NOTE NO. 24 - 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.

Net Debt and Equity is given in the table below :

Particulars	Rs. in Lakhs	
	March 31, 2022	March 31, 2021
Total Shareholders' Equity as reported in Balance Sheet	17,537.89	18,608.45
Net Debts		
— Short term debt	2,519.12	—
Gross Debt	2,519.12	—
Less:		
— Cash and cash equivalents	4.04	442.09
Net Debts	2,515.08	(442.09)
Total Capital deployed	20,052.97	18,166.36

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

II Categories of financial assets and financial liabilities

Particulars	Rs. in Lakhs			
	As at March 31, 2022			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Trade Receivables	3,738.39	—	—	3,738.39
Other Financial Assets	78.44	—	—	78.44
Current Assets				
Trade Receivables	13,808.68	—	—	13,808.68
Cash and Cash Equivalents	4.04	—	—	4.04
Other Bank Balances	209.58	—	—	209.58
Other Financial Assets	58.45	—	—	58.45
Borrowings				
Borrowings	2,519.12	—	—	2,519.12
Trade Payables	6,203.01	—	—	6,203.01
Other Financial Liabilities	1,048.21	—	—	1,048.21

Particulars	Rs. in Lakhs			
	As at March 31, 2021			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Trade Receivables	3,279.20	—	—	3,279.20
Other Financial Assets	59.29	—	—	59.29
Current Assets				
Trade Receivables	13,960.94	—	—	13,960.94
Cash and Cash Equivalents	442.09	—	—	442.09
Other Bank Balances	172.62	—	—	172.62
Other Financial Assets	53.59	—	—	53.59
Current Liabilities				
Lease Liability	2.64	—	—	2.64
Borrowings	—	—	—	—
Trade Payables	6,421.07	—	—	6,421.07
Other Financial Liabilities	914.78	—	—	914.78

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk management

Definition of default

The financial services business considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. The company has dealings with government organisation for subsidy related transaction and with private parties. For private non government parties credit limits are set quarterly. The Company has adopted a policy of only dealing with creditworthy non government parties and obtaining security cheques, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and credit worthiness of such parties are continuously monitored and controlled by counterparty limits that are reviewed by Credit Control function based on the approved process.

No interest is charged on overdue balance.

Trade receivables consist of a large number of customers, spread across geographical areas. On going credit evaluation is performed on the financial condition of accounts receivable. There are no non government customers who represent more than 5% of the total balance of trade receivable.

The Company applies the simplified approach to provide expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

The loss allowance provision is determined as follows:

Rs. in Lakhs
As at March 31, 2022

Particulars	Not due	Less than 1 Year	Non-Current	Total
Project				
Expected loss rate	0.00%	5.03%	16.14%	
Gross carrying amount	179.56	13,270.48	4,135.74	17,585.78
Loss allowance provision	—	667.47	667.41	1,334.88
Non Project				
Expected loss rate	0.00%	31.45%	39.60%	
Gross carrying amount	—	1,496.87	447.12	1,943.99
Loss allowance provision	—	470.76	177.06	647.82
Contract Assets	399.62	—	—	399.62

Rs. in Lakhs
As at March 31, 2021

Particulars	Not due	Less than 1 Year	Non-Current	Total
Project				
Expected loss rate	0.00%	5.15%	16.71%	
Gross carrying amount	179.60	13,420.44	3,641.67	17,241.71
Loss allowance provision	—	690.81	608.38	1,299.19
Non Project				
Expected loss rate	—	25.49%	34.63%	
Gross carrying amount	—	1,411.54	376.21	1,787.75
Loss allowance provision	—	359.83	130.30	490.13
Contract Assets	213.46	—	—	213.46

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

Reconciliation of loss allowance provision for Trade Receivables

Particulars	March 31, 2022	Rs. in Lakhs March 31, 2021
Balance as at beginning of the year	1,789.32	1,727.42
Impairment losses recognised in the year based on lifetime expected credit loss		
– On receivables originated in the year	193.38	259.59
– Amounts written off during the year as uncollectible	–	(197.69)
– Amounts Recovered during the year	–	–
Balance at end of the year	1,982.70	1,789.32

The loss allowance provision has changed during the year due to recovery from debtors and business circumstances.

During the year, the company has written off Rs. NIL lakhs, (March 31, 2021 Rs. 197.69 lakhs) of trade receivables.

Cash & Cash equivalents

The Company held cash and cash equivalents with credit worthy banks of Rs. 4.04 lakhs as at 31 March, 2022 and fixed deposits of Rs. 200.15 lakhs as at 31 March, 2022.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short - medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	Rs. in Lakhs 5 years and above
Non-derivative financial liabilities				
March 31, 2022				
Non-interest bearing	7,251.23	–	–	–
Interest bearing	2,519.12	–	–	–
Total	9,770.35	–	–	–
March 31, 2021				
Non-interest bearing	7,338.49	–	–	–
Interest bearing	–	–	–	–
Total	7,338.49	–	–	–

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)**(iii) Maturities of financial assets**

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Rs. in Lakhs			
	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
March 31, 2022				
Non-interest bearing	13,871.17	3,775.96	—	—
Fixed interest rate instruments	209.58	—	—	40.87
Total	14,080.75	3,775.96	—	40.87
March 31, 2021				
Non-interest bearing	14,456.62	3,279.20	18.42	—
Fixed interest rate instruments	172.62	—	40.87	—
Total	14,629.24	3,279.20	59.29	—

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.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March, 2022 and 31 March, 2021 are as below:

Exposure to foreign currency liabilities	Trade receivables		Trade payables	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
USD	0.21	0.37	—	—
INR	15.62	27.00	—	—
EUR	—	—	—	0.06
INR	—	—	—	4.79
CHF	—	—	0.01	—
INR	—	—	0.65	—

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from banks.

Exposure to interest rate

The Company's main interest rate risk arises from short term borrowings with variable interest rate and fixed interest rate carrying investments like fixed deposits with banks, which exposes the Company to cash flow interest rate risk.

Particulars	Rs. in Lakhs	
	31-Mar-22	31-Mar-21
Fixed rate instruments		
Financial assets (bank deposits)	250.45	213.49
Variable rate instruments		
Financial liabilities (Short term borrowings)	2,519.12	—

Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate bank deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis for floating rate liabilities is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole period. A reasonable possible change of 100 basis points (100 bps) in interest rate at the reporting date would have increased / (decreased) profit after tax and equity by the amount shown below:

Particulars	Rs. in Lakhs			
	Profit or (loss)		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31-Mar-22				
Variable-rate instruments	(25.16)	25.16	(18.83)	18.83
31-Mar-21				
Variable-rate instruments	—	—	—	—

Policy for write off of Loan Assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the MEIL business determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

NOTE NO. 25 - FAIR VALUE MEASUREMENT

The Company consider that the carrying amounts of financial assets and financial liabilities that are not measured at fair value, recognised in the financial statement approximate their fair values.

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)**NOTE NO. 26 - LEASES (REFER NOTE 2B)**

In adopting Ind AS 116, the Company has applied the below practical expedients:

The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics. The Company has treated the leases with remaining lease term of less than 12 months as if they were “short term leases”.

The Company has not applied the requirements of Ind AS 116 for leases of low value assets (assets of less than Rs. 3.5 lakhs in value)

The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition

The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease

On transition to Ind AS 116, the Company has followed the Modified Retrospective Approach, accordingly recognised right-of-use assets amounting to Rs. 360.55 lakhs, lease liabilities amounting to Rs. 55.21 lakhs as at April 1, 2019. The Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019, which is 8.50% for measuring the lease liability. In view of this, the operating lease rent which was hitherto accounted under ‘Other expenses’ in previous periods has now been accounted as depreciation and finance costs.

The following is the movement in lease liabilities

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Opening Lease liabilities recognised	2.64	10.93
Impact of Adoption of IND AS 116	—	—
Additions	—	—
Finance cost accrued during the period	0.06	0.38
Deletions	—	(4.13)
Payment of lease liabilities	(2.70)	(4.54)
Closing Balance	—	2.64

The following is the break-up of current and non-current lease liabilities

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Current lease liabilities	—	2.64
Non-current lease liabilities	—	—
Closing Balance	—	2.64

Carrying Value of Right of use assets (Refer Note 2B) **292.57** **299.18**

The table below provides details regarding the contractual maturities of lease liabilities

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Less than one year	—	2.64
One to Three years	—	—

Rental expense recorded for short-term leases was Rs. 211.77 Lakhs (Previous Year: Rs. 219.84 Lakhs) for the year ended 31st March, 2022.

NOTE NO. 27 - 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 17 for the analysis of revenue from its major products and services.

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 28 - EMPLOYEE BENEFITS

(a) Defined Contribution Plan:

The Company's contribution to Provident Fund Rs. 109.82 lakhs (year ended March 31, 2021 : Rs. 101.36 lakhs) and Superannuation Fund Rs. 35.75 lakhs (year ended March 31, 2021 : Rs. 33.58 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

Through its defined plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets under perform compared to the government bond discount rate, this will create or increase a deficit. The defined benefit plans hold on investment with LIC, which are expected to perform in line with government bonds in the long-term.

The company believes that due to the long-term nature of the plan liabilities, investments of funds with LIC is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan assets.

Life expectancy

The plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

Defined benefit plans - as per actuarial valuation

Particulars	Rs. in Lakhs	
	Funded Plan	
	Gratuity	
	2022	2021
Ia. Expense recognised in the Statement of Profit and Loss		
1. Current service cost	32.92	34.15
2. Interest cost	19.53	15.44
3. Expected return on plan assets	(20.63)	(14.97)
	31.82	34.62
Ib. Included in other Comprehensive Income		
1. Return on plan assets	(5.05)	(4.47)
2. Actuarial (Gain)/Loss on account of:	—	—
– Demographic Assumptions	1.57	0.58
– Financial Assumptions	(4.82)	2.61
– Experience Adjustments	17.51	25.26
	9.21	23.98

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

Particulars	Rs. in Lakhs	
	Funded Plan	
	Gratuity	
	2022	2021
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	(5.05)	(4.47)
Actuarial gains and loss arising from changes in financial assumptions	(4.82)	2.61
Actuarial gains and loss arising from experience adjustments	17.51	25.26
Others (describe)	—	—
– Demographic Assumptions	1.57	0.58
Actuarial gains and loss arising from components of defined benefit costs recognised in other comprehensive income	9.21	23.98
Total	41.02	58.59
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	374.14	366.73
2. Fair value of plan assets as at 31st March	396.63	368.45
3. Surplus/(Deficit)	22.49	1.71
4. Current portion of the above	—	—
5. Non-current portion of the above	22.49	1.71
II. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year	366.73	302.38
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	—	—
3. Expenses Recognised in Profit and Loss Account		
– Current Service Cost	32.92	34.15
– Interest Cost	19.53	15.44
4. Recognised in Other Comprehensive Income	—	—
Remeasurement gains / (losses)	—	—
– Actuarial Gain (Loss) arising from:		
– Demographic Assumptions	1.57	0.58
– Financial Assumptions	(4.82)	2.61
– Experience Adjustments	17.51	25.26
5. Benefit payments	(59.29)	(13.68)
6. Present value of defined benefit obligation at the end of the year	374.14	366.73
III. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	368.45	277.30
2. Adjustment to Opening Fair Value of the Asset	0.43	(0.09)
3. Expenses Recognised in Profit and Loss Account		
– Expected return on plan assets	20.63	14.97
4. Recognised in Other Comprehensive Income	—	—
Remeasurement gains / (losses)	—	—
– Actual Return on plan assets in excess of the expected return	5.05	4.47
– Others (specify)	0.99	(0.49)
5. Contributions by employer (including benefit payments recoverable)	1.08	72.30
6. Benefit payments	—	—
7. Fair value of plan assets at the end of the year	396.63	368.44
IV. The Major categories of plan assets		
– Funds Managed By Insurer (LIC of India)	396.63	368.44
V. Actuarial assumptions		
1. Discount rate	5.64%	6.44%
2. Expected rate of return on plan assets	6.00%	7.50%
3. Salary escalation	5.00%	5.70%
4. Mortality Rate disclosure	IALM (2012-14) Uit.	IALM (2012-14) Uit.
5. Attrition rate	19.09%	19.00%

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

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

Principal assumption		Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
			Rs. in Lakhs	
	2022	1.00%	12.48	13.40
Discount rate	2021	1.00%	15.80	17.30
	2022	1.00%	11.26	10.76
Salary growth rate	2021	1.00%	15.03	14.11

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:	Rs. in Lakhs	
	2022	2021
Within 1 year	76.23	67.61
1 - 2 year	71.20	44.22
2 - 3 year	62.64	45.46
3 - 4 year	58.79	56.85
4 - 5 year	36.70	46.22
5 - 10 year	118.62	105.80

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.

	Rs. in Lakhs	
	2022	2021
Weighted average remaining duration of Defined Benefit Obligation (Year)	3.63	5.00

	Rs. in Lakhs	
	2022	2021
Expected contribution to the plan for next financial year:	76.23	67.61

NOTE NO. 29 - 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 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 Summit Agriscience Limited	Fellow subsidiary
Marvel Solren Pvt Ltd.	Fellow subsidiary

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

Name of the parent Company	Relationship
Mahindra World City (Jaipur) Limited	Joint Venture of Parent
Mahindra Top Greenhouses Private Limited	Joint Venture
Mr. Ashok Sharma	Key Management Personnel (Managing Director)
Mr. Abhijit Page	Key Management Personnel (Chief Executive Officer)
Ms. Sunetra Ganesan	Key Management Personnel (Chief Financial Officer)
Mr. Ratnakar Nawghare	Key Management Personnel (Company Secretary)

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

Nature of transactions with Related Parties	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of goods		
Mahindra World City Jaipur Limited	0.41	0.50
Mahindra and Mahindra Ltd. – Swaraj	–	–
Mahindra Top Greenhouses Private Limited	27.03	15.12
Mahindra HZPC Pvt Ltd.	–	37.28
Purchase of Goods & Services		
Mahindra & Mahindra Ltd.	–	25.18
Mahindra Top Greenhouses Private Limited	–	–
Mahindra Summit Agriscience Limited	–	5.46
Marvel Solren Pvt Ltd.	17.05	6.24
Mahindra Agri Solutions Ltd.	–	12.74
Remuneration		
Mr. Ashok Sharma	36.00	24.00
Mr. Abhijit Page	82.67	87.13
Ms. Sunetra Ganesan	70.48	65.87
Mr. Ratnakar Nawghare	36.85	–
Management contract fees expenses (Including for deputation of personnel)		
Mahindra and Mahindra Limited	–	119.16
Mahindra Logistics Limited	4.70	4.35
Management contract fees income (Including for deputation of personnel)		
Mahindra Top Greenhouses Private Limited	89.94	82.78
Business Support Services		
Mahindra Agri Solutions Ltd.	22.02	8.07
Mahindra and Mahindra Limited	61.30	–
Mahindra Farm Equipment Sector	18.55	–
Mahindra Top Greenhouses Private Limited	–	–
Reimbursement of Expenses to		
Mahindra and Mahindra Limited	16.44	26.74
Mahindra Agri Solutions Ltd.	0.24	–
Reimbursement of Expenses from		
Mahindra Top Greenhouses Private Limited	10.00	10.00
Mahindra and Mahindra Limited – Transfer of employees	–	61.71
Mahindra Agri Solutions Ltd. – Transfer of employee	–	22.08
Professional Fees		
Mahindra and Mahindra Limited	25.00	117.58
Mahindra Integrated Business Solutions Pvt Ltd.	2.39	2.56

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

Nature of Balances with Related Parties	As at March 31, 2022	As at March 31, 2021
Trade payables		
Mahindra and Mahindra Limited	72.68	52.41
Mahindra Integrated Business Solutions Pvt Ltd.	0.27	0.28
Mahindra Agri Solutions Ltd.	17.19	—
Mahindra Summit Agriscience Limited	—	0.66
Marvel Solren Pvt Ltd.	4.53	2.07
Mahindra Farm Equipment Sector	14.06	—
Mahindra Logistics Limited	—	1.30
Trade Receivables		
Mahindra Agri Solutions Ltd.	—	16.44
Mahindra Lifespace Developers Ltd.	2.68	2.68
Mahindra World City (Jaipur) Limited	1.58	15.15
Mahindra Top Greenhouses Private Limited	49.00	54.78
Investments		
Investment in Joint Venture - Mahindra Top Greenhouses Private Limited	68.57	180.00

* Company has incurred Rs. 36 lakhs (March 31, 2021 Rs. 62.44 lakhs) for key managerial personnel services provided by Mahindra and Mahindra Limited and Mahindra Agri Solutions 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, 2022						Year ended March 31, 2021					
	Directors	Managing Director	Chief Executive Officer	Chief Financial Officer	Company Secretary	Total	Directors	Managing Director	Chief Executive Officer	Chief Financial Officer	Company Secretary	Total
Remuneration	—	36.00	82.67	70.48	36.85	226.00	—	24.00	87.13	65.87	—	177.00
Fees for attending board committee meetings	8.20	—	—	—	—	8.20	8.30	—	—	—	—	8.30
Commission to independent directors	—	—	—	—	—	—	15.00	—	—	—	—	15.00
Post-employment 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 accounted as per actuarial valuation.

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 30 - CONTINGENT LIABILITIES AND COMMITMENTS

	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Contingent liabilities (to the extent not provided for)		
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt	34.64	33.32
(b) Demands against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal / Department is in appeal	218.58	211.55
Excise Duty:		
(c) 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. 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.	166.79	166.79
(d) Determination of Turnover ignoring return filed 15-16- VAT/ CST / Entry Tax M P state Ex-party Assessment 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.	—	439.19
(e) Local Sales Tax Bihar – CST Recovery Under appeal FY 13-14	9.47	9.47
(f) Local sales Tax -CG Vat/ CST demand under appeal FY 14-15	—	12.88
(g) Local sales Tax -CG Vat/ CST demand under appeal FY 15-16	37.10	—
(h) Local Sales Tax TN- CST. FY 16-17 Demand for F form	16.07	13.62
(i) Local Sales Tax TN- CST. FY 17-18 Demand for F form	—	5.13
(j) 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.	154.10	140.50
(k) Income Tax demand for A.Y. 12-13 u/s section 143(3) r.w.s. 147 against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal.	257.79	237.08
(l) Income Tax demand for A.Y. 18-19 against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal.	54.28	48.46

Note: In respect of items mentioned above, till the matters are finally decided, the timing of outflows of economic benefits cannot be ascertained.

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 31 - COMMITMENTS

Particulars	Rs. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for in respect of Tangible assets.	0.46	—

NOTE NO. 32 - DIVIDEND

The Board has recommended a dividend of Rs. Nil per equity share (FY 20-21 Rs 1.20 Per equity share), subject to the approval of shareholders of the Company at the forthcoming Annual General Meeting.

NOTE NO. 33 - EVENT OCCURRING AFTER THE REPORTING PERIOD

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

NOTE NO. 34

DISCLOSURE OF INTEREST IN JOINT VENTURE AS PER IND AS 112.

(a) Details of the Joint Venture at the end of the reporting period are as follows:

Name of the Joint Venture	Place of incorporation & place of operation	Rs. in Lakhs	
		Proportion of Ownership	
		As at 31st March	
		2022	2021
Mahindra Top Greenhouses Private Limited (MTGPL)*	Nashik, India.	60%	60%

* MTGPL - Business of Protected Cultivation Technology products

(b) Summarised financial information in respect of the Company's joint venture is set out below:

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
1. Profit or (loss)	(68.22)	(38.84)
2. Other comprehensive income	—	—
3. Total comprehensive income	(68.22)	(38.84)

NOTE NO. 35

STATEMENT OF NET ASSETS AND PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS AND NON-CONTROLLING INTEREST

Name of the Company	Net assets, i.e., total assets minus total liabilities		Share of Profit or loss		Share of Other Comprehensive Income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
PARENT								
Mahindra EPC Irrigation Limited	99.57%	17,537.89	95.08%	(790.73)	100.00%	(6.90)	95.12%	(797.63)
Joint Ventures (Investment as per the equity method)								
Mahindra Top Greenhouses Private Limited (MTGPL) - 60%	0.43%	76.13	4.92%	(40.93)	0.00%	—	4.88%	(40.93)
TOTAL	100.00%	17,614.02	100.00%	(831.66)	100.00%	(6.90)	100.00%	(838.56)

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)
NOTE NO. 36

Notes to the consolidated financial statements for the year ended March 31, 2022

ADDITIONAL REGULATORY INFORMATION**Ratio Analysis and its elements**

Ratio	Numerator	Denominator	Consolidated			Reasons
			FY 2022	FY 2021	% Change	
Debtors Turnover (Days)	Average Debtors	Net Sales	332.04	266.59	24.55%	
Inventory Turnover (Times)	COGS	Average Inventory	3.79	3.79	0.06%	
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.09	92.78	-99.91%	F22 Short term borrowing for working capital (Last Year Nil).
Current Ratio (Times)	Total Current Assets	Total Current Liabilities	1.96	2.44	-19.43%	
Debt Equity Ratio (Times)	Debt	Shareholders Equity	0.14	—	NA	F22 Short term borrowing for working capital (Last Year Nil).
Net Profit Margin (%)	PAT	Net Sales	-3.7%	8.95%	-141.70%	Lower revenue due to overall de-growth in the industry & increase in input costs impacting the margins.
Return on Equity (%)	PAT	Net Worth	-4.7%	11.98%	-139.56%	Lower revenue due to overall de-growth in the industry & increase in input costs impacting the returns.
Trade Payable Turnover (Days)	Average Trade Payables	Net Purchases	170.70	180.14	-5.24%	
Return on Capital Employed	EBIT	Capital Employed	-4.05%	13.95%	-129.06%	Lower revenue due to overall de-growth in the industry & increase in input costs impacting the returns.
Working Capital Turnover Ratio	Net Sales	Average Working Capital	2.12	2.18	-2.73%	
Return on Investments	Income generated from invested fund	Average invested funds in treasury investment	5.53%	8.70%	-36.48%	Decrease in investment in F22 as compared to F21 due to lower funds availability.

Notes to the consolidated financial statements for the year ended March 31, 2022 (Contd.)**NOTE NO. 37 - DISCLOSURE UNDER RULE 11(E) OF THE COMPANIES RULES, 2014**

No Funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity including foreign entities (“intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE NO. 38 - CODE OF SOCIAL SECURITY

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NOTE NO. 39 - APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Company were approved by the Board of Directors and authorised for issue on May 04, 2022

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Jayesh T Thakkar
Partner
Membership no.113959

Place : Nashik
Date : May 04, 2022

For and on behalf of the Board of Directors

Ashok Sharma
Managing Director
DIN: 02766679
Place : Mumbai

Abhijit Page
Chief Executive Officer
Place : Nashik

R. V. Nawghare
Company Secretary
Place : Nashik

Date : May 04, 2022

Anand Daga
Director
DIN: 00696171
Place : Nashik

Sunetra Ganesan
Chief Financial Officer
Place : Nashik

40th Annual Report 2021-22

Form AOC-1

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

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

Part "A": Subsidiaries

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

Sl. No.	Particulars	Details
1.	Name of the subsidiary	—
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	—
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	—
4.	Share capital	—
5.	Reserves & surplus	—
6.	Total assets	—
7.	Total Liabilities	—
8.	Investments	—
9.	Turnover	—
10.	Profit before taxation	—
11.	Provision for taxation	—
12.	Profit after taxation	—
13.	Proposed Dividend	—
14.	% of shareholding	—

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

- Names of subsidiaries which are yet to commence operations - **Not Applicable**
- Names of subsidiaries which have been liquidated or sold during the year - **Not Applicable**

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Mahindra Top Greenhouses Private Limited
1. Latest audited Balance Sheet Date	31-03-2022
2. Shares of Associate/Joint Ventures held by the company on the year end - No.	18,00,000.00
Amount of Investment in Associates/Joint Venture	1,80,00,000.00
Extend of Holding %	60%
3. Description of how there is significant influence	Joint Venture
4. Reason why the associate/joint venture is not consolidated	Consolidated
5. Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. In Lakhs)	126.89
6. Profit / Loss for the year (Rs. In Lakhs)	(68.22)
i. Considered in Consolidation	(40.93)
ii. Not Considered in Consolidation	(27.29)

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

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For and on behalf of the Board of Directors

Ashok Sharma
Managing Director
DIN: 02766679
Place : Mumbai

Abhijit Page
Chief Executive Officer
Place : Nashik

R. V. Nawghare
Company Secretary
Place : Nashik

Anand Daga
Director
DIN: 00696171
Place : Nashik

Sunetra Ganesan
Chief Financial Officer
Place : Nashik

Date : May 04, 2022

SMART IRRIGATION SYSTEM

SENSOR-BASED IRRIGATION CONTROLLER

TEMPERATURE



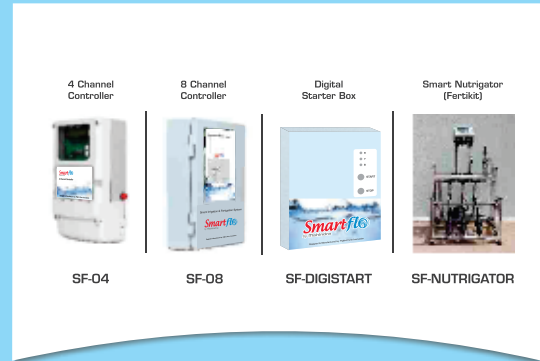
HUMIDITY

RAIN DETECTION



SOIL MOISTURE

TIMER & VOLUME BASED IRRIGATION CONTROLLER

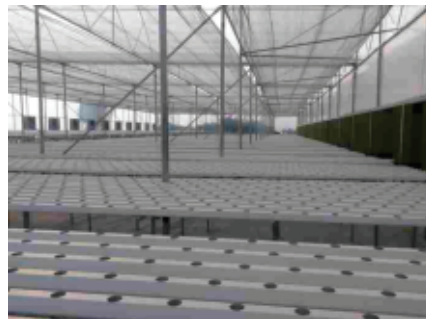


**Affordable
Automation Controllers
& Solutions**



Hi-Tech Projects

Hydroponics | Nursery Solutions | Research Greenhouses



Cluster Based Low Cost Solutions



Mahindra EPC

Mahindra EPC Irrigation Limited

Plot No. H - 109, MIDC, Ambad, Nashik 4220 10. Maharashtra, INDIA.

Tel.: No. +91 0253 238 1081/82, 6642000

Email : info@mahindrainirrigation.com Web : www.mahindrainirrigation.com

CIN NO. : L25200MH1981PLC025731