

Driving dynamic performances

Driving unparalleled performance in the most demanding applications in mobile and stationary segments. We make the most critical aspects of life work in power management technologies that are more **reliable, efficient, safe** and **sustainable**. Technologies that are designed to help customers achieve more for every buck. Technologies that are designed for unmatched success. Technologies that make '**what matters**' work.



Powering Business Worldwide

Directors

(As on July 28, 2020)

Managing Director

Shandar Alam

Directors

Sachit Nayak

Nilesh Dharwadkar

Surendra Kelkar (Independent Director)

Prajakta Kulkarni (Independent Director)

Company Secretary (KMP)

Ishan Kulkarni

Bankers

Citibank N.A.

Statutory Auditors

S R B C & CO. LLP

Chartered Accountants

Secretarial Auditors

DVD & Associates

Company Secretaries

Registrar & Transfer Agent

Link Intime India Private Limited

Block No. 202, 2nd Floor,

Akshay Complex, Near Ganesh temple,

Off. Dhole Patil Road, Pune – 411001

Tel: +91-020-26161629/0084

Fax: +91-020 26163503

Registered Office & Head Office

145, Mumbai Pune Road,

Pimpri, Pune – 411018, India

Tel: +91-020-66330066/0142

Factory

145, Off Mumbai Pune Road,

Pimpri, Pune – 411018, India

Tel: +91-020-66330066/0142

Sales Offices

A1B1, 3rd Floor, TDI, Plot No. 7,

TDI, Plot No. 7, Jasola,

New Delhi – 110025, India

Tel: +91-011-45851800/58

Matrix Tower, Office No. 203, 2nd Floor,

Block No. D.N. 24, Sector V,

Salt Lake, Kolkata – 700091, India

Tel.: +91-033-40071360/+91-033-40040554/1162

Unit 501, 4th Floor, Prestige Atrium, Central Street

Shivajinagar, Bangalore – 560001, India

Tel: +91-080-49012200/03

No. 36, Nehru Street,

Off Mahabalipuram Road, Sholinganallur

Chennai – 600119, India

Tel: +91-044-44501500

Fax: +91-044-66501573

CONTENT

Notice.....	2	Balance Sheet.....	46
Board's Report.....	10	Statement of Profit and Loss.....	47
Independent Auditor's Report.....	36	Cash Flow Statement.....	48
CARO Report.....	40	Notes to Financial Statements.....	50
Report on Internal Financial Controls.....	44		

NOTICE OF THE MEETING

To the Members of Eaton Fluid Power Limited

Notice is hereby given that the Fifty-fifth Annual General Meeting of Eaton Fluid Power Limited (CIN: U29120PN1965PLC015850) will be held on Monday, August 31, 2020 at 10.00 a.m. IST through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 together with the Auditor's Report and Board's Report thereon.
2. To appoint a Director in place of Mr. Sachit Nayak (DIN: 02317135) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Nilesh Dharwadkar (DIN: 07778007) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To enter into Related Party Transactions:

In this matter, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**;

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions, if any, read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 as amended from time to time, consent of the members of the Company be and is hereby accorded to the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Eaton Technologies Private Limited ['Related Party' within the meaning of section 2(76) of the Companies Act, 2013] for purchase of assets on such terms and conditions more particularly described in the explanatory statement annexed to this notice.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

RESOLVED FURTHER THAT any of the Directors of the Company be and is hereby authorized severally, to do all such acts, matters, deeds and things with regard to any contract, transaction or arrangement with the related party and execute such agreements, documents and writings, as may be necessary or desirable for the purpose of giving effect to this resolution."

5. To ratify the remuneration of M/s. C.S. Adawadkar & Co., Cost Accountants, Pune as Cost Auditors for the financial year ending March 31, 2021:

In this matter, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**;

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), as amended from time to time, the Company hereby ratifies the remuneration of Rs. 3,00,000/- (Rupees Three Lakhs Only) out of pocket expenses and applicable taxes payable to M/s. C.S. Adawadkar & Co., Cost Accountants, Pune who is appointed by the Board of Directors as Cost Auditors of the Company to conduct cost audit relating to cost records of the Company under the Companies (Cost Records and Audit) Rules, 2014 for the financial year ending March 31, 2021.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

RESOLVED FURTHER THAT any of the Directors of the Company or Company Secretary be and is hereby severally authorized to take all the steps to give effect to this resolution and to complete the required statutory formalities in this regard.”

6. To re-appoint Mr. Surendra Kelkar (DIN: 01163531) as an Independent Director of the Company:

In this matter, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**;

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, Mr. Surendra Kelkar (DIN: 01163531), who holds office of Independent Director up to this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, from a Member, signifying his intention to propose Mr. Surendra Kelkar’s 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, for a second term of five consecutive years commencing from March 27, 2020.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

NOTES:

1. The Explanatory Statement setting out the material facts concerning the Special Business under item no. 4, 5 and 6 of the Notice as required under Section 102 of the Companies Act, 2013 is annexed hereto.
2. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. Members can attend and participate in the AGM through VC/OACM only.
3. Members are requested to note that the Company’s equity shares are under compulsory demat trading for all investors, subject to the provisions of the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018 dated 10.09.2018. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
4. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, ECS mandates, email addresses, nominations, power of attorney, change of address/name etc. to their Depository Participant (DP) only and not to the Company or its Registrar and Transfer Agent. Any such changes effected by the DPs will automatically reflect in The Company’s subsequent records.
5. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Friday, August 21, 2020 may cast their vote by remote e-Voting. The remote e-Voting period commences on Friday, August 28, 2020 at 9.00 a.m. (IST) and ends on Sunday, August 30, 2020 at 5.00 p.m. (IST). The remote e-Voting module shall be disabled by Link Intime India Private Limited for voting thereafter. Once the vote on a resolution is cast by the Member,

the Member shall not be allowed to change it subsequently. The voting rights of the Members (for voting through remote e-Voting before/ during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of Friday, August 21, 2020.

6. CS Nital Tadphale, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the e-voting process at the AGM in a fair and transparent manner.
7. The Scrutinizer shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a Director authorized by him in writing, who shall countersign the same. The Chairman or the authorized Director shall declare the result of the voting forthwith.
8. The results declared along with the Scrutinizer's Report shall be uploaded on the Company's website www.eaton.in after the same is declared by the Chairman/authorized person.
9. In case of joint holders, the Members whose name appear first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
10. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 (hereinafter collectively referred to as "MCA Circulars") permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013, the Annual General Meeting of the Members of the Company is being held through VC/OAVM.
11. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
12. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to csnitaltadphale@gmail.com with copies marked to the Company at ishankulkarni@eaton.com and to its RTA at instameet@linkintime.co.in
13. **Registration of email ID and Bank Account details:**
In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

(i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit. **OR**

(ii) *In the case of Shares held in Demat mode:*

The shareholder may please contact the Depository Participant (“DP”) and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

14. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2019-20 will also be available on the Company’s website www.eaton.in. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
15. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
16. Instructions for e-voting and joining the Annual General Meeting are as follows:

Instructions for Shareholders/Members to Attend the Annual General Meeting through InstaMeet:

Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 15 minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 minutes after the schedule time.

Shareholders/Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and register with your following details:
 - a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
 - b. PAN: Enter your 10 digit Permanent Account Number (PAN)
 - c. Mobile No.
 - d. Email ID
2. Click “Go to Meeting”

Note:

Shareholders/Members are encouraged to join the Meeting through Tablets/Laptops connected through broadband for better experience.

Shareholders/Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel : (022-49186175)

InstaMeet Support Desk
Link Intime India Private Limited

Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:

Shareholders/Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at (ishankulkarni@eaton.com) from August 20, 2020 from 9.00 a.m. to August 22, 2020 at 5.00 p.m.

The first 5 Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.

Shareholders/Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (ishankulkarni@eaton.com). The same will be replied by the company suitably.

Note:

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting. Shareholders/Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutiniser during the meeting, shareholders/members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”.
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel : (022-49186175)

InstaMeet Support Desk
Link Intime India Private Limited

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item 4:

Eaton Technologies Private Limited is a related party of your Company. Administrative building assets are in use and in working condition and the Board of Directors of the Company has decided to purchase all the assets owned by Eaton Technologies Private Limited as part of Hydraulics global transaction.

The Company expects to have said transaction not exceeding an estimated value of Rs. 18.37 Cr. in current financial year 2020-21.

Name of the related party	Eaton Technologies Private Limited
Nature of relationship	Eaton Fluid Power Limited being associate Company to Eaton Technologies Private Limited
Nature, duration of the contract and particulars of the contract or arrangement	One-time asset purchase transaction of certain identified assets from Eaton Technologies Private Limited to Eaton Fluid Power Limited
Material terms, monetary value and particulars of the contract or arrangement	Administrative building assets are in use and in working condition being transferred to the Company by Eaton Technologies Private Limited as part of Hydraulics global transaction; Total value not exceeding Rs. 18.37 Cr. Payment as per regular pay terms
Any advance paid or received for the Contract or arrangement, if any	No
The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	Independent valuation from a valuer (Chartered Engineer)
Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;	Identification of assets; input from facilities, IT and business unit
Any other information relevant or important for the members to take a decision on the proposed resolution	Includes Building and Building improvements, IT assets, office equipment etc.
Arm's length basis	Yes
Ordinary course of business	No

The Board of Directors of the Company recommends the passing of the resolution set out at Item No.4 of the Notice by way of approval of the shareholders is being sought to comply with the provisions of Section 188(1)(b) of the Companies Act, 2013 and ruled framed thereunder, selling or otherwise disposing of, or buying, property of any kind.

None of the Directors and any Key Managerial Personnel of the Company, or their relatives is interested in this Ordinary Resolution.

Item 5:

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. C.S. Adawadkar & Co., Cost Accountants, Pune to conduct the audit of Cost Records maintained by the Company in respect of the applicable products for the financial year 2020-21.

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors needs ratification by the Members.

None of the Directors and Key Managerial Personnel of the Company, or their relatives is interested in this Ordinary Resolution.

Item 6:

Mr. Surendra Kelkar was appointed as Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the Shareholders at the 50th Annual Ordinary General Meeting held on 17th December 2015 to hold office up to the 55th Annual General Meeting ("first term" as per the explanation to Section 149(10) and 149(11) of the Act.). The Nomination & Remuneration Committee at its Meeting held on July 28, 2020 after taking into account the performance evaluation of Mr. Surendra Kelkar during his first term of five years and considering the knowledge, acumen, expertise and experience in his respective field and the substantial contribution made by him during his tenure as an Independent Director since his appointment, has recommended to the Board of Directors of the Company that continued association of Mr. Surendra Kelkar as an Independent Director would be in the interest of the Company. Based on the above, the Nomination & Remuneration Committee and the Board of Directors has recommended the re-appointment of Mr. Surendra Kelkar as Independent Directors on the Board of the Company, to hold office for the second term of five consecutive years w.e.f. March 27, 2020 and not liable to retire by rotation. The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Surendra Kelkar for his appointment to the office of Independent Director.

None of the Directors and Key Managerial Personnel of the Company, or their relatives is interested in this Ordinary Resolution.

By Order of the Board of Directors

Ishan Kulkarni

Company Secretary

Membership No. ACS 31932

Pune, July 28, 2020

BOARD'S REPORT

To the Members,

The Directors are pleased to present the 55th Annual Report of the Company along with the audited financial statements for the financial year ended March 31, 2020.

1. Financial results

Rupees in million

Particulars	2019-20	2018-2019
Revenue	3,760.27	4,552.24
Other income	14.14	37.91
Total Income	3,774.41	4,590.15
Expenses		
Operating expenditure	3,575.62	4,233.31
Depreciation and amortization expense	83.34	71.59
Total expenses	3,658.96	4,304.90
Profit before finance costs and tax	115.45	285.25
Finance costs	92.49	96.41
Profit before tax (PBT)	22.96	188.84
Tax expenses	(125.64)	(71.63)
Profit/ (Loss) for the year	(102.68)	117.21
Total comprehensive income for the year	(106.98)	102.78
Attributable to:		
Shareholders of the Company	-	-
Non-controlling interests	-	-
Opening balance of retained earnings	246.81	144.03
Closing balance of retained earnings	139.83	246.81

2. Result of Operations and the State of Company's affairs

Your Company reported revenue from operations of Rs. 3760.27 million, a decline of 17% over previous year. Decrease is primarily due to degrowth in end markets. Margins were adversely impacted due to foreign exchange fluctuation and product mix.

3. Annual General Meeting

The Annual General Meeting for the financial year ended March 31, 2019 was held on September 30, 2019.

4. Dividend

The directors do not recommend any dividend.

5. Transfer to reserves

The Company is not proposing any transfer to the General Reserve for the financial year 2019-20.

6. COVID-19

The world is facing the COVID-19 pandemic situation which has developed rapidly into a global crisis, this has necessitated the Central and State Governments in India to enforce lock-downs measures in the countries. Immediately on the start of this crises, the Management of the Company focused its efforts in ensuring that our employees and their families are safe and are following the rules and social distancing measures advised by the government. We also ensured that our employees are provided with all the means to fight this pandemic situation so that our deliveries and servicing to the customers worldwide is not adversely impacted. Most of our office employees started working from home and we started working our manufacturing plants partially as per the government directives. We strictly implemented all the lockdown and partial operations related directives of the government and ensured that all the safety measures like social distancing, use of masks, protective shields, barricading, sanitization and disinfection of plant and other areas, temperature monitoring and tracking etc. are implemented at our offices and manufacturing plants. With the strong support from the local and global Eaton management, these efforts have reinforced customer confidence in our company, and we are continuing serving our customers. Although our operations and operations of our customers and suppliers are adversely impacted due to this pandemic situation and slowdown in the economic activity, we are confident that this situation will improve soon, and various timely measures taken by the Management to deal with this difficult situation will start showing the favorable results.

7. Eaton's shareholding

52.61% of paid up equity share capital of the Company is held by ETN Holding 2 Limited, Mauritius, which is the holding Company.

45.00% of paid up equity share capital of the Company is held by Eaton Technologies Private Limited to which the Company is an Associate Company.

On January 21, 2020, Eaton Corporation Plc. (ultimate holding company) executed a Stock and Asset Purchase Agreement to sell the Hydraulic business to Danfoss A/S, a Danish industrial company. As a part of this global agreement, Eaton Fluid Power Limited (the Hydraulic business entity of Eaton Corporation in India would also be sold to Danfoss. This transaction is subject to customary closing and regulatory approvals.

8. Extract of annual return

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY 2020 is given in **Annexure A** in the prescribed Form No. MGT-9, which is a part of this report.

9. Number of meetings of the Board

Four meetings of the Board were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days:

Sr. No.	Date of the Board Meeting	Director's attendance
1.	May 9, 2019	Shandar Alam Sachit Nayak Nilesh Dharwadkar Surendra Kelkar Prajakta Kulkarni
2.	August 28, 2019	Shandar Alam Nilesh Dharwadkar Surendra Kelkar Prajakta Kulkarni

3.	December 20, 2019	Shandar Alam Sachit Nayak Nilesh Dharwadkar Surendra Kelkar
4.	March 19, 2020	Shandar Alam Sachit Nayak Nilesh Dharwadkar

10. Number of meetings of the Independent Directors

In order to support and enable companies in India to focus on taking necessary measures to address the COVID-19 threat, the Ministry of Corporate Affairs ('MCA') wide circular no. 11/2020 announced special measures under the Companies Act, 2013. As per the circular, if the Independent Directors of a company have not been able to hold even one meeting, the same shall not be viewed as a violation. Considering the lockdown imposed in India due to the current pandemic situation across the world, the Independent Directors of the Company did not have adequate time and information at hand to convene their separate meeting. Further, in the light of social distancing measures recommended by the Indian Government, the Independent Directors were not be able to hold such meetings physically before March 31, 2020.

11. Number of meetings of the Audit Committee

Sr. No.	Date of the Meeting	Member's attendance
1.	May 9, 2019	Sachit Nayak Surendra Kelkar Prajakta Kulkarni
2.	August 28, 2019	Surendra Kelkar Prajakta Kulkarni
3.	December 20, 2019	Sachit Nayak Surendra Kelkar
4.	March 19, 2020	Sachit Nayak Prajakta Kulkarni

12. Number of meetings of Stakeholders Relationship Committee

No Stakeholders Relationship Committee meeting was held by the members during the year.

13. Number of meetings of Nomination and Remuneration Committee

No Nomination and Remuneration Committee meeting was held by the members during the year.

14. Number of meetings of Corporate Social Responsibility Committee

Sr. No.	Date of the Meeting	Member's attendance
1.	December 20, 2019	Mr. Shandar Alam Mr. Sachit Nayak Mr. Surendra Kelkar

15. Composition of Audit Committee

Sr. No.	Name of the Director	Category
1.	Sachit Nayak	Chairman, Non-executive Director
2.	Surendra Kelkar	Non-executive, Independent Director
3.	Prajakta Kulkarni	Non-executive, Independent Director

16. Composition of Stakeholders Relationship Committee

Sr. No.	Name of the Director	Category
1.	Sachit Nayak	Chairman, Non-executive Director
2.	Shandar Alam	Executive, Managing Director
3.	Nilesh Dharwadkar	Non-executive Director

17. Composition of Nomination and Remuneration Committee

Sr. No.	Name of the Director	Category
1.	Sachit Nayak	Chairman, Non-executive Director
2.	Surendra Kelkar	Non-executive, Independent Director
3.	Prajakta Kulkarni	Non-executive, Independent Director

18. Directors Responsibility Statement

Your Directors state that:

- a. in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III, 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 at March 31, 2020 and of the profit of the company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors have prepared the annual accounts on a going concern basis and;
- e. 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.

19. Statement of declaration given by independent directors

The Company has received necessary declaration from each independent director under Section 149(7) of Companies Act, 2013 that the director meets the criteria of independence laid down in Section 149(6) of Companies Act, 2013.

20. Company's policy on Directors' appointment and remuneration [Sec. 178(3)]

Section 178 of the Companies Act, 2013 ('the Act') requires the Nomination and Remuneration Committee to formulate a Policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company and recommend the same for approval of the Board of Directors of the Company. Further, Section 178(4) of the Act stipulates that the policy shall be disclosed in the Board Report.

Moreover, Section 134 of the Act stipulates that the Board's Report shall include a statement on Company's Policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of director and remuneration for key managerial personnel and other employees.

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is attached as **Annexure B** to this report.

21. Statutory Auditors

The Company has appointed M/s. S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration Number 324982E / E300003) statutory auditors for a period of 5 years to hold office till the conclusion of the 59th Annual General Meeting.

22. Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the statutory auditors in their reports

No qualifications, reservations, adverse remarks or disclaimers made by the statutory auditors in their report.

23. Details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government

During the year under review, there were no frauds reported by the statutory auditors to audit committee or the Board of Directors of the Company under Section 143(12) of the Companies Act, 2013.

24. Maintenance of cost records

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained.

25. Cost Auditors

Your Company has appointed M/s. C.S. Adawadkar & Co., Cost Accountants as Cost Auditors of the Company for the financial year 2020-21 at the remuneration of Rs. 3,00,000/- (Rupees Three Lakhs only) which is subject to the approval of members in ensuing Annual General Meeting.

26. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Company has appointed M/s. DVD & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. Secretarial Audit Report for the financial year 2019-20 issued in the prescribed form MR-3 is annexed to this Report.

No qualifications, reservations, adverse remarks or a disclaimer made by the Secretarial Auditors in their report.

27. Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

The Company has not given any loans, guarantees and investments covered under Section 186 of the Companies Act, 2013.

28. Contracts and Arrangements with related parties

No contracts or arrangements or transactions were entered during the financial year ended March 31, 2020 which were not at Arm's Length Basis. During the financial year ended March 31, 2020, all the transactions entered with related parties were in ordinary course of business and at Arm's Length.

The Report of the Board of Directors of the Company contains the following information and details namely:

29. Material changes and commitments between the date of the balance sheet and the date of report: NIL

30. CONSERVATION OF ENERGY

Energy conservation measures taken

- LED conversion project Completed for all shop floor area, Office area, Ware house, Utility Rooms, Canteen hall etc. Reduce Electricity consumption by 138759 KWH units per Year. Annual cost saving of INR 16.76 Lacs. Connected Load reduced by 59%. Improved Lux Level & Uniform Lighting Distribution.
- 400 KVAR x 2Nos. RTPFC Panels are installed to achieve Unity Power Factor. This has helped to improve Power Factor incentives by INR 1 Lacs per Month. Also, this is helping in reduced energy bill with new KVAh billing methodology introduced by MSEDCL from April 2020. With new RTPFC controller excess capacitive load is reduced from system.
- Introduced World class energy efficient equipment's like conventional ultrasonic cleaning machine with 90KW connected load is replaced by CNC Cleaning machine with 36KW connected Load. Connected load reduced by 54KW and cycle time reduced by 42%
- New Endo Gas generator installed with connected load reduced from 24KW to 10KW. Annual energy saving by 43680 KWH Units per Year.
- Heat Treatment Furnace quench oil cooling system upgraded to air cooling system. Cycle time improved by 1 hour per batch, there by reduction in electricity consumption of Furnace by 5%.
- 409 kWp Solar Power plant (Roof Top and Ground Mounted) installation is completed with PPA with Cleanmax Solar. Generated 180222 KWH Units in Year 2019-20 and exported 21380 KWH Units to Grid.

Additional Investments and proposal, if any, being implemented for reduction in consumption of energy

- Energy efficient Hydraulics pumps and VFD installation on Hydraulic test stands
- Cooling tower size optimization in Heat Treatment area

TECHNOLOGY ABSORPTION

- The Company has installed ultra-high pressure jet programmable cleaning machine for cleaning fused sand from cast iron parts. These machines clean the cast iron parts at 500 bar pressure.
- The Company has developed hydraulic hoses for 4500 HP and 6000 HP Locomotive Railway Engines.
- The Company has adapted "Dmantra" Oracle based Demand Forecasting tool for Sales, Inventory and Operations Planning.
- The Company has started using "Supplier VIS" Web based portal for its suppliers. With this portal, material planning responsibility is sifted to suppliers.

31. Foreign exchange earnings and outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are as follows:

Earnings in foreign currency:	INR 667.88 Million
Expenditure in foreign currency:	INR 1,612.39 Million

32. Statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company

The Company has instituted adequate internal controls and processes to have cohesive view of risk identification, optimal risk mitigation responses and efficient management of internal control and assurance activities. In the opinion of the Board, there are no risks which may threaten the existence of the Company.

33. Corporate Social Responsibility

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

Annual Report on CSR activities to be included in the Board's Report

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

Your Company is committed to the credence that Public and Community Affairs will enhance Company's global reputation by:

- Making our communities and workplaces better places to live, work and thrive
- Delivering functional excellence by aligning with business plans and the Eaton Business System framework
- Creating powerful relationships with community leaders and organizations

In furtherance to this commitment and in compliance with the objectives and requirements set both in Section 135 of the Companies Act 2013 ('Act') and the Rules notified thereunder, the Company has developed its CSR policy. The Company has established a CSR Committee as per the provision of the Companies Act 2013. CSR Committee recommends CSR activities to be undertaken by the Company, to the Board of Directors of the Company as specified in Schedule VII to the Companies Act, 2013.

Web link to CSR policy:

<http://www.eaton.in/EatonIN/OurCompany/Sustainability/CommunityService/index.htm>

2. The Composition of the CSR Committee

Sr. No.	Name of the Members	Designation	Date of joining
1	Shandar Alam	Managing Director	September 25, 2018
2	Sachit Nayak	Director	September 25, 2018
3	Surendra Kelkar	Independent Director	September 25, 2018

3. Average net profit of the company for last three financial years: Rs. 110 Million

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): Rs. 2.2 Million

5. Details of CSR spent during the financial year:

- Total amount to be spent for the financial year: Rs. 2.2 Million
- Amount spent during the financial year: Rs.1.27 Million
- Amount unspent, if any: Rs. 0.93 Million

About Eaton India Foundation –

Eaton's vision is to improve the quality of life and the environment through the use of power management technologies and services. Globally, for over 100 years, Eaton's products and solutions have helped people work more safely, use less energy and reduce emissions. Making the communities stronger is embedded in Eaton's aspirational goals – a key to achieving its vision and staying true to its identity and existence. For more than two decades, Eaton has been leading various CSR and community initiatives in India, driving efforts around three focus areas – health, education and environment. In 2015, Eaton established the Eaton India Foundation – a public charitable trust that makes Eaton's CSR and community efforts more streamlined and strategic, while presenting its employees with opportunities to be involved in more impactful initiatives and programs.

CSR Policy and Projects:

The Committee has formulated a CSR Policy indicating the activities to be undertaken by your Company as per the Companies Act, 2013. It reviews and recommends the amount of expenditure to be incurred on the activities to be undertaken by your Company in addition to monitoring the CSR Policy of your Company from time to time.

Details of the Policy of your Company are available at

http://www.eaton.in/EatonIN/OurCompany/Sustainability/CommunityService/PCT_1229935.

CSR Spend:

Your Company manages CSR activities through the implementing agency namely, Eaton India Foundation ('the Foundation'). Incorporated in 2015, the Foundation is a Public Charitable Trust registered under the Bombay Public Trusts Act, 1950. The Foundation is dedicated towards serving the communities we live in and improving the lives of people. The Foundation does not accept donation from public at large.

Your Company has made contribution to Eaton India Foundation in 2019-20 with projects under education, environment and health. Under education, the focus has been on providing comprehensive support to 22 schools, impacting 10,000 students as part of 'Adopt a School' program. Through the scholarship program comprising of VidyaVikas, Pratibha and Udayan Shalini Fellowship; the Foundation has supported 218 meritorious and deserving students. There have been sectoral capacity building programs with the focus on Science, Technology, Engineering and Mathematics (STEM); improving quality of school teaching and soft skills training. Under health, the focus has been on improving nutrition, health and safety of children and elderly in institutional care. The Foundation works with 4 care homes extending support to 500+ beneficiaries. This year, the Foundation initiated work on inclusion of People with Disability, specifically enhancing their employability and self-reliance. The Foundation's watershed management initiative entered second year of implementation, well achieving its pilot year goals. Lastly, the Foundation supported the Maharashtra Flood relief to support families in Kolhapur and neighboring districts.

During the Financial Year 2019-20, the Foundation has spent Rs. 9.44 Crores, details of which are as follows:

Eaton India Foundation Spend Details for FY 2019-20

Sr. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs.)	Amount spent on the projects or programs		Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
					Direct expenditure on projects	Overheads		
1	Building soft skills Samvadhini - mobile library Garnishing Talent Changing Gears YRG Life skills	Education	Pune, Maharashtra; Chennai, Tamil Nadu & Pondicherry	₹ 2,915,728	₹ 2,915,728	₹ -	₹ 2,915,728	Implementing agency & direct implementation
2	Science, Technology, Engineering and Mathematics (STEM) initiatives - Science Saturday & Planetarium	Education	Pune, Maharashtra & Pondicherry	₹ 707,625	₹ 707,625	₹ -	₹ 707,625	Direct implementation
3	Adopt a school - Vigyan Ashram iTeach schools Plan India - Model School Program	Education	Pune & Ahmednagar, Maharashtra & Pondicherry	₹ 38,900,260	₹ 38,900,260	₹ -	₹ 38,900,260	Implementing agency
4	Teach For India Fellowship program	Education	Pune, Maharashtra & Chennai	₹ 13,742,013	₹ 13,742,013	₹ -	₹ 13,742,013	Implementing agency
5	I2I -science and technology education	Education	Pune, Maharashtra	₹ 1,400,000	₹ 1,400,000	₹ -	₹ 1,400,000	Implementing agency
6	Scholarships Pratibha - Excellence award to promote women in science and technology VidyaVikas - Scholarship support to the needy and meritorious students Udayan Shalini Fellowship - Udayan Care	Education	Pune, Ahmednagar, Nashik, Chennai, Tonk, Delhi & Kanpur	₹ 10,398,342	₹ 10,398,342	₹ -	₹ 10,398,342	Implementing agency & direct implementation
7	Destitute care initiative - Kinara SAMPARC BVJSS BSSK	Health	Pune, Maharashtra	₹ 9,950,504	₹ 9,950,504	₹ -	₹ 9,950,504	Implementing agency
8	Tree plantation - Tree Public Foundation Sristi Foundation	Environment	Pune, Maharashtra & Pondicherry	₹ 720,000	₹ 720,000	₹ -	₹ 720,000	Implementing agency
9	Watershed development	Environment	Ahmednagar, Maharashtra	₹ 9,049,382	₹ 9,049,382	₹ -	₹ 9,049,382	Implementing agency
10	Matching donation program - Education material donation	General donation	Maharashtra and Pondicherry	₹ 956,533	₹ 956,533	₹ -	₹ 956,533	Direct implementation
11	Matching donation program - Health and nutrition support to the child care home	General donation	Pune, Maharashtra & Pondicherry	₹ 236,292	₹ 236,292	₹ -	₹ 236,292	Implementing agency
12	Disaster Relief	General donation	Maharashtra	₹ 3,000,000	₹ 3,000,000	₹ -	₹ 3,000,000	Implementing agency
13	Disability Inclusion - CII Enable the capable campaign Deaf Enabled Foundation	Health	Pune, Maharashtra & Pondicherry	₹ 1,300,000	₹ 1,300,000		₹ 1,300,000	Implementing agency
14	School Health Initiative	Health	Pune, Maharashtra	₹ 531,000	₹ 531,000		₹ 531,000	Implementing agency
15	Water filter installation	Health	Pondicherry	₹ 632,500	₹ 632,500		₹ 632,500	Implementing agency
	Total			₹ 94,440,179	₹ 94,440,179	₹ -	₹ 94,440,179	

As we continue our involvement in these projects, we also garner active employee engagement. About 1050 employees across India, put in 7200+ hours of community work with different projects and NGOs. 30 percent of these were part of sustained volunteering, engaging long term with NGOs to find and implement solutions on the ground. The Foundation also raised Rs 8 Lakh through employee donation, supporting education and nutrition needs of the underprivileged.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report

The Company has been doing the Corporate Social Responsibility activities towards augmenting Eaton's long tradition of public service and commitment to the communities. The Company has strengthened the Corporate Social Responsibility framework within the organization for implementation of Corporate Social Responsibility activities. The Company has supported the efforts of social organizations and various government authorities to fight the current COVID 19 pandemic situation. The Company has spent Rs. 1.27 million towards the Corporate Social Responsibility activities during the FY 2019-20. The Company is in the process of identifying suitable projects for future Corporate Social Responsibility spend. The Company shall endeavor to undertake the Corporate Social Responsibility projects and activities in the forthcoming financial year.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company

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

sd/- Shandar Alam (Managing Director) (DIN: 07820751)	sd/- Sachit Nayak (Director) (DIN: 02317135)
--	---

34. Directors and Key Managerial Personnel

Mr. Surendra Kelkar (DIN: 01163531) was appointed as Independent Director of the Company at the 50th Annual General Meeting for a period of five years. Based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, his re-appointment for a second term of five consecutive years is proposed at the ensuing Annual General Meeting for approval of the Members by way of Special Resolution.

In accordance with the Companies Act, 2013 and Articles of Association of the Company, Mr. Sachit Nayak (DIN: 02317135), Director of the Company, retires by rotation and is eligible for re-appointment. The proposal seeking members approval for his re-appointment forms part of the Notice.

In accordance with the Companies Act, 2013 and Articles of Association of the Company, Mr. Nilesh Dharwadkar (DIN: 07778007), Director of the Company, retires by rotation and is eligible for re-appointment. The proposal seeking members approval for his re-appointment forms part of the Notice.

Mr. Ishan Kulkarni had resigned on May 6, 2019 and was appointed again as Company Secretary (KMP) w.e.f. August 28, 2019.

35. The names of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year: Nil

36. The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No significant or material orders were passed by the regulators or Courts or Tribunals which impacts the going concern status and Company's operations.

37. Deposits

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

38. Particulars of employees

No additional information is required to be disclosed under sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time.

39. Secretarial Standards

The Company is in compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India.

40. Status of corporate insolvency resolution process, if any, initiated under insolvency and bankruptcy code, 2016: Nil

41. Status of corporate actions during the year, if any: Nil

42. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Internal Complaints Committee(s) (ICC) has been set up across all its location in India to redress complaints received regarding sexual harassment. The cases, if any, reported to such Committee(s) are investigated by the respective Committee(s) members and the detailed report thereon is presented to the Board of Directors of the Company on a regular basis. The Board of Directors of the Company confirms that as at March 31, 2020, there were no cases of sexual harassment in the Company.

43. Acknowledgement

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

**By order of the Board
For Eaton Fluid Power Limited**

Shandar Alam
Managing Director
(DIN:07820751)

Sachit Nayak
Director
(DIN: 02317135)

Date: July 28, 2020
Place: Pune

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

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

I. REGISTRATION & OTHER DETAILS

1.	CIN	U29120PN1965PLC015850
2.	Registration Date	18-Nov-1965
3.	Name of the Company	EATON FLUID POWER LIMITED
4.	Category/Sub-category of the Company	Category – Company Limited by shares Sub-category – Indian Non-Government Company
5.	Address of the Registered office & contact details	145, Mumbai Pune Road, Pimpri, Pune – 411018 EFPLCORPSEC@eaton.com
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited Block No. 202, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune - 411001 Email: pune@linkintime.co.in Phone: +91 20 26160084 26161629 Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of fluid power equipment	28120	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

(No. of Companies for which the form is being filed)

Sr. No.	Name and address of the Company	CIN / GLN	% of shares held	Applicable Section
1	ETN Holding 2 Limited C/O, IQEQ Corporate Services (Mauritius) Limited 33, Edith Cavell Street, Port Louis, 11324, Mauritius	56626 C1/GBL	52.61	2 (87)

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year - 2019				No. of Shares held at the end of the year - 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1)	0	0	0	0	0	0	0	0	0
(2) Foreign									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	3663569	0	3663569	52.6052	3663569	0	3663569	52.6052	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	3663569	0	3663569	52.6052	3663569	0	3663569	52.6052	0
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	3663569	0	3663569	52.6052	3663569	0	3663569	52.6052	0
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	1500	1500	0.0215	0	1500	1500	0.0215	0
b) Banks / FI	0	675	675	0.0097	0	675	675	0.0097	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0

i) Others (Unit Trust of India)	0	50	50	0.0007	0	50	50	0.0007	0
Sub-total (B)(1):-	0	2225	2225	0.0319	0	2225	2225	0.0319	0
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	3138791	1799	3140590	45.0958	3136294	1799	3138093	45.0599	-0.0359
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	58521	93200	151721	2.1786	62247	92271	154518	2.2187	0.0401
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (Hindu Undivided Family)	1780	0	1780	0.0256	1780	0	1780	0.0256	0
i) Non-Resident Indians	2529	1553	4082	0.0586	2529	1553	4082	0.0586	0
ii) Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
iii) Foreign Nationals	0	0	0	0	0	0	0	0	0
iv) Clearing Members	300	0	300	0.0043	0	0	0	0	-0.0043
v) Trusts	0	0	0	0	0	0	0	0	0
vi) Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	3201921	96552	3298473	47.3628	3202850	95623	3298473	47.3628	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	3201921	98777	3300698	47.3948	3202850	97848	3300698	47.3948	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	6865490	98777	6964267	100	6866419	97848	6964267	100	0

(ii) Shareholding of Promoter:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	ETN Holding 2 Limited	3663569	52.6052	NIL	3663569	52.6052	NIL	0

(iii) Change in Promoters' Shareholding:

Sr. No.	Name	Shareholding	Date	Increase/Decrease in shareholding	Reason	Cumulative shareholding during the year
1.	ETN Holding 2 Limited	52.6052	-	-	-	52.6052

(iv) Shareholding Pattern of top ten Shareholders:**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr No.		Shareholding at the beginning of the year – 2019		Transactions during the year		Cumulative Shareholding at the end of the year – 2020	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
1	Eaton Technologies Private Limited	3133920	45.0000			3133920	45.0000
	At the end of the year					3133920	45.0000
2	Ravuri Srinivas Rao	3901	0.0560			3901	0.0560
	At the end of the year					3901	0.0560
3	Roopesh K Shah	3650	0.05241			3650	0.05241
	At the end of the year					3650	0.05241
4	Rubie Sulochana Nanda	2560	0.03675			2560	0.03675
	At the end of the year					2560	0.03675
5	Darshan Ashok Gala	150	0.0022			150	0.0022
	Transfer			2 August 2019	300	450	0.0065
	Transfer			8 November 2019	1500	1959	0.0280
	Transfer			7 February 2020	100	2050	0.0294
	At the end of the year					2050	0.0294

6	Arti Singh	1850	0.0266			1850	0.0266
	At the end of the year					1850	0.0266
7	Indra Kumar Bagri	1377	0.0198			1377	0.0198
	Transfer			16 August 2019	47	1424	0.0204
	Transfer			11 October 2019	86	1510	0.0217
	At the end of the year					1510	0.0217
8	Ranbir Singh Narang	0	0			0	0
	Transfer			26 April 2019	1500	1500	0.0215
	At the end of the year					1500	0.0215
9	Jinesh H Shah	1450	0.0208			1450	0.0208
	At the end of the year					1450	0.0208
10	Krishnanand M Amladi	1290	0.0185			1290	0.0185
	At the end of the year					1290	0.0185
11	3A Financial Services Limited	2698	0.0387			2698	0.0387
	Transfer			26 April 2019	100	2798	0.0402
	Transfer			19 July 2019	1	2799	0.0402
	Transfer			2 August 2019	(108)	2691	0.0386
	Transfer			9 August 2019	(100)	2591	0.0372
	Transfer			16 August 2019	(60)	2531	0.0363
	Transfer			13 September 2019	(5)	2526	0.0363
	Transfer			18 October 2019	(25)	2501	0.0359
	Transfer			8 November 2019	(1500)	1001	0.0144
	Transfer			20 December 2019	(500)	501	0.0072
	Transfer			7 February 2020	(100)	401	0.0058
	At the end of the year					401	0.0058
12	Narang Ranbir Singh	1500	0.0215			1500	0.0215
	Transfer			26 April 2019	(1500)	0	0
	At the end of the year					0	0

(v) Shareholding of Directors and Key Managerial Personnel:

1 Equity Share is held by Mr. Ishan Kulkarni, Company Secretary.

1 Equity Share is held by Mr. Nilesh Dharwadkar, Non- Executive Director.

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Rs. in million

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	985.00	0	985.00
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	53.85	0	53.85
Total (i+ii+iii)	0	1038.85	0	1038.85
Change in Indebtedness during the financial year				
* Addition	0	985.00	0	985.00
* Reduction	0	985.00	0	985.00
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	0	985.00	0	985.00
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	52.36	0	52.36
Total (i+ii+iii)	0	1037.36	0	1037.36

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of the Directors
		Shandar Alam
1	Gross salary per annum (Total)	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	12,074,398.08
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	56,025.00
	(c) Profits in lieu of salary u/s 17(3) of the Income- tax Act, 1961	-
2	Stock Option	15,62,444.00
3	Sweat Equity	-
4	Commission - as % of profit - others, specify	-
5	Others, please specify (Other taxable earning)	-
	Total (A)	13,692,867.08
	Ceiling as per the Act	-

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration		
1	Independent Directors	Prajakta Kulkarni	Surendra Kelkar
	Fee for attending Board / Committee meetings	Rs. 50,000	Rs. 75,000
	Commission	-	-
	Others, please specify	-	-
	Total (1)	Rs. 50,000	Rs. 75,000
2	Other Non-Executive Directors	-	-
	Fee for attending Board / Committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Total (2)	-	-
	Total (B)=(1+2)	Rs. 50,000 (Per Board Meeting)	Rs. 75,000 (Per Board Meeting)
	Total Managerial Remuneration	0	0
	Overall Ceiling as per the Act	Rs. 100,000 (Per Board Meeting)	Rs. 100,000 (Per Board Meeting)

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTd:

Sr. No.	Particulars of Remuneration	Name of the Company Secretary
		Ishan Kulkarni
1	Gross salary per annum (Total)	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,277,844
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	3,384
	(c) Profits in lieu of salary u/s 17(3) of the Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify	-
5	Others, please specify	-
	Total (A)	1,281,228
	Ceiling as per the Act	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

By order of the Board
For Eaton Fluid Power Limited

Shandar Alam
Managing Director
(DIN:07820751)

Sachit Nayak
Director
(DIN: 02317135)

Date: July 28, 2020
Place: Pune

Nomination & Remuneration Policy

The Board of Directors of Eaton Fluid Power Limited (the Company), in view of enforcement of Companies Act, 2013 read with rules framed thereunder designated the Remuneration Committee as “Nomination and Remuneration Committee” at the Meeting held on August 24, 2018 with immediate effect.

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

1. DEFINITIONS

Board means Board of Directors of the Company.

Key Managerial Personnel shall have the same meaning as given in Section 203 of the Companies Act, 2013 read with rules framed thereunder.

Senior Management shall mean personnel of the company (which include persons engaged as retainer or on contractual basis) and who are members of its core management team excluding Board of Directors, comprising all members of management one level below the executive directors, including the functional heads.

The words and definitions not described herein above shall have the respective meanings under the Acts and legislations governing the same.

2. TERMS OF REFERENCE/ROLE OF COMMITTEE

The Terms of Reference of the Committee shall be:

- a) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- b) To carry out evaluation of every director's performance;
- c) To formulate the criteria for determining qualifications, positive attributes and independence of a director;
- d) To recommend to the Board a policy relating to the remuneration of directors, key managerial personnel and other employees;
- e) To ensure that relationship of remuneration to performance in respect of Directors, Key Managerial Personnel and employees of Senior Management is clear and meets appropriate performance benchmarks.

3. RETIREMENT AGE OF DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL

The KMP and Senior Management Personnel shall retire as per the prevailing HR policy of the Company.

4. DECISION AND VOTING POWERS

All the decisions of the Committee shall be taken by a vote of majority. The Members of the Committee shall be entitled to vote and in case of equality, the Chairman of the Committee shall have a casting vote.

5. COMPOSITION OF COMMITTEE

The Committee shall comprise of at least three Non-Executive Directors, at least half of whom shall be Independent Directors. The Board may appoint the Chairperson of the Company whether executive or non-executive as member of this committee.

6. CHAIRPERSON

The Chairperson of the Committee shall be Non-Executive Director.

In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one of the Non-Executive Directors amongst them to act as Chairperson.

The Chairperson of the Nomination and Remuneration Committee shall endeavor to be present at the Annual General Meeting.

7. MISCELLANEOUS

A member of the Committee is not entitled to be present when his or her own or his or her relative(s) remuneration is discussed at a meeting or when his or her or his or her relative(s) performance is being evaluated.

The Committee may invite Executive Directors, functional heads and outside experts, as it considers appropriate, to be present at the meetings of the Committee.

The Company Secretary of the Company shall act as Secretary of the Committee.

**By order of the Board
For Eaton Fluid Power Limited**

Shandar Alam
Managing Director
(DIN:07820751)

Sachit Nayak
Director
(DIN: 02317135)

Date: July 28, 2020
Place: Pune

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the
Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
Eaton Fluid Power Limited
145, Mumbai Pune Road,
Pimpri, Pune - 411 018

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Eaton Fluid Power Limited (Hereinafter called “the Company”).

Secretarial Audit was conducted for the period from April 1, 2019 to March 31, 2020, in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances of the Company and expressing our opinion thereon. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act and the laws specifically listed below.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2020, 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:

We 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 2020 according to the provisions of the following list of laws and regulations. These documents were examined virtually using audio visual means because of the lockdown imposed in the wake of COVID 19 pandemic. The documents provided to us were treated as final for verification purposes as per the declaration given by the Management of the Company. The following are our observations on the same:

(i) The Companies Act, 2013 (the Act) and the Rules made there under: The Company has satisfactorily complied with the provisions of the Companies Act, 2013 and the Rules made there under and there are no discrepancies observed by us during the period under review. The Company is in process of applying for Condonation of delay in filing MGT 14.

(ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under: The Company is an unlisted Company and therefore provisions of The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) are not applicable.

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under:

The company is a unlisted public company and around 68,66,419 of the shares are in dematerialised form and the Company has complied with the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

(iv) The Company has satisfactorily complied with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings and there are no discrepancies observed by us during the period under review.

(v) The following Regulations and Guidelines (as amended from time to time) prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - Not Applicable

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; - Not Applicable;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not Applicable;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not Applicable;

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable; and

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable;

(g) 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 - Not Applicable;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - Not Applicable;

The Company is an unlisted Company and therefore provisions of Regulations and Guidelines mentioned above and prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable.

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

- a. Bureau of Indian Standards Act, 1986 read with the Bureau of Indian Standards rules, 1987
- b. Batteries (Management & Handling) Rule, 2001, Batteries (Management and Handling), Amendments Rules, 2010
- c. Environment (Protection) Act, 1986 and The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
- d. Indian Wireless Telegraphy Act, 1933 & The Indian Wireless Telegraph Rules, 1973
- e. The Motor Vehicle Act, 1988 read with Central Motor Vehicle Rules, 1989
- f. Explosive Act, 1884 and Gas Cylinders Rules, 2004
- g. Petroleum Act, 1934 read with Petroleum Rules, 2002
- h. Legal Metrology Act, 2009 read with Maharashtra Legal Metrology (Enforcement) Rules, 2011

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. The Company has duly complied with the Secretarial Standards as amended for the period under review.
- (ii) The Company being an unlisted Company the clauses of Listing agreement / SEBI (Listing Obligations and Disclosure Requirements), 2015 are not applicable.

We further report that:-

There are adequate systems and processes in the company commensurate with its size & operation to monitor and ensure compliance with applicable laws including general laws, labour laws, competition law and environmental laws.

The Board of Directors of the Company is duly constituted as required by Section 149 of the Companies Act, 2013. Audit Committee and Nomination and Remuneration Committee was properly constituted during the year under review.

Adequate notice is given to all directors about 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 for meaningful participation at the meeting. All decisions at Board Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We further report that during the audit period no major decisions, specific events/ actions have occurred which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**FOR DVD & ASSOCIATES
COMPANY SECRETARIES**

DEVENDRA V. DESHPANDE
FCS No. 6099
CP No. 6515

PLACE: PUNE
DATE: 28/07/2020
UDIN: F006099B000515685

ANNEXURE A

To,
The Members
Eaton Fluid Power Limited
145, Mumbai Pune Road,
Pimpri, Pune - 411 018

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we 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. Our 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.

**FOR DVD & ASSOCIATES
COMPANY SECRETARIES**

DEVENDRA V. DESHPANDE

**FCS No. 6099
CP No. 6515**

**PLACE: PUNE
DATE: 28/07/2020**

INDEPENDENT AUDITOR'S REPORT

To the Members of Eaton Fluid Power Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Eaton Fluid Power Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the 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 March 31, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 44 of the Ind AS financial statements which describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the carrying value of its assets as at March 31, 2020 and the operations of the Company.

Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, which includes Board's report of the Company but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS 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.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) The matter described in the Emphasis of Matter paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company;
 - (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (h) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 17 and Note 31 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Tridevlal Khandelwal

Partner

Membership Number: 501160

UDIN: 20501160AAAACC8111

Place of Signature: Pune

Date: July 28, 2020

Annexure 1 referred to in paragraph 1 under the head “Report on other Legal and Regulatory Requirements” of our report on even date

Re: Eaton Fluid Power Limited

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Material discrepancies were noticed on such verification and were properly dealt with in the books of accounts during previous year.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- v. The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of machinery and other components, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. (a) Undisputed statutory dues including provident fund, employees’ state insurance, income-tax, duty of customs, goods and service tax, cess and other statutory dues have generally been regularly deposited with appropriate authorities.

(b) According to the information and explanations given to us, there is no undisputed dues in respect of employees’ state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues which were outstanding, at the year-end for a period of more than six months from the date they became payable. The undisputed dues of provident fund which were outstanding, at the year-end for a period of more than six months from the date they became payable are as follows:

Name of the Statute	Nature of the Dues	Amount (INR in millions)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Employer contribution on Indian Component on salary of expatriates	0.31	April till June 2019	Monthly deduction beginning FY 2019	July 22, 2020	Total liability does not include interest and penalty on the amounts due

(c) According to the information and explanations given to us, there are no dues with respect to Goods and Service tax, duty of customs and cess which have not been deposited on account of any dispute. The dues outstanding of income-tax, sales-tax, value added tax, excise duty, service tax and property tax on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount in (INR millions)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Cenvat credit not reversed on various items, including interest and penalty.	4.50	FY 1997- 98, FY 2002-03 and 2003-04.	Appellate Tribunal
	Disallowance of Cenvat credit on Job work, canteen recovery etc., excluding interest and penalty, if any.	53.34	FY 2008-09 to 2012-13	Appellate Tribunal
Central Sales Tax Act, 1956/Bombay Sales Tax Act, 1959	Liability for non-submission of various forms and various other matters, including interest and penalty. (Net of amount paid under protest 1.93)	42.25	FY 2008 -09 to 2011-12 and FY 13-14 to 2015-16	Joint Commissioner of Sales Tax
	Liability for non-submission of various forms and various other matters, including interest and penalty. (Net of amount paid under protest 10.58)	30.89	FY 2000-01, 2003-04, 2006-07 and 2007-08	The Maharashtra Sales Tax Tribunal
Maharashtra Value Added Tax Act, 2002	Liability for value added tax payable being set off under rule 52 of MVAT rules and other disallowances including, interest and penalty. (Net of amount paid under protest 0.60)	26.37	FY 2007-08, 2008-09 and 2011-12 and 2013-14 to 2015-16	Joint Commissioner of Sales Tax
	Liability for disallowance of set off and other disallowances including, interest and penalty. (Net of amount paid under protest 1.80)	24.53	FY 2006-07	The Maharashtra Sales Tax Tribunal
Finance Act, 1994	Service tax credit not reversed in proportion to trading turnover under Rule 6 (3A) excluding, interest and penalty if any.	15.66	FY 2010-11 to 2012-13	Appellate Tribunal

Income tax Act, 1961	Disallowance of Bonus / Ex-gratia and contribution to Superannuation Fund excluding, interest and penalty if any.	0.39	AY 1979-80, 1983-84 and 1984-85	Bombay High Court
	Disallowance due to various transfer pricing adjustments excluding, interest & penalty, if any. (Net of amount paid under protest 6.25)	105.17	AY 2004-05, 2013-14 & 2014-15	Income tax Appellate Tribunal
Pimpri Chinchwad Municipal Corporation	Dues of property tax in dispute, excluding interest and penalty, if any. (Net of amount paid under protest 2.64)	Nil	Various years	Bombay High Court

- viii. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year. Accordingly, reporting under clause (viii) is not applicable to the Company and hence not commented upon.
- ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of promissory notes from related party for the purposes for which they were raised. The Company has not raised any other money by way of initial public offer / further public offer / debt instruments or term loans.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable Accounting Standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Tridevlal Khandelwal

Partner

Membership Number: 501160

UDIN: 20501160AAAACC8111

Place: Pune

Date: July 28, 2020

Annexure 2 referred to in paragraph 2 (g) under the heading “Report on other legal and regulatory requirements” of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Eaton Fluid Power Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 (“the Act”).

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind AS 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 Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Tridevlal Khandelwal

Partner

Membership Number: 501160

UDIN: 20501160AAAACC8111

Place: Pune

Date: July 28, 2020

Eaton Fluid Power Limited
Balance sheet as at March 31, 2020
(All amounts in INR million unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	3A	457.71	338.85
Capital work in progress	3B	22.12	93.01
Intangible assets	3C	-	-
Investment property	4	0.03	0.03
Financial assets			
Loans	5	0.87	0.96
Trade receivables	7	2.04	13.34
Other financial assets	6	5.29	4.70
Other non-current assets	10	62.13	74.08
Deferred tax asset (net)	33	-	119.61
Income tax assets (net)		204.47	190.57
		754.66	835.15
Current assets			
Inventories	8	654.62	759.63
Financial assets			
Trade receivables	7	758.32	1,051.24
Cash and cash equivalents	9	122.02	135.64
Loans	5	1.95	2.10
Other financial assets	6	1.44	34.96
Other current assets	10	286.61	286.04
		1,824.96	2,269.61
Total assets		2,579.62	3,104.77
Equity and liabilities			
Equity			
Share capital	11	69.64	69.64
Other equity	12	271.53	378.51
Total equity		341.17	448.15
Liabilities			
Non-current liabilities			
Financial Liabilities			
Lease liabilities	42	3.46	-
Long term provisions	17	-	31.09
		3.46	31.09
Current liabilities			
Financial Liabilities			
Borrowings	13	985.00	985.00
Lease liabilities	42	2.60	-
Trade payable: total outstanding dues to:			
- micro, small and medium enterprises	15	119.03	179.09
- others	15	861.15	1,174.05
Other financial liabilities	14	75.24	74.73
Short term provisions	17	132.62	146.29
Other current liabilities	16	52.53	50.38
Current tax liabilities (net)		6.82	15.99
		2,234.99	2,625.53
Total liabilities		2,238.45	2,656.62
Total equity and liabilities		2,579.62	3,104.77

The accompanying notes are an integral part of the IND-AS financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors of
Eaton Fluid Power Limited

per Tridevlal Khandelwal
Partner
Membership No: 501160

Shandar Alam
Managing Director
DIN: 07820751

Sachit Nayak
Director
DIN: 02317135

Ishan Kulkarni
Company Secretary
ACS: 31932

Place: Pune
Date: July 28, 2020

Place: Pune
Date: July 28, 2020

Place: Pune
Date: July 28, 2020

Place: Pune
Date: July 28, 2020

Eaton Fluid Power Limited
Statement of Profit and Loss for the year ended March 31, 2020
(All amounts in INR million unless otherwise stated)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	18	3,760.27	4,552.24
Other income	19	14.14	37.91
Total income		3,774.41	4,590.15
Expenses			
Cost of raw material and components consumed	20	1,583.22	1,898.60
Purchase of traded goods		948.49	1,428.26
Decrease/(increase) in inventories of finished goods, work-in-progress and traded goods	21	45.05	(118.00)
Employee benefits expense	22	333.12	315.29
Depreciation and amortisation expense	23	83.34	71.59
Finance costs	24	92.49	96.41
Other expenses	25	665.74	709.16
Total expenses		3,751.45	4,401.31
Profit before tax		22.96	188.84
Tax expense	33		
Minimum alternate tax (MAT)		(3.72)	(44.25)
MAT credit entitlement		-	0.18
Deferred tax (charge)		(121.92)	(27.56)
Total tax expense		(125.64)	(71.63)
(Loss)/ profit for the year		(102.68)	117.21
Other Comprehensive Income (OCI)			
Items that will not to be reclassified subsequently to profit or loss:			
Re-measurement (loss) on defined benefit plans	29	(6.61)	(22.18)
Income tax effect	33	2.31	7.75
Other comprehensive expense for the year, net of tax		(4.30)	(14.43)
Total comprehensive income for the year, net of tax		(106.98)	102.78
Earnings per equity share	27		
Nominal value per share INR 10 (March 31, 2019: INR 10)			
Basic and diluted		(14.74)	16.83

The accompanying notes are an integral part of the IND-AS financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors of

Eaton Fluid Power Limited

per Tridevlal Khandelwal

Partner

Membership No: 501160

Shandar Alam

Managing Director

DIN: 07820751

Sachit Nayak

Director

DIN: 02317135

Ishan Kulkarni

Company Secretary

ACS: 31932

Place: Pune

Date: July 28, 2020

Place: Pune

Date: July 28, 2020

Place: Pune

Date: July 28, 2020

Place: Pune

Date: July 28, 2020

Eaton Fluid Power Limited
Statement of Cash Flows for the year ended March 31, 2020
(All amounts in INR million unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
Cash generated from operations		
Profit before tax	22.96	188.84
Adjustment to reconcile Profit before tax to net cash flow		
Depreciation and amortization	83.34	71.59
Provision for doubtful debts written back	(5.82)	15.88
Unrealised foreign exchange loss/(gain) (net)	6.68	(5.02)
(Gain)/loss on sale/discard of property, plant and equipment (net)	(0.19)	4.85
Finance cost	92.11	86.43
Interest on refund received from Income tax department	-	(27.84)
Interest income	(4.13)	(3.79)
Operating profit before working capital changes	194.95	330.94
Changes in working capital and other provisions		
Trade receivables	318.38	(148.71)
Inventories	105.01	(158.47)
Financial assets	33.17	(32.48)
Other assets	12.14	(88.09)
Trade payable	(396.47)	284.09
Provisions	(49.08)	38.54
Financial liabilities	9.47	-
Other liabilities	2.15	(0.33)
Cash generated from operations	229.72	225.49
Direct taxes paid (net of refunds)	(29.10)	(54.17)
Net cash flow from operating activities (A)	200.62	171.31
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances)	(128.84)	(100.30)
Proceeds from sale of property, plant and equipment and intangible assets	0.25	0.88
Interest received	4.13	3.79
Net cash flow (used in) investing activities (B)	(124.46)	(95.63)
Cash flow from financing activities		
Payment of principal portion of lease liabilities	(1.41)	-
Interest paid	(88.37)	(85.43)
Net cash flow (used in) financing activities (C)	(89.78)	(85.43)
Net decrease in cash and cash equivalents (A + B + C)	(13.62)	(9.75)
Cash and cash equivalents at the beginning of the year	135.64	145.39
Cash and cash equivalents at the end of the year	122.02	135.64
Components of cash and cash equivalents (refer note 9)		
Balances with banks		
- On current accounts	82.02	36.14
- On deposit accounts	40.00	99.50
Total cash and cash equivalents	122.02	135.64

The accompanying notes are an integral part of the IND-AS financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

For and on behalf of the Board of Directors of

Eaton Fluid Power Limited

per Tridevlal Khandelwal

Partner

Membership No: 501160

Shandar Alam

Managing Director

DIN: 07820751

Sachit Nayak

Director

DIN: 02317135

Ishan Kulkarni

Company Secretary

ACS: 31932

Place: Pune

Date: July 28,2020

Place: Pune

Date: July 28,2020

Place: Pune

Date: July 28,2020

Place: Pune

Date: July 28,2020

Eaton Fluid Power Limited
Statement of Changes in Equity for the year ended March 31, 2020
(All amounts in INR million unless otherwise stated)

a. Equity share capital

	No.	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
As at March 31, 2019	6.96	69.64
As at March 31, 2020	6.96	69.64

b. Other equity

For the year ended March 31, 2019

Particulars	Securities premium	Retained earnings	Total
Balance as at April 01, 2018	131.70	144.03	275.73
Profit for the year	-	117.21	117.21
Other Comprehensive income	-	(14.43)	(14.43)
Total Comprehensive Income	-	102.78	102.78
Balance as at March 31, 2019	131.70	246.81	378.51

For the year ended March 31, 2020

Particulars	Securities premium	Retained earnings	Total
Balance as at April 01, 2019	131.70	246.81	378.51
Loss for the year	-	(102.68)	(102.68)
Other Comprehensive income	-	(4.30)	(4.30)
Total Comprehensive Income	-	(106.98)	(106.98)
Balance as at March 31, 2020	131.70	139.83	271.53

The accompanying notes are an integral part of the IND-AS financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

For and on behalf of the Board of Directors of

Eaton Fluid Power Limited

per Tridevial Khandelwal

Partner

Membership No: 501160

Shandar Alam

Managing Director

DIN: 07820751

Sachit Nayak

Director

DIN: 02317135

Ishan Kulkarni

Company Secretary

ACS: 31932

Place: Pune

Date: July 28, 2020

Place: Pune

Date: July 28, 2020

Place: Pune

Date: July 28, 2020

Place: Pune

Date: July 28, 2020

1. Corporate information

Eaton Fluid Power Limited, (“the Company”) is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The Company is engaged in manufacturing and trading of Fluid Power Hydraulic Equipment such as Pumps, Gear Pumps, Valves, Cylinders, Packaged systems and related components. Presently ETN Holding 2 Limited, Mauritius and Eaton Technologies Private Limited, India holds 52.61 percent and 45.00 percent of share capital respectively with the remaining shares held by the public. The registered office of the Company is located at 145, Mumbai Pune road, Pimpri, Pune - 411018. The CIN of the Company is U29120PN1965PLC015850.

The IND-AS financial statements were authorised for issue in accordance with a resolution of the directors on July 28, 2020.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (“IND AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The IND-AS financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities which have been measured at fair value. The IND-AS financial statements are presented in INR million which is also the functional currency of the Company.

2.2 Summary of significant accounting policies

The following are the significant accounting policies applied by the Company in preparing its IND-AS financial statements:

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign currencies

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date the transaction first qualifies for recognition. The Company uses a monthly average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

c. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the IND-AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the IND-AS financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of freehold land/investment property. Involvement of external valuers is decided upon annually by the Company. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes:

Disclosure for valuation methods, significant estimates and assumptions (refer note 28)

Financial instruments (including those carried at amortised cost) (refer note 36)

Investment property (refer note 4)

For assets and liabilities that are recognised in the IND-AS financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

d. Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, excluding taxes or duties collected on behalf of the government e.g. goods and service tax (GST). The Company has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in note 28.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer if any.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, on the basis of terms of contract with the customer. The normal credit term is 30 to 90 days upon delivery. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due when billing has been done) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Sale of services

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period. The Company collects GST on behalf of the government and, therefore, it is not an economic benefit flowing to the Company.

Revenue from management consultancy services are recognised on cost plus basis in accordance with the terms of contract.

Interest income

For all debt instruments measured at amortised cost interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

Rental income

Rental income is recognised on a straight-line basis over the lease terms.

Export incentive

Export incentive are recognised at the time of exports and when it is reasonably certain that the amounts would be recovered.

e. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

f. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date.

Current income tax relating to items recognised outside Statement of profit or loss is recognised outside Statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date 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 deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside Statement of profit or loss is recognised outside Statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Goods and Services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of Goods and Services tax paid, except:

- (i) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- (ii) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

g. Property, plant and equipment

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in Statement of profit or loss as incurred.

Depreciation is computed on a straight-line method based on estimated useful lives as follows:

Asset Block	Useful Life prescribed in Schedule II of the Act (Years)	Useful life estimated by the management (Years)
Buildings	3 to 60	9 to 40
Roads	3 to 10	10
Plant and equipment	8 to 15	4 to 10
Furniture and fixtures	10	10
Office equipment	5	10
Electrical installations and equipment	10	10
Computer hardware	3 to 6	3
Motor vehicles	8	4

Leasehold improvements are amortized over the period of the lease.

Low value assets individually costing less than INR 5,000 are fully depreciated in the year of purchase, as the management is of the view that the technical assessment of useful life of such assets do not generally exceed one year.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of profit and loss unless such expenditure forms part of carrying value of another asset

Computer Software

Software licenses without useful economic life are charged off to the Statement of Profit and Loss account in the year of purchase. Software's with perpetual licenses are capitalized and the costs are amortized on a straight line method over a period of five years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of profit or loss when the asset is derecognised.

i. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Company measures investment property using cost based measurements, the fair value measurement of investment property is disclosed in note 4. Fair values are determined based on a periodic evaluation performed by an accredited external independent valuer applying valuation model recommended by recognised valuation standards.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of profit and loss in the period of derecognition.

j. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date with no option for extension and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

l. Inventories

Raw materials, components and traded goods are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and traded goods is determined on a yearly weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a yearly weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Provision for obsolescence is determined based on management assessment and is charged to the Statement of profit and loss.

m. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

Impairment losses, including impairment on inventories, are recognised in the Statement of profit and loss.

n. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

Provisions for warranty related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty related costs is revised annually.

o. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the IND-AS financial statements.

p. Retirement and other employee benefits

Retirement benefit in the form of provident fund and superannuation are defined contribution scheme. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognizes contribution payable to these funds as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the funds are recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to Statement of profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the Balance Sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

q. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through Statement of profit or loss (FVTPL)
- Equity instruments measures at fair value through other comprehensive income

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of profit or loss. The losses arising from impairment are recognised in the Statement of profit or loss. This category generally applies to trade and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IND AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of profit and loss (P&L). The balance sheet presentation of financial assets measured as at amortised cost and contractual revenue receivables is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of profit and loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through Statement of profit or loss

Financial liabilities at fair value through Statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IND AS 109.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

r. Operating Segment

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

s. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above.

t. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.3 Changes in accounting policies and disclosures

Ind AS 116

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Ind AS 116 supersedes Ind AS 17 Leases including its appendices and sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

There is no impact on retained earning as no lease arrangements were there on opening date covered under Ind AS 116. The Company has entered into an arrangement to obtain a warehouse on lease. The lease arrangement is for 3 years and includes escalation clause. The Company also has leases for office premises with lease terms of 12 months or less and other low value asset leases. The Company has applied the 'short term lease' and 'lease of low-value-assets' recognition exemption for these leases.

The implementation of Ind AS 116 resulted in a recognition of right-of-use asset and a lease liability aggregating to INR 7.48 and INR 7.48 respectively (refer note 42).

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Company applies significant judgement in identifying uncertainties over income tax treatments, and determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the financial statements of the Company.

(This space has been left blank intentionally)

Eaton Fluid Power Limited
Notes to the IND-AS financial statements for the year ended March 31, 2020
(All amounts in INR million unless otherwise stated)

3C. Intangible assets

Particulars	Computer software
Cost (Gross) (refer note below)	
As at April 01, 2018	8.17
Purchases	-
Deletions/write offs	8.11
As at March 31, 2019	0.06
Purchases	-
Deletions/write offs	-
As at March 31, 2020	0.06
Depreciation (Gross) (refer note below)	
As at April 01, 2018	3.51
Charge for the year	0.74
Deletions/write offs	4.19
As at March 31, 2019	0.06
Charge for the year	-
Deletions/write offs	-
As at March 31, 2020	0.06
Net Book value	
As at March 31, 2019	-
As at March 31, 2020	-

Note:

The Company had elected to continue with the carrying value of property, plant and equipment and intangible assets as recognised in the financial statements as per previous GAAP and had regarded those values as the deemed costs on the date of transition (i.e. April 1, 2015). The Company has disclosed the gross block and accumulated depreciation / amortisation above, for information purpose only. The total accumulated depreciation / amortisation as at April 1, 2015 was INR 3.19 million.

4. Investment property

	Total
Gross block	
Opening balance as at April 01, 2018	0.03
Additions	-
Disposals	-
Closing balance as at March 31, 2019	0.03
Additions	-
Disposals	-
Closing balance as at March 31, 2020	0.03
Depreciation and impairment	
Opening balance as at April 01, 2018	-
Depreciation for the year	-
Closing balance as at March 31, 2019	-
Depreciation for the year	-
Closing balance as at March 31, 2020	-
Net block	
At March 31, 2019	0.03
At March 31, 2020	0.03

Information regarding income and expenditure of investment property

	March 31, 2020	March 31, 2019
Rental income derived from investment property	3.18	3.18
Direct operating expenses (including repairs and maintenance) generating rental income	0.14	0.25
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	3.04	2.93
Less : Depreciation	-	-
Profit arising from investment properties before indirect expenses	3.04	2.93

The Company's investment property consist of land situated at Pimpri, Pune.

As at March 31, 2020, the fair value of the property is INR 47.69 (March 31, 2019 INR 47.69). The Company obtains independent valuation for its investment property at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company considers reckoner rates. The fair value of investment property has been determined by an independent valuer. The main input used is the reckoner rate. All resulting fair value estimates for investment property are included in Level 2.

The Company has no restrictions on the realisability of its investment property and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties have been provided in Note 43.

5 Loans (carried at amortised cost)

	March 31, 2020	March 31, 2019
Non current		
(unsecured, considered good) (at amortised cost)		
Loans to employees	0.87	0.96
	0.87	0.96
Current		
(unsecured, considered good) (at amortised cost)		
Loans to employees	1.95	2.10
	1.95	2.10

No loans are due from other officers of the Company either severally or jointly with any other person. Loan due from director of the Company are as follow:

	March 31, 2020	March 31, 2019
Loan to director	0.45	-

These loans are given in normal course of employment to the Director in the capacity of employee as per terms of employment of the Company.

6 Other financial assets (carried at amortised cost)

	March 31, 2020	March 31, 2019
Non current		
Security deposits	5.29	4.70
	5.29	4.70
Current		
Unbilled revenue	-	3.58
Security deposits	0.21	0.45
Government grants*/ export incentive receivable	1.23	30.93
	1.44	34.96

No advances recoverable in cash or in kind are due from directors or other officers of the Company either severally or jointly with any other person.

* Includes receivable against duty drawback eligible on exports sales. There are no unfulfilled conditions or other contingencies attached to the said government grants.

7 Trade receivables (carried at amortised cost)

	Non-Current	
	March 31, 2020	March 31, 2019
Non-Current		
Unsecured, considered good		
Receivables from others	2.04	13.34
	2.04	13.34
Current		
Trade receivables	644.61	819.61
Receivable from related parties (refer note 35)	113.71	231.63
	758.32	1,051.24
Break-up for security details:		
Secured, considered good	-	-
Unsecured, considered good	731.73	1,042.38
Trade receivables which have significant increase in credit risk	26.59	8.86
Trade receivables - credit impaired	15.34	27.56
	773.66	1,078.80
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Provision for impairment	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	(15.34)	(27.56)
	758.32	1,051.24

Notes:

Trade receivables include:

No trade receivables or advances are due from directors or other officers of the Company either severally or jointly with any other person. Trade receivables or other receivables are due from firms or private companies in which any director is a partner, a director or a member are as follows:

	March 31, 2020	March 31, 2019
Eaton Technologies Private Limited, India	2.17	3.05
Eaton Industrial Systems Private Limited, India	-	2.23
Eaton Power Quality Private Limited	0.17	-
Eaton Industrial Products Private Limited, India	0.08	0.15

Trade receivables are non-interest bearing and are generally on credit terms of 30 to 120 days. For terms related to related parties refer note 35.

(This space is left blank intentionally)

Eaton Fluid Power Limited
Notes to the IND-AS financial statements for the year ended March 31, 2020
(All amounts in INR million unless otherwise stated)

8 Inventories

	March 31, 2020	March 31, 2019
Raw materials and components [includes goods in transit INR 67.64 (March 31, 2019: INR 84.83)]	259.90	319.86
Work-in-progress [includes material lying with subcontractors INR 11.7 (March 31, 2019: INR 13.16)]	78.19	81.36
Finished goods [includes sales in transit INR 4.80 (March 31, 2019: INR 6.13)]	86.89	75.73
Traded goods [includes goods in transit INR 89.14 (March 31, 2019: INR 154.16) and sales in transit INR 2.30 (March 31, 2019: INR 0.07)]	229.64	282.68
	654.62	759.63

During the year ended March 31, 2020: INR (5.81) (March 31, 2019: INR (4.31)) was recognised as an (reversal) for inventories carried at net realisable value.

9 Cash and cash equivalents (carried at amortised cost)

	March 31, 2020	March 31, 2019
Balance with Banks		
in current accounts	82.02	36.14
in deposits with original maturity of less than 3 months	40.00	99.50
	122.02	135.64

Bank deposits earns interest at fixed rates. Short-term deposits are generally made for varying periods from seven to fifteen days, depending on the cash requirements of the Company, and earns interest at the prevailing deposit rates for the tenor of the deposit.

Changes in liabilities arising from financing activities:

The changes in liabilities arising from financing activities is on account of cash flow changes only and there are no non-cash changes.

10 Other assets

	March 31, 2020	March 31, 2019
Non Current		
Unsecured, considered good		
Capital advances	14.17	13.41
Balances with government authorities - VAT receivable and SVB deposit (including paid under protest)	47.96	60.67
	62.13	74.08
Current		
Unsecured, considered good		
Advance recoverable in cash or kind	14.91	23.78
Government grants/ Export incentive receivable**	58.40	0.73
Balances with government authorities	213.30	256.69
Other receivable***	-	4.84
Unsecured, considered doubtful		
Advance recoverable in cash or kind	1.60	1.60
	288.21	287.64
Provision for bad and doubtful advances	(1.60)	(1.60)
	286.61	286.04

** Export incentive/ Government Grants receivable pertains to amount receivable as Merchandise Exports from India Scheme (MEIS) eligible on exports sales. There are no unfulfilled conditions attached to the above grant as on the reporting date.

*** Other receivable pertains to license/ scrip balance in Services Exports from India Scheme (SEIS) which are purchased at discount price in open market
No advances recoverable in cash or kind are due from directors or other officers of the Company either severally or jointly with any other person.

(This space is left blank intentionally)

Eaton Fluid Power Limited
Notes to the IND-AS financial statements for the year ended March 31, 2020
(All amounts in INR million unless otherwise stated)

3A Property, plant and equipment

Particulars	Freehold land	Leasehold improvements	Building	Building (ROU)	Roads	Plant and equipment	Computer hardware	Furniture and fixtures	Office equipment	Electrical installation and equipments	Motor vehicles	Total
Cost (Gross) (refer note below)												
As at April 01, 2018	0.66	13.51	89.69	-	8.31	685.95	41.98	22.00	9.09	13.06	1.32	885.57
Additions	-	-	1.92	-	-	108.89	1.57	0.35	-	-	-	112.73
Deletions/write offs	-	0.79	1.04	-	-	86.58	20.83	1.79	1.31	0.70	-	113.04
As at March 31, 2019	0.66	12.72	90.57	-	8.31	708.26	22.72	20.56	7.78	12.36	1.32	885.26
Additions	-	-	19.61	7.48	-	165.30	9.08	0.79	-	-	-	202.26
Deletions/write offs	-	-	-	-	-	2.29	-	-	-	-	1.32	3.61
As at March 31, 2020	0.66	12.72	110.18	7.48	8.31	871.27	31.80	21.35	7.78	12.36	-	1,083.91
Depreciation (Gross) (refer note below)												
As at April 01, 2018	-	10.29	29.62	-	3.34	470.74	39.02	17.74	4.44	10.28	1.32	586.79
Charge for the year	-	0.65	5.35	-	0.91	57.93	2.89	1.20	0.66	1.26	-	70.85
Deletions/write offs	-	0.61	0.71	-	-	85.48	20.83	1.72	1.23	0.65	-	111.23
As at March 31, 2019	-	10.33	34.26	-	4.25	443.19	21.08	17.22	3.87	10.89	1.32	546.41
Charge for the year	-	0.59	5.50	1.66	0.91	69.45	2.91	1.20	0.63	0.49	-	83.34
Deletions/write offs	-	-	-	-	-	2.23	-	-	-	-	1.32	3.55
As at March 31, 2020	-	10.92	39.76	1.66	5.16	510.41	23.99	18.42	4.50	11.38	-	626.20
Net Book value												
As at March 31, 2019	0.66	2.39	56.31	-	4.06	265.07	1.64	3.34	3.91	1.47	-	338.85
As at March 31, 2020	0.66	1.80	70.42	5.82	3.15	360.86	7.81	2.93	3.28	0.98	-	457.71
3B Capital work in progress												
As at March 31, 2019	-	-	-	-	-	92.40	0.29	-	0.32	-	-	93.01
As at March 31, 2020	-	-	-	-	-	22.04	-	-	0.08	-	-	22.12

Notes:

1. The Company had elected to continue with the carrying value of property, plant and equipment and intangible assets as recognised in the financial statements as per previous GAAP and had regarded those values as the deemed cost on the date of transition (i.e. April 1, 2015). The Company has disclosed the gross block and accumulated depreciation / amortisation above, for information purpose only. The total accumulated depreciation/amortisation as at April 1, 2015 was INR 408.96 million
2. Free hold land includes part of the land given to a group company on lease and the same is classified as Investment property as at the date of transition to IND AS. (Refer note 4)
3. In the previous year, the Company had conducted physical verification of all its fixed assets and had written off /scrapped certain assets which are no longer in use or were not found by the Company having a net book value of INR Nil (gross block INR 108.85 million)

Eaton Fluid Power Limited
Notes to the IND-AS financial statements for the year ended March 31, 2020
(All amounts in INR million unless otherwise stated)

11 Share capital

	March 31, 2020	March 31, 2019
Authorised share capital (No. million)		
7 (March 31, 2019: 7) equity shares of INR 10 each	70.00	70.00
0.85 (March 31, 2019: 0.85) 8% preference shares of INR 100 each	85.00	85.00
	155.00	155.00
Issued, subscribed and fully paid up shares (No. million)		
6.96 (March 31, 2019: 6.96) equity shares of INR 10 each	69.64	69.64
Total issued, subscribed and fully paid-up share capital	69.64	69.64

a Terms/Rights attached to equity shares

The Company has only one class of equity share having par value of INR 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

b Reconciliation of the number of shares outstanding is set out below:

Particulars	March 31, 2020		March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
(No. of shares in million)				
At the beginning of the year	6.96	69.64	6.96	69.64
Add: Shares issued during the year	-	-	-	-
Outstanding at the end of the year	6.96	69.64	6.96	69.64

c Shares held by Holding company and their subsidiaries/ associates

Out of equity shares issued by the Company, shares held by its holding company are as below:

	March 31, 2020	March 31, 2019
(No. of shares in million)		
ETN Holding 2 Limited, Mauritius		
3.67 (March 31, 2019: 3.67) equity shares of INR 10 each fully paid	36.67	36.67
Eaton Technologies Private Limited, India		
3.13 (March 31, 2019: 3.13) equity shares of INR 10 each fully paid	31.33	31.33

d The details of Shareholders holding more than 5% shares:

Name of the Shareholder	March 31, 2020		March 31, 2019	
	No. of Shares	% held	No. of Shares	% held
(No. of shares in million)				
Equity shares of INR 10 each fully paid				
ETN Holding 2 Limited Mauritius, the holding company	3.67	52.61	3.67	52.61
Eaton Technologies Private Limited, India	3.13	45.00	3.13	45.00
	6.80	97.61	6.80	97.61

As per the records of the Company, including its register of Shareholders/members, the above shareholding represents the legal ownership of the shares.

- e** On January 21, 2020, Eaton Corporation Plc. (ultimate holding company) executed a Stock and Asset Purchase Agreement (SAPA) to sell the Hydraulic business to Danfoss A/S, a Danish industrial company. As a part of this global agreement, Eaton Fluid Power Limited (the Hydraulic business entity of Eaton Corporation in India ("the Company")), would also be sold to Danfoss. This transaction is subject to customary closing and regulatory approvals.

f Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

There are no bonus shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

12 Other equity

	Securities Premium*	Retained Earnings	Total
As at March 31, 2019	131.70	246.81	378.51
Movement for the year	-	(106.98)	(106.98)
As at March 31, 2020	131.70	139.83	271.53

* Securities premium is used to record the premium received on issue of shares and will be utilised in accordance with the provisions of the Companies Act, 2013.

Eaton Fluid Power Limited
Notes to the IND-AS financial statements for the year ended March 31, 2020
(All amounts in INR million unless otherwise stated)

13 Borrowings

	March 31, 2020	March 31, 2019
Current		
Unsecured loans from related parties # (note 35)	985.00	985.00
	985.00	985.00

Against promissory notes executed with Eaton Technologies Private Limited, India for the term of one year. These are renewed and roll forwarded on annual basis and carry interest rate varying from 7.30% p.a to 9.18% p.a (March 31, 2019: 8.7% p.a. to 9.20% p.a)

14 Other financial liabilities

	March 31, 2020	March 31, 2019
Current		
Security deposits #	22.88	20.88
Interest accrued but not due on borrowings	52.36	53.85
	75.24	74.73

Security deposits are non-interest bearing.

15 Trade Payables

	March 31, 2020	March 31, 2019
Current		
Trade outstanding dues to micro, small and medium enterprises (refer note 34)	119.03	179.09
Trade outstanding dues to others*	311.32	293.12
Trade outstanding dues to related parties (refer note 35)	549.83	880.93
	980.18	1,353.14

* It includes payable towards purchase of property, plant and equipment INR 6.18 (March 31, 2019: INR 2.93)

Terms and conditions of the above financial liabilities:

- a. Trade payables are non-interest bearing and are normally settled on 60-150 days terms
- b. For terms and conditions with related parties, refer note 35

16 Other current liabilities

	March 31, 2020	March 31, 2019
Contract liabilities	3.96	13.51
Statutory dues and other payables **	48.57	36.87
	52.53	50.38

** Statutory dues and other payable majorly includes payable on account of provident fund, tax deducted at source etc.
For Company's credit risk management process, refer note 37.

(This space is left blank intentionally)

17 Provisions

	March 31, 2020	March 31, 2019
Non-Current		
Provision for employee benefits		
Provision for gratuity (refer note 29)	-	31.09
	-	31.09
Current		
Provision for employee benefits		
Provision for gratuity (refer note 29)	6.09	9.06
Provision for leave encashment	38.36	31.80
	44.45	40.86
Other provision		
Provision for warranties	21.34	25.57
Provision for statutory matters	66.83	79.86
	88.17	105.43
	132.62	146.29

Provision for warranties

The warranty provision covers the expenses related to the repair and replacement of products sold. The amount is determined on a standard basis, based on past experience of the average expenses incurred. Anticipated specific costs relating to any supply of defected materials/batch is also provided as per specific estimates. The timing and amount of cash flows for warranty, will be determined on receipt of claims from customers as and when such claims are incurred. The table below gives information about movement in warranty provision:

	March 31, 2020	March 31, 2019
At the beginning of the year	25.57	18.46
Arising during the year	15.34	14.29
Utilized during the year	(19.57)	(7.18)
At the end of the year	21.34	25.57

Provision for statutory matters

A provision is recognized towards liability expected to arise under Central Sales Tax Act for outstanding 'C' and 'other' forms to be collected by the Company for financial years 2000-01 to 2017-18. The timing and amount of cash flows for sales tax liability, which will arise from these matters, will be determined by the relevant authorities on settlement of the sales tax cases.

	March 31, 2020	March 31, 2019
At the beginning of the year	79.86	51.18
Arising during the year	11.48	28.68
Utilized during the year	(24.51)	-
At the end of the year	66.83	79.86

(This space is left blank intentionally)

Eaton Fluid Power Limited
Notes to the IND-AS financial statements for the year ended March 31, 2020
(All amounts in INR million unless otherwise stated)

18 Revenue from operations

	March 31, 2020	March 31, 2019
Sale of products		
Finished goods	2,484.14	2,853.69
Traded goods	1,169.55	1,620.68
Sale of services	28.14	26.63
Other operating revenue		
Scrap sales	4.88	4.04
Government grant - export incentives (Refer Note 10 and Note 6)	73.56	47.20
Total revenue from operations	3,760.27	4,552.24

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers

	March 31, 2020	March 31, 2019
Location		
India	3,018.83	3,603.29
Outside India	667.88	901.75
Total revenue from contracts with customers *	3,686.71	4,505.04

Timing of revenue recognition

Goods transferred at a point in time	3,658.57	4,478.41
Services transferred over time	28.14	26.63
Revenue from contract with customers *	3,686.71	4,505.04

Set out below is the amount of revenue recognised from

Amounts included in contract liabilities at the beginning of the year	13.51	12.98
Performance obligations satisfied in previous years	-	-

Reconciling the amount of revenue recognised in the Statement of profit and loss with the contracted price

Revenue as per contracted price	3,701.12	4,522.54
Adjustments		
Discounts	(14.41)	(17.50)
Revenue from contract with customers *	3,686.71	4,505.04

The Company does not have any contract assets which would require adjustment of revenue recognised over a period of time and hence disclosures related to it has not been presented.

* Excludes government grant export incentives amounting INR 73.56 (March 31, 2019: INR 47.20)

19 Other income

	March 31, 2020	March 31, 2019
Interest income		
Bank deposits	4.13	3.79
Others**	-	27.84
Rental income (refer note 42)	4.00	4.62
Exchange difference (gain)	-	1.62
Gain on sale of Property, Plant and Equipment	0.19	-
Provision for doubtful debts and advances written back	5.82	-
Miscellaneous income	-	0.04
	14.14	37.91

** Includes interest on refund received from Income tax department.

20 Cost of raw material and components consumed

	March 31, 2020	March 31, 2019
Inventory at the beginning of the year	319.86	279.39
Add: Purchases	1,523.26	1,939.07
	1,843.12	2,218.46
Less: Inventory at the end of the year	259.90	319.86
	1,583.22	1,898.60

21 Decrease/(increase) in inventories of finished goods, work in progress and traded goods

	March 31, 2020	March 31, 2019
Inventory at the end of the year		
Traded goods	229.64	282.68
Work-in-progress	78.19	81.36
Finished goods	86.89	75.73
	394.72	439.77
Inventory at the beginning of the year		
Traded goods	282.68	184.20
Work-in-progress	81.36	97.99
Finished goods	75.73	39.58
	439.77	321.77
	45.05	(118.00)

Eaton Fluid Power Limited
Notes to the IND-AS financial statements for the year ended March 31, 2020
(All amounts in INR million unless otherwise stated)

22 Employee benefits expenses

	March 31, 2020	March 31, 2019
Salaries, wages and bonus	287.08	269.95
Contribution to provident and other funds	16.52	12.69
Gratuity expense (refer note 29)	7.28	7.07
Staff welfare expenses	20.69	24.85
Recruitment and training expenses	1.55	0.73
	333.12	315.29

23 Depreciation expenses

	March 31, 2020	March 31, 2019
Depreciation on property, plant and equipment (refer note 3A)	83.34	70.85
Amortisation of intangible assets (refer note 3C)	-	0.74
	83.34	71.59

24 Finance costs

	March 31, 2020	March 31, 2019
Interest expenses	86.88	86.43
Interest expense on lease liabilities (refer note 42)	0.38	-
Others including interest cost defined benefit plans, interest on MSMED and tax payment	5.23	9.98
	92.49	96.41

25 Other expenses

	March 31, 2020	March 31, 2019
Consumption of tools	17.81	31.20
Consumption of stores and spares	21.37	30.95
Power and fuel	38.89	43.95
Rent expenses (refer note 42)	8.97	11.10
Freight, packaging and forwarding charges	41.45	48.30
Rates and taxes	20.71	39.53
Repairs and maintenance		
- Building	1.15	1.69
- Plant and machinery	16.03	11.91
- Others	4.54	6.42
Contract labour expenses	80.61	85.62
Corporate cost allocation	41.80	35.05
Corporate support charges (refer note 41)	142.73	118.47
IT Support charges	5.52	3.73
Royalty expense	144.85	155.80
Legal and professional fees	10.87	8.76
Provision for doubtful debts and advances (net of bad debt & advances written off INR 6.40)	-	15.88
(March 31, 2019: INR 1.18)		
Write off/loss on sale/discard of property, plant and equipment (net)	-	4.85
Exchange loss	0.53	-
Warranty cost (net) (refer note 17)	15.34	14.29
Travelling and conveyance	18.49	16.98
Payment to auditor (refer details below)	3.19	3.69
Corporate social responsibility ('CSR') expenditure (refer note 26 below)	1.27	0.79
Miscellaneous expenses**	35.62	26.18
	671.74	715.14
Less: Expenses recovered (refer note 40)	(6.00)	(5.98)
	665.74	709.16

** Miscellaneous expenses includes communication cost, security, printing, stationery, postage expenses, etc.

Payment to auditor

	March 31, 2020	March 31, 2019
As auditor:		
Audit fees	2.48	2.98
Tax audit fee	0.55	0.50
In other capacity		
Fees for other services (including group audit)	-	0.05
Reimbursement of expenses	0.16	0.16
	3.19	3.69

26 Corporate Social Responsibility

	March 31, 2020	March 31, 2019
a) Gross amount required to be spent by the Company during the year	2.20	1.20
1. Amount spent during the year ended on March 31, 2020:	In cash	Yet to be paid
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	1.27	-
		1.27
2. Amount spent during the year ended on March 31, 2019:	In cash	Yet to be paid
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	0.79	-
		0.79

27 Earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year. The numbers used in calculating basic and diluted EPS are stated below:

Particulars		March 31, 2020	March 31, 2019
Numerator for basic and diluted profit per share			
Net (loss)/profit after tax attributable to shareholders	(A)	(102.68)	117.21
Denominator for basic and diluted profit per share			
Weighted average number of equity shares (numbers in million)*	(B)	6.96	6.96
Basic and diluted earning per share of face value of INR 10 each	(A/B)	(14.74)	16.83

* There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these IND-AS financial statements.

28 Significant accounting judgements, estimates and assumptions

The preparation of the Ind-AS financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgement, which have the most significant effect on the amounts recognised in the Ind-AS financial statements:

Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- Identifying performance obligation and determining timing of satisfaction of performance obligation for sale of products

The Company enters into contract with customers for sale of goods and determined that such goods are capable of being distinct. The fact that the Company regularly sell these goods on a standalone basis indicate that the customer can benefit from it on an individual basis. The Company also determined that the promises to transfer these goods are distinct within the context of the contract and that they are not input to a combined item in the contract. The Company has concluded that sale of goods is to be recognised at a point in time because it does not meet the criteria for recognising revenue over a period of time. The Company has applied judgment in determining the point in time when the control of the goods are transferred based on the criteria mentioned in the standard read along with the contract with customers, applicable laws and considering the industry practices. Further, the dispatch of goods is made on the basis of the purchase orders obtained from the customer taking into account the just in time production model with customer.

- Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of goods include volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company applies either the most likely amount method or the expected value method. The most likely amount method is applied for contracts with a single-volume threshold and the expected value method is applied for contracts with more than one volume threshold.

The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Leases

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in note 42.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease, if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. Refer note 42 for further details

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Ind-AS financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The discount rate is the parameter most subject to change. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables for India. Mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Future details about gratuity obligations are given in note 29.

Warranty and provision for statutory matters

For estimates relating to warranty and sales tax liability, refer note 17.

Eaton Fluid Power Limited
Notes to the IND-AS financial statements for the year ended March 31, 2020
(All amounts in INR million unless otherwise stated)

Deferred tax asset

The Company have not recognised Deferred Tax Asset (DTA) on temporary differences, current year brought forward losses / unabsorbed depreciation and MAT credit entitlement in the preparation of Ind-AS financial statements. In accordance with Ind AS 12, DTA on losses should be recognised only to the extent it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. The Company has not created deferred tax assets considering the uncertainty due to COVID-19 situation and absence of probable future taxable profits which will be available to utilise the deductible timing differences.

Inventory provision

Management reviews the inventory age listing on a periodic basis. The management has appointed a material review board, which reviews aged items in inventory to identify excess and obsolete inventory. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete slow-moving items and net realisable value. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the IND AS financial statements.

Impairment of non-financial assets

Considering the current COVID situation, the Company has performed tests for impairment in the current year on the basis of budgeted future estimated revenue and cash flow. The Management has prepared estimates of future cash flows by considering various factors like impact on the economy and asset prices in general and impact of current events and conditions on the Company's operations. Based on calculation performed management believes that there is no requirement of any impairment for non - financial assets.

29 Post employment benefits plans

The Gratuity scheme is a defined benefit plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. Under the gratuity plan, every employee who has completed five years or more of service gets a gratuity on departure at 15 days last drawn salary for each completed year of service (22 days of last drawn salary if the employee has completed 10 years of service). Due to the nature of the plan, the risks commonly affecting the liabilities and the financial results are expected to be:

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The following tables summarise the components of net benefit expense recognised in the Statement of profit and loss, the funded status, amounts recognised in balance sheet and in other comprehensive income.

Statement of profit and loss

Net employee benefit expense on account of gratuity recognized in the Statement of profit and loss

Particulars	March 31, 2020	March 31, 2019
Current service cost	7.28	7.07
Net benefit expense in the Statement of profit and loss	7.28	7.07

Amount recognised in the statement of other comprehensive income (OCI)

Particulars	March 31, 2020	March 31, 2019
Actuarial loss due to DBO experience	7.96	21.56
Actuarial (gain) due to DBO assumption changes	(2.53)	(0.13)
Return on plan assets less than discount rate	1.18	0.75
Actuarial losses recognized in OCI	6.61	22.18

Net interest expense

Particulars	March 31, 2020	March 31, 2019
Interest cost	8.96	7.23
Interest income on plan assets	(7.79)	(5.91)
Net interest expense	1.17	1.32

Balance Sheet

Benefit asset/(liability):

Particulars	March 31, 2020	March 31, 2019
Present value of defined benefit obligation	(137.81)	(122.60)
Fair value of plan assets	131.72	82.45
Plan (liability)	(6.09)	(40.15)

Changes in the present value of the defined benefit obligation are as follows

Particulars	March 31, 2020	March 31, 2019
Opening defined benefit obligation	122.60	103.42
Current service cost	7.28	7.07
Interest cost	8.96	7.23
Acquisitions	2.93	2.45
Actuarial losses on obligation experience	7.96	21.56
Actuarial (gain) due to DBO assumption changes	(2.53)	(0.13)
Benefits paid directly by the Company	(1.20)	(4.17)
Benefits paid from plan assets	(8.18)	(14.83)
Closing defined benefit obligation	137.82	122.60

Changes in the fair value of plan assets are as follows

Particulars	March 31, 2020	March 31, 2019
Opening fair value of plan assets	82.46	76.19
Acquisition adjustment	2.60	0.94
Interest income on plan assets	7.79	5.91
Contributions by employer	48.24	15.00
Return on plan assets (lesser) than discount rate	(1.18)	(0.75)
Benefits paid from plan assets	(8.18)	(14.83)
Closing fair value of plan assets	131.73	82.46

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows

Nature of plan assets	March 31, 2020	March 31, 2019
Investments with insurer	100%	100%

Eaton Fluid Power Limited
Notes to the IND-AS financial statements for the year ended March 31, 2020
(All amounts in INR million unless otherwise stated)

Amount recognised in Balance Sheet, Profit and Loss account and statement of other comprehensive income (OCI)

Particulars	March 31, 2020	March 31, 2019
Defined benefit obligation	137.81	122.60
Fair value of Plan assets	131.72	82.45
(Deficit)	(6.09)	(40.15)
Current service cost	7.28	7.07
Remeasurements recognised in OCI	6.61	22.18

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	March 31, 2020	March 31, 2019
Discount rate	6.70%	7.60%
Expected rate of increment in compensation levels - for year 2020 / 2019	0.00%	8.75%
- thereafter	8.75%	8.75%

Employee turnover	March 31, 2020	March 31, 2019
Age		
Between 21-30 years	13%	13%
Between 31-34 years	7%	7%
Between 35-44 years	5%	5%
Between 45-50 years	5%	5%
Between 51-54 years	5%	5%
Above 55 years	4%	4%

The estimates of future salary increases, considered in actuarial valuation, take account of price inflation, regular increments and promotions and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 and March 31, 2019 is as shown below

Particulars	Sensitivity level	Impact on defined benefit obligation	
		March 31, 2020	March 31, 2019
Discount rate	0.5% increase	(4.28)	(7.20)
	0.5% decrease	4.58	8.20
Future salary increase	0.5% increase	4.53	3.90
	0.5% decrease	(3.68)	(3.70)
Withdrawal rate	5% increase	(4.95)	(2.85)
	5% decrease	8.38	4.50

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined benefit obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the plan's sensitivity to such changes can vary over time.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	18.75	9.06
Between 1 and 2 years	14.36	19.76
Between 2 and 3 years	22.24	14.64
Between 3 and 4 years	18.61	22.70
Between 4 and 5 years	10.30	16.32
Sum of years 6 to 10	78.53	65.28

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal and interest rate) is 11 years (March 31, 2019: 11 years).

30 Capital and Other commitments

Particulars	March 31, 2020	March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances: March 31, 2020: INR 14.17 (March 31, 2019: INR 13.41))	15.68	8.25
	15.68	8.25

31 Contingent liabilities

Particulars	March 31, 2020	March 31, 2019
Excise duty/service tax matters (Refer note a)	73.51	80.07
Sales tax matters - VAT and liability for non submission of various forms and other documents (Refer note a and b)	80.22	70.02
Income tax matters (Refer note a)	110.13	173.19
Workmen compensation in respect of certain employees	30.70	26.00
Financial guarantees and advance guarantees given to the customers and other authorities	18.95	15.32
Various other claims made against the Company not acknowledged as debts (Refer note c)	1.99	4.57
EPCG Licenses	-	5.87
	315.50	375.04

Note:

(a) Excise duty / Service tax / Income tax/ Sales tax/ VAT dues comprise of demand from the Indian tax authorities for payment of additional tax in relation to various tax matters. The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the Ind-AS financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

(b) The Company has applied under the Amnesty Scheme, 2019, for various cases outstanding under Central Sales Tax Act, 1956 and Maharashtra Value Added Tax Act, 2002 and adequate provision has been considered by the Company for such years. (Refer note 17 for provision made against statutory matters)

(c) Based on discussions, the management feels that the claims lodged by the supplier have no ground and hence no provision against such claims is considered necessary.

Provision for provident fund

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019. The Company has adopted the basis as mentioned in the SC judgement prospectively with effect from July 01, 2019. April to June, 2019 PF liability basis as mentioned in the SC judgement was discharged subsequently.

32 Segment Information

The Company is engaged in manufacturing and trading of Fluid Power Hydraulic Equipments such as Pumps, Gear Pumps, Valves, Cylinders, Packaged systems and related components. On a review of all the relevant aspects including, in particular, the system of internal financial reporting to the Board of Directors, which is the Chief Operating Decision Maker (CODM) and considering the economic characteristics of the operations, the Company is of the view that it operates in a single primary segment. The said treatment is in accordance with the guiding principles enacted in Indian Accounting Standard 108 Operating Segments (IND AS 108). Accordingly the Company has disclosed segment information for its secondary segment which is the geographical segment as below:

Particulars	March 31, 2020	March 31, 2019
Revenue (gross)		
India	3,092.39	3,650.49
Outside India	667.88	901.75
Total	3,760.27	4,552.24

Particulars	March 31, 2020	March 31, 2019
Carrying amount of assets		
Assets within India	2,441.53	2,802.78
Assets outside India	138.09	301.99
Total	2,579.62	3,104.77

Particulars	March 31, 2020	March 31, 2019
Additions to property, plant and equipment and intangible assets		
Additions to capital assets within India	128.84	100.30
Additions to capital assets outside India	-	-
Total	128.84	100.30

The revenue information above is based on the locations of the customers.

Amount of sales to customer more than 10% of total sales:

Particulars	March 31, 2020	March 31, 2019
Amount of sales to customer more than 10% of total sales	574.98	732.86

(This space is left blank intentionally)

33 Income tax

Particulars	March 31, 2020	March 31, 2019
Current tax		
Minimum alternate tax (MAT)	3.72	44.25
MAT credit entitlement	-	(0.18)
Relating to origination and reversal of temporary differences	121.92	27.56
Income tax expense reported in statement of profit or loss	125.64	71.63
OCI expense		
Deferred tax related to items recognised in OCI during the year	(2.31)	(7.75)
Total Tax expense	123.33	63.88
Reconciliation of tax expense and the accounting profit multiplied by tax rate		
Particulars	March 31, 2020	March 31, 2019
Profit before tax	22.96	188.84
Tax rate @ 34.94%	8.02	65.99
Adjustments for:		
Effect of deferred tax assets reversed on account of uncertainty (refer note below)	116.15	0.33
Effect of tax on items in the nature of permanent disallowance in tax	1.47	5.31
Items in OCI	(2.31)	(7.75)
Income-tax expense	123.33	63.88

A Deferred tax assets (net)

	Balance sheet		Statement of profit and loss	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Deferred tax assets				
Mat credit entitlement	-	43.97	43.97	-
Other timing difference	8.80	66.19	57.39	7.70
Items in other comprehensive income	-	9.93	9.93	7.75
Brought forward losses to the extent not utilised	-	-	-	(34.54)
	8.80	120.09	111.29	(19.09)
Deferred tax liability				
Difference between WDV as per tax and WDV as per financial statement	8.80	0.48	8.32	(0.72)
	8.80	0.48	8.32	(0.72)
Deferred tax (charge)			119.61	(19.81)
Net Deferred tax asset	-	119.61		

As at March 31, 2020, the Company has deferred tax assets represented by MAT Credit entitlement of INR 47.69 including current year MAT credit entitlement of INR 3.72 and deferred tax assets on depreciation loss as per income tax of INR 14.76 (depreciation loss of INR 42.24). Further, the Company has deferred tax assets on other timing differences amounting to INR 49.08. Due to prevailing COVID-19 situation and the resultant near term uncertainty of future taxable profits, the Company has assessed and accordingly restricted the recognition of deferred tax assets to the extent of deferred tax liability. As a result, the Company has derecognized deferred tax assets aggregating to INR 63.84 and has also reversed MAT credit entitlement of INR 47.69. As per Income tax laws, MAT Credit entitlement is available to be carried forward for a period of 15 years from the year in which it is generated and unabsorbed depreciation is available for setoff against future taxable income for an infinite period. The Company will continue to assess the unrecognised deferred tax assets at each reporting date and will recognise them to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

(This space is left blank intentionally)

Eaton Fluid Power Limited
Notes to the IND-AS financial statements for the year ended March 31, 2020
(All amounts in INR million unless otherwise stated)

34 Details of dues to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

Particulars	March 31, 2020	March 31, 2019
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
The Principal amount due to micro and small enterprises	118.87	178.43
Interest due on above	0.16	0.66
	119.03	179.09
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	4.05	14.11
The amount of interest accrued and remaining unpaid at the end of each accounting year.	4.21	14.77
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	26.82	22.61

The Company has compiled this information based on intimations received from the suppliers of their status as Micro, Medium or Small Enterprises and / or its registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006.

35 Related party disclosure

(a) Names of the related parties and related party relationship

Related party where controls exists

A	Holding company	ETN Holding 2 Limited, Mauritius
	Ultimate holding company	Eaton Corporation Plc, Ireland
	Significant influence of major shareholder	Eaton Technologies Private Limited, India

Related parties with whom transactions have taken place during the year and previous year

B	Fellow subsidiaries	Eaton Fluid Power (Shanghai) Co. Limited, China Eaton (China) Investment Co. Limited, China Eaton Hydraulics Systems (Jining) Co. Limited, China Eaton Limited, Brazil Eaton Limited, Korea Eaton Industries Manufacturing GmbH, India, Branch Office Eaton Power Quality Private Limited, India Eaton Industrial Systems Private Limited, India Eaton Industries LP, Switzerland Eaton Industries Pte. Ltd, Singapore Eaton Industries Manufacturing GmbH, Switzerland Eaton Industries Pty Ltd, Australia Swiss Branch of Eaton Industries, LP, Switzerland Eaton Limited, Havant, UK Eaton Industries (Japan) Ltd., Japan Eaton Aeroquip LLC, USA Eaton Manufacturing LP - Turkey Branch Polimer Kaucuk Sanayi ve Pazarlama A.S., Turkey Eaton Industrial Products Private Limited, India (erstwhile Internormen Filters Private Limited) Eaton Hydraulics (Ningbo) Co., Ltd., China Eaton Hydraulics SAS, France Eaton Germany GmbH, Germany Eaton Intelligent Power Limited, Ireland Eaton Industries Manufacturing GmbH, South Korea Eaton Hydraulics LLC, USA Eaton Corporation, USA Eaton Ltda., Brazil Eaton Fluid Power GmbH, Germany Eaton Industries Limited, Korea Eaton Industries Company, New Zealand Eaton Industries B.V., Netherlands MTL Instruments Private Limited, India Eaton India Innovation Centre LLP, India Eaton Industries (UK) Limited, UK
C	Key management personnel	Shandar Alam, Whole Time Director w.e.f. June 13, 2017 and Managing Director w.e.f. August 24, 2018 Prajakta Prakash Kulkarni, Independent Director Nilesh Vilas Dharwadkar, Director Sachit Atmaram Nayak, Director Surendra Yeshwant Kelkar, Independent Director Ishan Kulkarni, Company Secretary
D	Employee benefit plans where there is significant influence	Vickers Sperry of India limited, Employee's Group Gratuity-cum-Life Assurance Scheme. EFPL Officers' Group Superannuation Scheme
E	Others	Eaton India Foundation

Eaton Fluid Power Limited
Notes to the IND-AS financial statements for the year ended March 31, 2020
(All amounts in INR million unless otherwise stated)

35 (b) Transactions along with related parties and balances as at March 31, 2020 and March 31, 2019 and for the year then ended are as follows:

Particulars	March 31, 2020	March 31, 2019
Transactions during the year		
Revenue / Income		
Sale of products (refer note (iii))	486.41	755.77
Sale of services	19.65	17.64
Rent received	4.00	4.62
Expenses recovered	6.00	5.98
Cost / expenditure		
Purchases of raw material and trading goods	1,069.70	1,751.94
Purchase of tangible assets	0.01	0.34
Staff welfare expenses	0.52	0.53
Purchase of stores and spares	1.30	0.74
Purchase of tools	0.17	0.02
Rent expense	4.43	4.44
Repairs and maintenance	0.94	0.48
Communication costs	-	0.56
Legal and professional fees	3.33	3.27
Corporate cost allocation	41.80	35.05
Corporate support charges	142.73	118.47
IT support charges	5.52	3.73
Royalty expense	144.85	155.80
Interest expense	86.88	86.43
Corporate Social Responsibility ('CSR') expenditure	1.27	0.79
Miscellaneous expense	-	3.98
Others		
Purchase of Services Exports from India Scheme (SEIS) scrips	67.68	85.93
Managerial remuneration		
Remuneration paid to key managerial personnel (refer note (i) and (ii))	14.49	10.75
Contributions paid to employee benefit plans	48.74	15.35
	March 31, 2020	March 31, 2019
Closing balances at the year end		
Short term borrowings	985.00	985.00
Trade payables	549.83	880.93
Interest accrued but not due	52.36	53.85
Trade receivables	113.71	231.63
Unbilled revenue	-	3.58

Eaton Fluid Power Limited
Notes to the IND-AS financial statements for the year ended March 31, 2020
(All amounts in INR million unless otherwise stated)

35 (c) Related party transactions, the amount of which is in excess of 10% of total related party transactions are disclosed below:

Particulars	March 31, 2020	March 31, 2019
Transactions during the year		
Sale of products (refer Note (iii))		
Eaton Corporation, USA	277.73	345.60
Swiss Branch of Eaton Industries LP, Switzerland	-	83.24
Eaton Industries Manufacturing GmbH, Switzerland	145.22	295.99
Sale of services		
Eaton (China) Investment Co. Limited, China	14.06	12.02
Eaton Corporation, USA	2.34	2.30
Rent received		
Eaton Technologies Private Limited, India	3.18	3.18
Eaton Power Quality Private Limited, India	0.82	1.44
Expenses recovered		
Eaton Technologies Private Limited, India	6.00	5.98
Purchases of raw materials and trading goods		
Eaton Hydraulics LLC, USA	149.33	215.79
Eaton Hydraulics Systems (Jining) Co. Limited, China	157.70	239.33
Eaton Industries Manufacturing GmbH, Switzerland	262.51	406.16
Eaton Fluid Power(Shanghai) Company Ltd., China	161.27	293.82
Polimer Kaucuk Sanayi VE Pazarlama A.S. , Turkey (refer note (iv))	116.33	252.69
Purchases of tangible assets		
Eaton Industrial Products Private Limited, India	-	0.34
Swiss Branch of Eaton Industries LP, Switzerland	0.01	
Managerial remuneration (refer note (i) and (ii))		
Shandar Alam, Managing Director		
Prajakta Prakash Kulkarni, Independent Director		
Surendra Yeshwant Kelkar, Independent Director	14.89	10.75
Ishan Kulkarni, Company Secretary		
Contributions paid to employee benefit plans		
Vickers Sperry of India limited, Employees' Group Gratuity-cum-Life Assurance Scheme	48.24	15.00
EFPL Officers' Group Superannuation Scheme	0.50	0.35
Staff welfare expenses		
Eaton Technologies Private Limited, India	0.52	0.42
MTL Instruments Private Limited, India	-	0.11
Purchase of stores and spares		
Eaton Power Quality Private Limited, India	-	0.34
Eaton Hydraulics LLC, USA	-	0.31
Eaton Corporation, USA	1.11	-
Purchase of tools		
Eaton Hydraulics LLC, USA	0.17	0.02
Rent expense		
Eaton Technologies Private Limited, India	1.74	1.59
Eaton Power Quality Private Limited, India	2.49	2.70
Repairs and maintenance		
Eaton Industries Manufacturing GmbH, Switzerland	0.23	-
Eaton Power Quality Private Limited, India	-	0.12
Eaton Hydraulics LLC, USA	0.10	0.00
Swiss Branch of Eaton Industries LP, Switzerland	-	0.07
Eaton Industrial Products Private Limited, India	0.36	0.29
Eaton Fluid Power(Shanghai) Company Ltd., China	0.06	-
Eaton Germany GmbH, Germany	0.17	-
Communication costs		
Eaton Technologies Private Limited, India	-	1.66
MTL Instruments Private Limited, India	-	0.01
Legal and professional expenses		
Eaton Technologies Private Limited, India	3.33	3.27
Corporate Social Responsibility ('CSR') expenditure		
Eaton India Foundation	1.27	0.79
Purchase of Services Exports from India Scheme (SEIS) scrips		
Eaton India Innovation Centre LLP, India	19.05	-
Eaton Technologies Private Limited, India	48.63	85.93

Eaton Fluid Power Limited
Notes to the IND-AS financial statements for the year ended March 31, 2020
(All amounts in INR million unless otherwise stated)

35 (c) Related party transactions, the amount of which is in excess of 10% of total related party transactions are disclosed below:

Particulars	March 31, 2020	March 31, 2019
Transactions during the year		
Corporate cost allocation		
Eaton Technologies Private Limited, India	41.80	35.05
Corporate support charges		
Eaton Corporation, USA	96.93	85.56
Eaton (China) Investment Co. Ltd., China	45.80	32.91
IT support charges		
Eaton Corporation, USA	1.22	-
Eaton Technologies Private Limited, India	4.30	3.73
Royalty expense		
Eaton Corporation, USA	31.35	29.80
Eaton Intelligent Power Limited, Ireland	113.50	126.00
Interest expense		
Eaton Technologies Private Limited, India	86.01	86.43
Miscellaneous expenses		
Eaton Industries Company, New Zealand	-	2.85
Eaton (China) Investments Co., Ltd., China	-	0.62
Eaton Corporation, USA	-	0.29
MTL Instruments Private Limited, India	-	0.14
Short term borrowings taken		
Eaton Technologies Private Limited, India (refer note 13)	985.00	985.00
Short term borrowings repaid		
Eaton Technologies Private Limited, India (refer note 13)	985.00	985.00
Closing balances at the year end		
Short term borrowings		
Eaton Technologies Private Limited, India	985.00	985.00
Trade payables		
Eaton Fluid Power (Shanghai) Co. Limited, China	-	97.72
Eaton Hydraulics Systems (Jining) Co., Ltd.	-	75.21
Polimer Kaucuk Sanayi ve Pazarlama AS, Turkey	-	89.85
Eaton Corporation, USA	100.47	98.41
Eaton Hydraulics LLC, USA	-	71.36
Eaton Industries Manufacturing GmbH, Switzerland	76.45	127.53
Eaton Intelligent Power Limited, Ireland	118.64	93.05
Interest accrued but not due (net of TDS)		
Eaton Technologies Private Limited, India	52.36	53.85
Trade receivables		
Eaton Corporation, USA	43.73	120.59
Eaton Industries Manufacturing GmbH, Switzerland	49.72	66.14
Swiss Branch of Eaton Industries LP, Switzerland	-	23.39
Unbilled revenue		
Eaton (China) Investment Co. Limited, China	-	2.44
Eaton Corporation, USA	-	0.44
Eaton Hydraulics LLC, USA	-	0.70

Notes:

- As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to key managerial personnel is not ascertainable and therefore, not included.
- Salary, bonus and allowance paid to key management personnel have not been disclosed on grounds of confidentiality.
- The Company has made free of cost Sales of 547 units (March 31, 2019: 60 units) to various related parties.
- The normal credit terms of the group companies transactions are 60 days. However, the payments have been delayed for more than 365 days in certain cases.
- The sales to and purchase from related parties are made on terms equivalent to those that prevail in arm's length transaction. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash other than reported above. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amounts owned by related parties (March 31, 2019: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates
- Transactions entered on behalf of other related parties has not been disclosed.

36 Financial instruments by category

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of March 31, 2020:

Particulars	Amortised Cost	Total carrying value	Total fair value
Financial assets			
Loans	2.82	2.82	2.82
Trade and other receivables	760.36	760.36	760.36
Cash and cash equivalents	122.02	122.02	122.02
Others financial assets	6.73	6.73	6.73
Total	891.93	891.93	891.93
Financial liabilities			
Borrowings	985.00	985.00	985.00
Trade payables	980.18	980.18	980.18
Lease liabilities	6.06	-	-
Other financial liabilities	75.24	75.24	75.24
Total	2,046.48	2,040.42	2,040.42

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of March 31, 2019:

Particulars	Amortised Cost	Total carrying value	Total fair value
Financial assets			
Loans	3.06	3.06	3.06
Trade and other receivables	1,064.58	1,064.58	1,064.58
Cash and cash equivalents	135.64	135.64	135.64
Others financial assets	39.66	39.66	39.66
Total	1,242.94	1,242.94	1,242.94
Financial liabilities			
Borrowings	985.00	985.00	985.00
Trade payables	1,353.14	1,353.14	1,353.14
Other financial liabilities	74.73	74.73	74.73
Total	2,412.87	2,412.87	2,412.87

The management assessed that the fair value of cash and cash equivalent, loans, trade receivables, trade and other payables, borrowings and other current financial assets approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties.

(This space is left blank intentionally)

37 Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables and borrowings. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Risk Management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has certain financial assets and financial liabilities in foreign currencies which expose the Company to foreign currency risks.

Foreign currency sensitivity

To manage the foreign currency risk arising from recognised assets and liabilities, the Company used forward covers to hedge the risk of fluctuation in some cases as and when required. The following tables demonstrate the sensitivity to a reasonably possible change in USD, SGD and EURO exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Change in FC rate	Effect on profit before tax and pre-tax equity (For USD)	Effect on profit before tax and pre-tax equity (For SGD)	Effect on profit before tax and pre-tax equity (For EURO)
March 31, 2020	5%	(45.14)	0.22	1.05
	-5%	45.14	(0.22)	(1.05)
March 31, 2019	5%	(21.48)	(0.32)	(0.44)
	-5%	21.48	0.32	0.44

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 does not have significant exposure to the risk of changes in market interest rates as the short term borrowings are obtained at fixed interest rates from a related party.

b. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk primarily from trade receivables, other receivables, loans and deposits with banks.

Trade receivables

Senior management is responsible for managing and analysing the credit risk for each of their new clients before standard payment, delivery terms and conditions are offered. The Company assess the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are based on internal and external assessment. The utilisation of credit limits is regularly monitored. In accordance with IND AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company follows simplified approach for recognition of impairment loss allowance on Trade receivable.

Financial instruments and cash deposits

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings.

c. Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to, at all times to maintain optimum levels of liquidity to meet its cash and other obligations. The Company requires funds both for short term operational needs as well as for long term investment programs such as investment in fixed assets. The Company closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents and sufficient committed fund facilities, will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The current borrowings are payable on annual basis. The average credit period taken to settle trade payables is about 60 days. Lease liabilities is payable within a year INR 2.70 and within next 1-2 years INR 3.60. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value.

38 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise shareholder's value. The Company manages its capital and makes adjustments to it in light of the changes in economic and market conditions.

The Company monitors capital using a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus all other equity reserves attributable to equity holders of the Company.

Particulars	March 31, 2020	March 31, 2019
Borrowings	985.00	985.00
Less: Cash and cash equivalents	122.02	135.64
Net debt	862.98	849.36
Equity	341.17	448.15
Gearing ratio (times)	2.53	1.90

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

Eaton Fluid Power Limited

Notes to the IND-AS financial statements for the year ended March 31, 2020

(All amounts in INR million unless otherwise stated)

39. Based on understanding between the Company and Eaton Technologies Private Limited (ETPL), a sum of INR 41.80 (March 31, 2019: INR 35.05) was charged by ETPL for providing corporate functional support. The Company has agreed the cost allocation policy with ETPL and has accounted for such expenses accordingly.

40. During the year, the Company has incurred expenditure in the nature of power, utilities maintenance, travelling and conveyance, administrative services etc against which proportionate cost of INR 6.00 (March 31, 2019: INR 5.98) have been charged to other Eaton Group entities based on Memorandum of Understanding between the companies.

41. Based on agreement between the Company and other Eaton Group companies, Eaton (China) Investment Company Limited, China and Eaton Hydraulics LLC, USA, have charged a sum of INR 45.80 (March 31, 2019: INR 32.91) and INR 96.93 (March 31, 2019: INR 85.56) respectively for providing product management & marketing services, supply chain management services, information technology services, taxation and finance related services, etc on proportionate basis.

(This space is left blank intentionally)

Eaton Fluid Power Limited
Notes to the IND-AS financial statements for the year ended March 31, 2020
(All amounts in INR million unless otherwise stated)

42. Leases

Company as a lessee

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

There is no impact on retained earning as no lease arrangements were there on opening date covered under Ind AS 116.

The Company has entered into an arrangement to obtain a warehouse on lease. The lease arrangement is for 3 years and includes escalation clause. The Company also has leases for office premises with lease terms of 12 months or less and other low value asset leases. The Company has applied the 'short term lease' and 'lease of low-value-assets' recognition exemption for these leases.

The carrying amounts of right-of-use assets recognised and the movement during the year is disclosed in Note 3 (A).

(a) Set out below are the carrying amounts of right of use assets recognised and the movements during the period:

Right of Use Assets	March 31, 2020
Cost	
As at April 1, 2019	-
Additions (Note 3)	7.48
Depreciation expense	(1.66)
As at March 31, 2020	5.82

(b) Set out below are the carrying amounts of lease liabilities (included under other financial liabilities) and the movements during the period:

Particulars	March 31, 2020
Lease Liabilities	
As at April 1, 2019	-
Additions	7.48
Accretion of interest	0.38
Payments	(1.80)
As at March 31, 2020	6.06
Current portion	2.60
Non-current portion	3.46

The maturity analysis of lease liabilities are disclosed in Note 37.

The effective interest rate for lease liabilities is 8.43 %, with maturity between 2021-2023

(c) The following are the amounts recognised in profit or loss:

Particulars	March 31, 2020
Depreciation expense of right-of-use assets	1.66
Interest expense on lease liabilities	0.38
Expense relating to short-term leases and low value leases (included in other expenses)	8.97
Total amount recognised in profit or loss	11.01

(d) Impact of adoption of Ind AS 116 for the year ended March 31, 2020 is as follows:

Particulars	March 31, 2020
Decrease in rent expenses	1.80
(Increase) in Depreciation by	(1.66)
(Increase) in Finance cost by	(0.38)
Net impact on statement of Profit and Loss	(0.24)

The Company had total cash outflows for leases of INR 9.60. The Company also had non-cash additions to right-of-use assets and lease liabilities of INR 7.48 (March 31, 2019: INR Nil).

Previous year's figures not disclosed above as this is the first time adoption of Ind AS 116.

Company as a lessor

Operating lease (cancellable)

The Company has entered into operating lease agreement on its investment property consisting of freehold land at Pimpri, Pune for a lease term of 59 months. The lease rentals are credited to the Statement of profit and loss. The lease is cancellable by giving 30 days notice and does not include any rent escalation for future period. The Company is also recovering rent from its group companies against use of office space on a sub-lease basis. Future lease rentals are determined on the basis of lease payments as per mutually agreed terms. The below lease rentals do not include contingent rent.

Particulars	March 31, 2020	March 31, 2019
Rent received during the year on investment property (refer note 4)	3.18	3.18
Recovery of rent from group companies on sub-lease basis	0.82	1.44
Total	4.00	4.62

Eaton Fluid Power Limited
Notes to the IND-AS financial statements for the year ended March 31, 2020
(All amounts in INR million unless otherwise stated)

43. Fair values measurement

The following table provides a comparison by class of the carrying amounts and fair value of the Company's financial instruments other than those with carrying amounts that are reasonable approximations of fair values.

	Carrying values	
	March 31, 2020	March 31, 2019
Non current assets		
Investment property	0.03	0.03
Total	0.03	0.03
	Fair value	
	March 31, 2020	March 31, 2019
Non current assets		
Investment property	47.69	47.69
Total	47.69	47.69

The management assessed that cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, borrowings and other financial liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value hierarchy

The table below analyses IND-AS financial instruments carried at fair value, by valuation method as defined in accordance with the accounting policy.

	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
Non current assets			
Investment property			
March 31, 2020	47.69	-	47.69
March 31, 2019	47.69	-	47.69

There have been no transfer between Level 1 and Level 2 during the year. For details of valuation method, assumption used for valuation of investment property, refer note 4.

44. Note on COVID-19 situation and its impact

The COVID pandemic is rapidly spreading throughout the world. The Company's plant and office were under lockdown since March 25, 2020. As a result of the lockdown, the volumes for the month of March 2020 have been impacted.

In assessing the liquidity position for the next one year and recoverability of Company's assets such as Property, plant and equipment, Intangible assets, trade receivables, inventory etc. the Company has considered internal and external information upto the date of approval of these financial statements. The Company has performed sensitivity analysis on the assumptions used for cash flow projections basis the internal and external information / indicators of future economic conditions and expect to recover the carrying amount of the assets.

As of the date of the financial statements, the Company has obtained necessary approvals and resumed the manufacturing operations in a phased manner taking into account directives from the Government and have resume sale of its products. Based on assessment performed by the management, the availability of labour force and supply chain for majority of the purchase requirements is evaluated to be less effected. Based on current estimates made by the management, the Company believes to have a short-term impact and no impact on a medium to long term basis on its profitability, liquidity position and ability to service debt.

Management believes that it has taken all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and believes that the impact is likely to be short-term in nature. The management does not see any medium to long term risk in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

The accompanying notes are an integral part of the Ind AS financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

For and on behalf of the Board of Directors of
Eaton Fluid Power Limited

per Tridevlal Khandelwal
Partner
Membership No: 501160

Shandar Alam
Managing Director
DIN: 07820751

Sachit Nayak
Director
DIN: 02317135

Ishan Kulkarni
Company Secretary
ACS: 31932

Place: Pune
Date: July 28, 2020

Place: Pune
Date: July 28, 2020

Place: Pune
Date: July 28, 2020

Place: Pune
Date: July 28, 2020

