54th Annual Report
Eaton Fluid Power Limited

For the year ended March 31, 2019

Making What Matters Work

Surging ahead with our commitment to manufacturing excellence, technology innovation and service reliability. Improving people's lives and the environment with hydraulics technologies and solutions that are more reliable, efficient, safe and sustainable. Thus, helping our customers solve their greatest power management challenges and become more successful.

EATON
Powering Business Worldwide

Directors
(As on August 28, 2019)

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.
Deutsche Bank AG

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: (020) 6633 0066 / 0142

Factory
145, Off Mumbai Pune Road,
Pimpri, Pune – 411018, India
Tel: (020) 6633 0066 / 0142

Sales Offices
A1B1, 3rd Floor,
TDI, Plot No. 7, Jasola,
New Delhi – 110025, India
Tel: (011) 4585 1858

Matrix Tower, Office No. 203, 2nd Floor,
Block No. D.N. 24, Sector V,
Salt Lake, Kolkata – 700091, India
Tel.: (033) 4004 0554 / 0522

Unit 501, 4th Floor, Prestige Atrium, Central Street
Shivajinagar, Bangalore – 560001, India
Tel: (080) 4901 2203

No. 36, Nehru Street,
Off Old Mahabalipuram Road, Sholinganallur
Chennai – 600119, India
Tel: (044) 4450 1536

CONTENT

NOTICE OF THE MEETING

To the Members of Eaton Fluid Power Limited

Notice is hereby given that the 54th Annual General Meeting of the Members of Eaton Fluid Power Limited will be held at the Registered Office of the Company at 145, Mumbai Pune Road, Pimpri, Pune – 411018 on Monday, 30th day of September 2019 at 10.00 a.m. 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, 2019 together with the Auditor's Report and Board's Report thereon.

   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 the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the Auditor's Report and Board's Report thereon, be and are hereby adopted."

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.

   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 Mr. Sachit Nayak (DIN: 02317135) who is liable to retire by rotation pursuant to Section 152 of the Companies Act, 2013 and other applicable provisions, if any, and who has offered himself for re-appointment be and is hereby re-appointed as a Director of the Company."

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

   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 Mr. Nilesh Dharwadkar (DIN: 07778007) who is liable to retire by rotation pursuant to Section 152 of the Companies Act, 2013 and other applicable provisions, if any, and who has offered himself for re-appointment be and is hereby re-appointed as a Director of the Company."

4. To re-appoint M/s. S R B C & Co. LLP, Chartered Accountants (ICAI Firm Registration Number: 324982E/E300003) as Statutory Auditors of the Company to hold office from the conclusion of this meeting till conclusion of 59th Annual General Meeting.

   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** M/s. S R B C & Co. LLP, Chartered Accountants (ICAI Firm Registration Number: 324982E/E300003) be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting up to the conclusion of the 59th Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors, in addition to reimbursement of actual traveling and other out of pocket expenses."

SPECIAL BUSINESS:

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, 2020.

   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, 2020.

   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."

NOTES:

a. The Explanatory Statement setting out the material facts concerning the Special Business under item no. 5 of the Notice as required under Section 102 of the Companies Act, 2013 is annexed hereto.

b. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company.

c. The instrument appointing the proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time of holding the meeting.

d. Corporate Members are required to send a certified copy of the Board Resolution and Letter of Representation, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the AGM.

e. Members are advised to send all correspondence / documents only at the Registered Office of the Company or to the Company's Registrar, Link Intime India Private Limited, Block No. 202, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune – 411001, Tel: +91-020-26161629/0084, Fax: +91-020-26163503.

f. Members are requested to:

   i. notify immediately any change in their addresses to the Company quoting their Folio number;
   ii. send their queries at least 10 days before the day of meeting so that the information can be made available at the meeting.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
   a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csnitaltadphale@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

For and on behalf of
Eaton Fluid Power Limited

Ishan Kulkarni
Company Secretary
(ICSI Membership No.: ACS 31932)

Date: August 28, 2019
Place: Pune

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

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 2019-20.

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.

For and on behalf of
Eaton Fluid Power Limited

Ishan Kulkarni
Company Secretary
(ICSI Membership No.: ACS 31932)

Date: August 28, 2019
Place: Pune

BOARD'S REPORT

Dear Members,
Eaton Fluid Power Limited

Your Directors are pleased to present the 54th Annual Report and the Company's audited financial statements for the financial year ended March 31, 2019.

FINANCIAL HIGHLIGHTS **Rs. In Million**

Particulars	2018-2019	2017-2018
Total Income	4590.16	3529.43
Profit before tax	188.84	190.55
Total Tax Expense	(71.63)	(9.48)
Other comprehensive (loss) / income for the year, net of tax liability	(14.43)	(1.02)
Net Profit / (Loss)	102.78	180.05
Balance of Profit & Loss Account brought forward	275.73	95.68
Transfer to Capital Redemption Reserve	-	-
Amount utilized on buyback of equity shares	-	-
Surplus/ (Deficit) carried to Balance Sheet	378.51	275.73

RESULT OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

Your Company reported revenue from operations of Rs. 4552.24 Million, growth of 29.6% over previous year. Increase is primarily due to capacity expansion, new products, improved market share through sustained penetration strategy and localization. The margins were adversely impacted due to foreign exchange fluctuations and product mix.

ANNUAL GENERAL MEETING

The Annual General Meeting for the financial year ended March 31, 2018 was held on November 26, 2018.

DIVIDEND

The directors do not recommend any dividend.

RESERVES

The Company is not proposing any transfer to the General Reserve for the financial year 2018-19.

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.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company as provided under sub-section (3) of Section 92 is annexed herewith as ***Annexure A*** to this report.

NO. OF MEETINGS OF THE BOARD HELD DURING THE YEAR

The Board met 5 times on the following dates during the financial year ended March 31, 2019 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.	June 12, 2018	Shandar Alam Sachit Nayak Nilesh Dharwadkar
2.	August 24, 2018	Shandar Alam Nilesh Dharwadkar Surendra Kelkar Prajakta Kulkarni
3.	August 24, 2018	Shandar Alam Nilesh Dharwadkar Surendra Kelkar Prajakta Kulkarni
4.	September 25, 2018	Shandar Alam Sachit Nayak Nilesh Dharwadkar Surendra Kelkar Prajakta Kulkarni
5.	January 16, 2019	Shandar Alam Sachit Nayak Nilesh Dharwadkar

NO. OF MEETINGS OF INDEPENDENT DIRECTORS HELD DURING THE YEAR

Sr. No.	Date of the Meeting	Independent Director's attendance
1.	March 26, 2019	Surendra Kelkar Prajakta Kulkarni

NO. OF MEETINGS OF AUDIT COMMITTEE HELD DURING THE YEAR

Sr. No.	Date of the Meeting	Member's attendance
1.	August 24, 2018	Surendra Kelkar Prajakta Kulkarni
2.	September 25, 2018	Sachit Nayak Surendra Kelkar Prajakta Kulkarni

NO. OF MEETINGS OF STAKEHOLDERS RELATIONSHIP COMMITEE HELD DURING THE YEAR

Sr. No.	Date of the Meeting	Member's attendance
-	-	-

NO. OF MEETINGS OF NOMINATION AND REMUNERATION COMMITEE HELD DURING THE YEAR

Sr. No.	Date of the Meeting	Member's attendance
1.	August 24, 2018	Surendra Kelkar Prajakta Kulkarni

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

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

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

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors state that:

a. in the preparation of the annual accounts for the year ended March 31, 2019, 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, 2019 and of the profit of the company for the year ended on that date;

c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors have prepared the annual accounts on a going concern basis 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.

A 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.

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.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, M/s. S R B C & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 324982E / E300003) were appointed as the Statutory Auditors for a period of 5 years to hold office from the conclusion of the AGM held on September 22, 2014.

M/s. S R B C & Co. LLP (ICAI Firm Registration No. 324982E / E300003) have already completed a term of 5 years as Statutory Auditors of the Company. It is, therefore, proposed to re-appoint M/s. S R B C & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 324982E / E300003) from conclusion of this Annual General Meeting till the conclusion of the 59th Annual General Meeting. M/s. S R B C & Co. LLP have informed the Company vide letter dated August 23, 2019 that their re-appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013. M/s. S R B C & Co. LLP have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

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.

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 under Section 143(12) of the Companies Act, 2013.

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.

COST AUDITORS

Your Company has appointed M/s. C.S. Adawadkar & Co., Cost Accountants as Cost Auditors of the Company for the financial year 2019-20 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.

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 2018-19 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.

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.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

No contracts or arrangements or transactions were entered into during the financial year ended March 31, 2019 which were not at Arm's Length Basis. During the financial year ended March 31, 2019, all the transactions entered into 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:

MATERIAL CHANGES AND COMMITMENTS BETWEEN THE DATE OF THE BALANCE SHEET AND THE DATE OF REPORT:

NIL

CONSERVATION OF ENERGY

- 409 kWp Solar Power plant (Roof Top and Ground Mounted) is under installation under the Power Purchase Agreement.
- Oil Chiller optimization on Junker Grinding Machine. Reduced Oil Chiller running load by 9.8 KWH by optimizing of chilling capacity by increasing coolant tank size, saving annually 64680 KWH units.
- Installation of new Air Compressor with air dryer, air receiver tank and the air filter in compressed air line of Heat Treatment shop. Reduce moisture content in the air line, reduce erosion of air pipe line.
  a. Due to filtered air pneumatic equipment failure will be reduced. This will also help to reduce air leakages in the pneumatic devices.
  b. Zero air loss auto Drain Valve Installed. This saves compressor energy consumption.
- Replaced HPMV flood lights with LED flood lights.

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

- RTPFC Panel is planned to implement Unity power factor to get the rebate on the electricity bill in terms of PF Incentives. This will also help to save Electricity cost when KVA Billing method is implemented.
- LED Lighting is planned for production halls.
- AC Servo Motors are planned for the upgradation of old DC Motors of Gear Pump test stand.

TECHNOLOGY ABSORPTION

- The Company has developed new, compact and improved design open circuit piston pumps for mobile and industrial segments.
- The Company has developed medium duty closed circuit piston motors in cast iron for mobile segment.
- The Company has developed a unique hydraulic performance test stand which has ability to test variety of pumps and cylinders being used in MRI tables.
- The Company has started using Enovia 2015 product lifecycle management software to track & monitor manufacturing process changes.

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 901 Million
Expenditure in foreign currency:	INR 2,242 Million

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.

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. 59.8 Million

4. **Prescribed CSR Expenditure (2% of the amount as in item 3 above):** Rs. 1.2 Million

5. **Details of CSR spent during the financial year:** Rs. 0.79 Million
   i. Total amount to be spent for the financial year: Rs. 1.2 Million
   ii. Amount unspent, if any: Rs. 0.41 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 2018-19 with projects under education, environment and health. Under education, the focus has been on providing comprehensive support to select schools as part of 'Adopt a School' program. 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. VidyaVikas - a scholarship program for meritorious students was conceptualized and introduced this year. The education projects touch lives of over 10,000 students. 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. The Foundation made its first foray into environment, piloting 2 program of tree plantation and watershed management.

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During the financial year 2018-19, the Foundation has spent Rs. 3.63 Crores, details of which are as follows:

Eaton India Foundation Spend Details for FY 2018-19

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	Education	Pune, Maharashtra & Pondicherry	1,874,167.00	1,874,167.00	0	1,874,167.00	Implementing agency & direct implementation
2	Science, Technology, Engineering and Mathematics (STEM) initiatives - A World In Motion, Science Saturday & Planetarium	Education	Pune, Maharashtra & Pondicherry	1,737,417.00	1,737,417.00	0	1,737,417.00	Direct implementation
3	Adopt a school - Vigyan Ashram iTeach schools	Education	Pune, Maharashtra	8,952,840.00	8,952,840.00	0	8,952,840.00	Implementing agency
4	Teach For India Fellowship program	Education	Pune, Maharashtra & Chennai	4,704,053.00	4,704,053.00	0	4,704,053.00	Implementing agency
5	I2I -science and technology education	Education	Pune, Maharashtra	1,365,000.00	1,365,000.00	0	1,365,000.00	Implementing agency
6	Scholarships Pratibha - Excellence award to promote women in science and technology VidyaVikas - Scholarship support to the needy and meritorious students	Education	Pune, Ahmednagar, Nashik, Chennai, Tonk, Delhi & Kanpur	4,350,568.00	4,350,568.00	0	4,350,568.00	Implementing agency & direct implementation
7	Destitute care initiative - Kinara SAMPARC BVJSS BSSK	Health	Pune, Maharashtra	5,104,653.00	5,104,653.00	0	5,104,653.00	Implementing agency
8	Tree plantation	Environment	Pune, Maharashtra & Pondicherry	1,140,000.00	1,140,000.00	0	1,140,000.00	Implementing agency
9	Watershed development	Environment	Ahmednagar, Maharashtra	3,665,246.00	3,665,246.00	0	3,665,246.00	Implementing agency
10	Matching donation program - Education material donation	General donation	Maharashtra and Pondicherry	1,080,367.00	1,080,367.00	0	1,080,367.00	Direct implementation
11	Matching donation program - grocery and equipment donation to child care home	General donation	Pune, Maharashtra	514,312.00	514,312.00	0	514,312.00	Implementing agency
12	Disaster Relief	General donation	Pondicherry & Kerala	1,850,000.00	1,850,000.00	0	1,850,000.00	Implementing agency
	Total			**36,338,623.00**	**36,338,623.00**	**0**	**36,338,623.00**	

As we continue our involvement in these projects, we also garner active employee engagement. About 2500 employees /Volunteers across India, put in 9000+ hours of community work with different projects and NGOs. 60 percent of these were part of sustained volunteering, engaging long term with NGOs to find and implement solutions on the ground.

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 spent Rs. 0.79 million towards the Corporate Social Responsibility activities during the FY 2018-19. 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/- Nilesh Dharwadkar (Director) (DIN: 07778007)

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Company has appointed Mr. Shandar Alam (DIN 07820751) as Managing Director (KMP) w.e.f. August 24, 2018.

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

THE NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATES COMPANIES DURING THE YEAR: NIL

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.

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.

INTERNAL FINANCIAL CONTROLS

Company has initiated steps to comply with the latest guidelines with regard to internal financial control stated in the Guidance Note on establishing of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India which is applicable to the company. Based on the internal assessments conducted by Internal Audit, Company has demonstrated adequate internal control processes.

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.

SECRETARIAL STANDARDS

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

STATUS OF CORPORATE INSOLVENCY RESOLUTION PROCESS, IF ANY, INITIATED UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016: NIL

STATUS OF CORPORATE ACTIONS DURING THE YEAR, IF ANY: NIL

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, 2019, there were no cases of sexual harassment in the Company.

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	**Nilesh Dharwadkar**
Managing Director	**Director**
(DIN:07820751)	**(DIN: 07778007)**

Date: August 28, 2019
Place: Pune

Annexure A

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0	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 and Foreign Financial Institutions)	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	3137697	1799	3139496	45.0801	3138791	1799	3140590	45.0958	0.0157
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	58019	94746	152765	2.1936	58521	93200	151721	2.1786	-0.0150
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)	1830	0	1830	0.0263	1780	0	1780	0.0256	-0.0007
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	300	0	300	0.0043	0
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):-	3200375	98098	3298473	47.3628	3201921	96552	3298473	47.3628	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3200375	100323	3300698	47.3947	3201921	98777	3300698	47.3947	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	6863944	100323	6964267	100	6865490	98777	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 share-holding 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	52.61	NIL	3663569	52.61	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	52.61	-	-	-	52.61

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

Sr No.		Shareholding at the beginning of the year – 2018		Transactions during the year		Cumulative Shareholding at the end of the year – 2019	
	Name & Type of Transaction	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			3133920	45
	At the end of the year					3133920	45
2	Ravuri Srinivas Rao	3901	0.056			3901	0.056
	At the end of the year					3901	0.056
3	Roopesh K Shah	3650	0.052			3650	0.052
	At the end of the year					3650	0.052
4	3A Financial Services Limited	1824	0.026			1824	0.026
	Transfer			11-May-18	-6	1818	0.026
	Transfer			18-May-18	-482	1336	0.019
	Transfer			13-Jul-18	-150	1186	0.017
	Transfer			10-Aug-18	-50	1136	0.016
	Transfer			31-Aug-18	376	1512	0.022
	Transfer			14-Sep-18	40	1552	0.022
	Transfer			21-Sep-18	400	1952	0.028
	Transfer			12-Oct-18	86	2038	0.029
	Transfer			26-Oct-18	210	2248	0.032
	Transfer			2-Nov-18	50	2298	0.033
	Transfer			28-Dec-18	400	2698	0.039
	At the end of the year					2698	0.039
5	Rubie Sulochana Nanda	2560	0.037			2560	0.037
	At the end of the year					2560	0.037
6	Arti Singh	1850	0.027			1850	0.027
	At the end of the year					1850	0.027

7	Narang Ranbir Singh	1500	0.022			1500	0.022
	At the end of the year					1500	0.022
8	Jinesh H Shah	1450	0.021			1450	0.021
	At the end of the year					1450	0.021
9	Indra Kumar Bagri	1377	0.020			1377	0.020
	At the end of the year					1377	0.020
10	Krishnanand M Amladi	1290	0.019			1290	0.019
	At the end of the year					1290	0.019

(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	52.84	0	52.84
Total (i+ii+iii)	0	1037.84	0	1037.84
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	53.85	0	53.85
Total (i+ii+iii)	0	1038.85	0	1038.85

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	Rs. 9,187,392
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-
	(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 (Other taxable earning)	-
	Total (A)	Rs. 9,187,392
	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. 25,000 (Per Board Meeting)	Rs. 25,000 (Per Board Meeting)
	Commission	-	-
	Others, please specify	-	-
	Total (1)	Rs. 25,000 (Per Board Meeting)	Rs. 25,000 (Per Board Meeting)
2	Other Non-Executive Directors	-	-
	Fee for attending Board / Committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Total (2)	-	-
	Total (B)=(1+2)	Rs. 25,000 (Per Board Meeting)	Rs. 25,000 (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	Rs. 1,363,810
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-
	(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)	Rs. 1,363,810
	Ceiling as per the Act	-

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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)

Nilesh Dharwadkar
Director
(DIN: 07778007)

Date: August 28, 2019
Place: Pune

Annexure B

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 of the Company.

7. MISCELLENEOUS

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)**	**Nilesh Dharwadkar** **Director** **(DIN: 07778007)**

Date: August 28, 2019
Place: Pune

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 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, 2018 to March 31, 2019, 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, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

(i) **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.

(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 68,63,944 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 prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 - Not Applicable;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - 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, 1998 - 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. except:

Application was made to Registrar of Companies for extension of Annual General Meeting (AGM) for the financial year 2017-18. As per approval received the AGM was conducted within the extended time limit.

For DVD & Associates
Company Secretaries

Devendra V. Deshpande
FCS No. 6099
CP No. 6515

Place: Pune
Date: August 22, 2019

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ANNEXURE TO THE SECRETARIAL AUDIT REPORT

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. Where ever 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: August 22, 2019

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, 2019, 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 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 accompanying 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, 2019, its profit 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 accompanying 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 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 accompanying IND AS financial statements.

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

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

Our opinion on the accompanying 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 accompanying 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 accompanying 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 accompanying 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 accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under section 133 of the Act read with 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 accompanying 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 accompanying 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 accompanying 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 accompanying 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 accompanying 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 accompanying IND AS financial statements, including the disclosures, and whether the accompanying 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 purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, 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) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these accompanying IND AS financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 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;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its accompanying IND AS financial statements – Refer Note 17 and Note 32 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; and

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 Vaibhav Kumar Gupta
Partner
Membership Number: 213935
UDIN:19213935AAAAAW8478

Place: Pune
Date: August 28, 2019

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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) Fixed assets have been physically verified by the management during the year and material discrepancies were identified on such verification. These have been properly dealt with in the books of account.

(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 the 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 material statutory dues have generally been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, Goods and Service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(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:

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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.	9.51	FY 2001-02 to 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, FY 2016-17 and FY 2017-18	Appellate Tribunal
	Disallowance of Cenvat credit on canteen and waste disposal services, including interest and penalty.	1.56	FY 2014 to 2016	Commissioner Appeals
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 6.68)	32.16	FY 2008-09 to FY 2013-14	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 17.43)	50.13	FY 2000-01, FY 2003-04, FY 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 0.93)	29.27	FY 2007-08, FY 2008-09, FY 2010-11 to FY 2014-15	Joint Commissioner of Sales Tax
	Liability for disallowance of set off and other disallowances including, interest and penalty. (Net of amount paid under protest 1.88)	25.73	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 of certain expenditure charged to Statement of profit and loss and non-payment of tax deducted at source excluding, interest and penalty if any. (Net of amount paid under protest 4.8)	19.18	AY 2012-13	Commissioner of Income tax (CIT) Appeals
	Disallowance due to various transfer pricing adjustments excluding, interest & penalty, if any. (Net of amount paid under protest 6.25)	134.36	AY 2002-03, 2004-05, AY 2012-13 to AY 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 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 Vaibhav Kumar Gupta
Partner
Membership Number: 213935
UDIN: 19213935AAAAAW8478

Place: Pune
Date: August 28, 2019

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Annexure 2 referred to in paragraph 2 (f) 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, 2019 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these 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 Companies Act, 2013, 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 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 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 financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these 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 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 IND AS these 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 financial statements were operating effectively as at March 31, 2019, 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 Vaibhav Kumar Gupta
Partner
Membership Number: 213935
UDIN: 19213935AAAAAW8478

Place: Pune
Date: August 28, 2019

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BALANCE SHEET AS AT MARCH 31, 2019

(All amounts in INR million unless otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	3A	338.85	298.78
Capital work in progress	3B	93.01	83.44
Intangible assets	3C	-	4.66
Investment property	4	0.03	0.03
Financial assets			
Loans	5	0.96	0.67
Trade receivables	7	13.34	3.55
Other financial assets	6	4.70	3.94
Other non-current assets	10	74.08	97.45
Deferred tax asset (net)	34	119.61	139.43
Income tax assets (net)		190.57	193.20
		835.15	**825.15**
Current assets			
Inventories	8	759.63	601.16
Financial assets			
Trade receivables	7	1,051.24	932.98
Cash and cash equivalents	9	135.64	145.39
Loans	5	2.10	1.61
Other financial assets	6	34.96	4.02
Other current assets	10	286.04	199.18
		2,269.61	**1,884.34**
Total assets		**3,104.77**	**2,709.49**
Equity and liabilities			
Equity			
Share capital	11	69.64	69.64
Other equity	12	378.51	275.73
Total equity		**448.15**	**345.37**
Liabilities			
Non-current liabilities			
Long term provisions	17	31.09	17.02
		31.09	**17.02**
Current liabilities			
Financial Liabilities			
Borrowings	13	985.00	985.00
Trade payables: total outstanding dues to:			
- micro, small and medium enterprises	15	179.09	47.11
- others	15	1,174.05	1,033.32
Other financial liabilities	14	74.73	73.72
Short term provisions	17	146.29	108.41
Other current liabilities	16	50.38	50.71
Current tax liabilities (net)		15.99	48.83
		2,625.53	**2,347.10**
Total liabilities		**2,656.62**	**2,364.12**
Total equity and liabilities		**3,104.77**	**2,709.49**

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 Vaibhav Kumar Gupta
Partner
Membership No: 213935

Place: Pune
Date: August 28, 2019

Shandar Alam
Managing Director
DIN: 07820751

Place: Pune
Date: August 28, 2019

Nilesh Dharwadkar
Director
DIN: 07778007

Place: Pune
Date: August 28, 2019

Ishan Kulkarni
Company Secretary
ACS: 31932

Place: Pune
Date: August 28, 2019

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

(All amounts in INR million unless otherwise stated)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations	18	4,552.24	3,512.36
Other income	19	37.91	17.07
Total income		**4,590.15**	**3,529.43**
Expenses			
Cost of raw material and components consumed	20	1,898.60	1,473.55
Purchase of traded goods		1,428.26	928.50
(Increase) in inventories of finished goods, work-in-progress and traded goods	21	(118.00)	(25.20)
Excise duty on sale of goods	18	-	32.89
Employee benefits expense	22	315.29	312.09
Depreciation and amortisation expense	23	71.59	61.16
Finance costs	24	96.41	92.02
Other expenses	25	709.16	463.87
Total expenses		**4,401.31**	**3,338.88**
Profit before tax		**188.84**	**190.55**
Tax expense	34		
Minimum alternate tax (MAT)		(44.25)	(40.98)
MAT credit entitlement		0.18	40.98
Deferred tax (charge)		(27.56)	(9.48)
Total tax expense		**(71.63)**	**(9.48)**
Profit for the year		**117.21**	**181.07**
Other Comprehensive Income (OCI)			
Items that will not to be reclassified subsequently to profit or loss:			
Re-measurement (loss) on defined benefit plans	29	(22.18)	(1.57)
Income tax effect	34	7.75	0.55
Other comprehensive expense for the year, net of tax		**(14.43)**	**(1.02)**
Total comprehensive income for the year, net of tax		**102.78**	**180.05**
Earnings per equity share	27		
Nominal value per share INR 10 (March 31, 2018: INR 10)			
Basic and diluted		16.83	26.00

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 Vaibhav Kumar Gupta
Partner
Membership No:213935
Place: Pune
Date: August 28, 2019

Shandar Alam
Managing Director
DIN: 07820751
Place: Pune
Date: August 28, 2019

Nilesh Dharwadkar
Director
DIN: 07778007
Place: Pune
Date: August 28, 2019

Ishan Kulkarni
Company Secretary
ACS: 31932
Place: Pune
Date: August 28, 2019

Statement of Changes in Equity for the year ended March 31, 2019

(All amounts in INR million unless otherwise stated)

a. Equity share capital

Particulars	No.	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
As at March 31, 2018	6.96	69.64
As at March 31, 2019	6.96	69.64

b. Other equity

For the year ended March 31, 2018

Particulars	Securities premium	Retained earnings	Total
Balance as at April 01, 2017	**131.70**	**(36.02)**	**95.68**
Profit for the year	-	181.07	181.07
Other Comprehensive Income	-	(1.02)	(1.02)
Total Comprehensive Income	**-**	**180.05**	**180.05**
Balance as at March 31, 2018	**131.70**	**144.03**	**275.73**

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**

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

per Vaibhav Kumar Gupta
Partner
Membership No:213935

Place: Pune
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For and on behalf of the Board of Directors of
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Date: August 28, 2019

Statement of Cash Flow For The Year Ended on March 31, 2019

(All amounts in INR million unless otherwise stated)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Cash generated from operations		
Profit before tax	188.84	190.55
Adjustment to reconcile Profit before tax to net cash flow		
Depreciation and amortization	71.59	61.16
Provision for doubtful debts	15.88	1.80
Unrealised foreign exchange (gain) (net)	(5.02)	(1.78)
Write off/Loss on sale/discard of property, plant and equipment (net)	4.85	-
Finance cost	86.43	89.76
Interest on refund received from income tax department	(27.84)	-
Interest income	(3.79)	(3.61)
Operating profit before working capital changes	**330.94**	**337.88**
Movements in working capital:		
(Increase) in trade receivables	(148.71)	(205.19)
(Increase) in inventories	(158.47)	(95.47)
(Increase) in financial assets	(32.48)	(0.30)
(Increase) in other assets	(88.09)	(55.22)
Increase in trade payable	284.09	284.07
Increase/(Decrease) in provisions	38.54	(8.39)
Increase in financial liabilities	-	0.25
(Decrease)/Increase in other liabilities	(0.33)	9.40
Cash generated from operations	**225.49**	**267.03**
Direct taxes paid (net of refunds)	(54.17)	(32.29)
Net cash flow from operating activities (A)	**171.31**	**234.74**
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances)	(100.30)	(129.92)
Proceeds from sale of property, plant and equipment intangible assets	0.88	-
Interest received	3.79	3.61
Net cash flow (used in) investing activities (B)	**(95.63)**	**(126.31)**
Cash flow from financing activities		
Interest paid	(85.43)	(91.72)
Net cash flow (used in) financing activities (C)	**(85.43)**	**(91.72)**
Net increase in cash and cash equivalents (A + B + C)	(9.75)	16.71
Cash and cash equivalents at the beginning of the year	145.39	128.68
Cash and cash equivalents at the end of the year	**135.64**	**145.39**

	Year Ended March 31, 2019	Year Ended March 31, 2018
Components of cash and cash equivalents (refer note 9)		
Cheques on hand	-	2.76
Balances with banks		
- On current accounts	36.14	10.13
- On deposit accounts	99.50	132.50
Total cash and cash equivalents	**135.64**	**145.39**

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 Vaibhav Kumar Gupta
Partner
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Place: Pune
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Place: Pune
Date: August 28, 2019

Ishan Kulkarni
Company Secretary
ACS: 31932

Place: Pune
Date: August 28, 2019

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Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

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 Equipments 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 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 August 28, 2019.

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 an 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 37)

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 no. 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 arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of profit and loss due to its operating nature.

Export incentive

Export incentive are recognised at the time of exports and when it is reasonably certain that the amounts would be recovered which generally coincides with the receipt of such incentive.

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. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the 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 in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of profit and loss and shown as “MAT Credit Entitlement.” The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

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 determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

Lease where the lessor effectively retains substantially all the risks and rewards of the leased item are classified as operating lease. Operating lease payments are recognised as an expense in the Statement of profit and loss 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 benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of profit and loss.

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 Recent accounting pronouncements having an impact on the Company

Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 was issued on March 28, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 during the current year using the modified retrospective method of adoption. There is no significant impact of transition to IND AS 115 on retained earnings as on April 1, 2018.

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Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019

(All amounts in INR million unless otherwise stated)

3A. Property, plant and equipment

Particulars	Freehold land	Leasehold improvements	Building	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, 2017	0.66	11.09	66.03	8.31	642.10	41.98	22.00	6.23	13.06	1.32	**812.78**
Additions	-	2.42	23.66	-	46.42	-	-	2.86	-	-	**75.36**
Deletions\write offs	-	-	-	-	2.57	-	-	-	-	-	**2.57**
As at March 31, 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**
Depreciation (Gross) (refer note below)											
As at April 01, 2017	-	9.59	25.06	2.43	425.70	34.73	16.55	3.79	9.35	1.32	**528.52**
Charge for the year	-	0.70	4.56	0.91	47.61	4.29	1.19	0.65	0.93	-	**60.84**
Deletions\write offs	-	-	-	-	2.57	-	-	-	-	-	**2.57**
As at March 31, 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**
Net Book value											
As at March 31, 2018	0.66	3.22	60.07	4.97	215.21	2.96	4.26	4.65	2.78	-	**298.78**
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**
Capital work in progress											
As at March 31, 2018	-	-	-	-	81.19	1.58	-	0.67	-	-	**83.44**
As at March 31, 2019	-	-	-	-	92.40	0.29		0.32	-	-	**93.01**

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019

(All amounts in INR million unless otherwise stated)

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.

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 current year, the company has conducted physical verification of all its fixed assets and has 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)

3C. Intangible assets

Particulars	**Computer software**
Cost (Gross) (refer note below)	
As at April 01, 2017	3.19
Purchases	4.98
As at March 31, 2018	8.17
Purchases	-
Deletions\write offs	8.11
As at March 31, 2019	**0.06**
Depreciation (Gross) (refer note below)	
As at April 01, 2017	3.19
Charge for the year	0.32
As at March 31, 2018	3.51
Charge for the year	0.74
Deletions\write offs	4.19
As at March 31, 2019	**0.06**
Net Book value	
As at March 31, 2018	**4.66**
As at March 31, 2019	**-**

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.

Notes To The IND-AS Financial Statements For The Year Ended March 31, 2019

(All amounts in INR million unless otherwise stated)

4. Investment property

Particular	Total
Gross block	
Opening balance as at April 01, 2017	**0.03**
Additions	-
Disposals	-
Closing balance as at March 31, 2018	**0.03**
Additions	-
Disposals	-
Closing balance as at Mar 31, 2019	**0.03**
Depreciation and impairment	
Opening balance as at April 01, 2017	-
Depreciation for the year	-
Closing balance as at March 31, 2018	-
Depreciation for the year	-
Closing balance as at March 31, 2019	-
Net block	
At March 31, 2018	**0.03**
At March 31, 2019	**0.03**

Information regarding income and expenditure of investment property

Particulars	March 31, 2019	March 31, 2018
Rental income derived from investment property	3.18	3.18
Direct operating expenses (including repairs and maintenance) generating rental income	0.25	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	**2.93**	**2.93**
Less : Depreciation	-	-
Profit arising from investment properties before indirect expenses	**2.93**	**2.93**

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

As at March 31, 2019, the fair values of the property is INR 47.69 (March 31, 2018 INR 47.69). The Company obtains independent valuations 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 values of investment property have 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 44.

Notes To The IND-AS Financial Statements For The Year Ended March 31, 2019

(All amounts in INR million unless otherwise stated)

5 Loans (carried at amortised cost)

	March 31, 2019	March 31, 2018
Non current		
(unsecured, considered good) (at amortised cost)		
Loans to employees	0.96	0.67
	0.96	**0.67**
Current		
(unsecured, considered good) (at amortised cost)		
Loans to employees	2.10	1.61
	2.10	**1.61**

No loans are due from directors or other officers of the Company either severally or jointly with any other person.

6 Other financial assets (carried at amortied cost)

	March 31, 2019	March 31, 2018
Non current		
Security deposits	4.70	3.94
	4.70	**3.94**
Current		
Unbilled revenue	3.58	3.58
Security deposits	0.45	0.44
Government grant*/export incentive receivable	30.93	-
	34.96	**4.02**

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 export sales. There are no unfulfilled conditions or other contigencies attached to the said government grants.

Notes To The IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

7 Trade receivables (carried at amortied cost)

	March 31, 2019	March 31, 2018
Non-Current		
Unsecured, considered good		
Receivables from others	13.34	3.55
	13.34	**3.55**

	March 31, 2019	March 31, 2018
Current		
Trade receivables	819.61	732.28
Receivable from related parties (refer note 36)	231.63	200.70
	1,051.24	**932.98**
Break-up for security details:		
Secured, considered good	-	-
Unsecured, considered good	1,042.38	918.70
Trade receivables which have significant increase in credit risk	8.86	14.28
Trade receivables - credit impaired	27.56	14.46
	1,078.80	**947.44**
Impairment allowance (allowance for bad and doubtful debts)		
Provision for impairment	(27.56)	(14.46)
	1,051.24	**932.98**

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, 2019	March 31, 2018
Eaton Technologies Private Limited, India	3.05	-
Eaton Industrial Systems Private Limited, India	2.23	0.06
Eaton Industrial Products Private Limited, India	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 36

Notes To The IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

8 Inventories

	March 31, 2019	March 31, 2018
Raw materials and components [includes goods in transit INR 84.83 (March 31, 2018: INR 79.95)]	319.86	279.39
Work-in-progress [includes material lying with subcontractors INR 13.16 (March 31, 2018: INR 36.66)]	81.36	97.99
Finished goods [includes sales in transit INR 6.13 (March 31, 2018: INR 8.60)]	75.73	39.58
Traded goods [includes goods in transit INR 154.16 (March 31, 2018: INR 103.25) and Sales in transit INR 0.07 (March 31, 2018: INR 3.11)]	282.68	184.20
	759.63	**601.16**

*During the year ended March 31, 2019: INR (4.31) (March 31, 2018: INR (13.36)) was recognised as an expense/(reversal) for inventories carried at net realisable value.

9 Cash and cash equivalents (carried at amortised cost)

	March 31, 2019	March 31, 2018
Balance with Banks		
in current accounts	36.14	10.13
in deposits with original maturity of less than 3 months	99.50	132.50
Cheques on hand	-	2.76
	135.64	**145.39**

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.

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Notes To The IND-AS Financial Statements For The Year Ended March 31, 2019

(All amounts in INR million unless otherwise stated)

10 Other assets

	March 31, 2019	March 31, 2018
Non Current		
Unsecured, considered good		
Capital advances	13.41	38.01
VAT receivable and SVB Deposits (including paid under protest)	60.67	59.44
	74.08	**97.45**
Current		
Unsecured, considered good		
Advance recoverable in cash or kind	23.78	19.33
Government Grant/ Export incentive receivable**	0.73	46.17
Balances with government authorities	256.69	133.68
Other receivable***	4.84	-
Unsecured, considered doubtful		
Advance recovarable in cash or kind	1.60	-
	287.64	**199.18**
Provision for bad and doubtful advances	(1.60)	-
	286.04	**199.18**

** 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.

11 Share capital

	March 31, 2019	March 31, 2018
Authorised share capital (No. million)		
7 (March 31, 2018: 7) equity shares of INR 10 each	70.00	70.00
0.85 (March 31, 2018: 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, 2018: 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.

Notes To The IND-AS Financial Statements For The Year Ended March 31, 2019

(All amounts in INR million unless otherwise stated)

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

Particulars	March 31, 2019		March 31, 2018	
	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, 2019	March 31, 2018
(No. of shares in million)		
ETN Holding 2 Limited, Mauritius		
3.67 (March 31, 2018: 3.67) equity shares of INR 10 each fully paid	36.67	36.67
Eaton Technologies Private Limited, India		
3.13 (March 31, 2018: 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, 2019		March 31, 2018	
	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 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.

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

12 Other equity

	Securities Premium*	Retained Earnings	Total
At March 31, 2018	131.70	144.03	275.73
Additions	-	102.78	102.78
At Mar 31, 2019	**131.70**	**246.81**	**378.51**

* 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.

13 Borrowings

	March 31, 2019	March 31, 2018
Current		
Unsecured loans from related parties # (note 36)	985.00	985.00
	985.00	**985.00**

Against promissory notes executed with Eaton Technologies Private Limited, India. These are renewed and roll forwarded on annual basis and carry interest rate varying from 8.7% p.a to 9.20% p.a (March 31, 2018: 8.29% p.a. to 9.72% p.a)

14 Other financial liabilities

	March 31, 2019	March 31, 2018
Current		
Security deposits #	20.88	20.88
Interest accrued but not due on borrowings	53.85	52.84
	74.73	**73.72**

#Security deposits are non-interest bearing.

15 Trade Payables

	March 31, 2019	March 31, 2018
Current		
Trade outstanding dues to micro, small and medium enterprises (refer note 35)	179.09	47.11
Trade outstanding dues to others*	293.12	450.57
Trade outstanding dues to related parties (refer note 36)	880.93	582.75
	1,353.14	**1,080.43**

* It includes payable towards purchase of property, plant and equipment INR 2.93 (March 31, 2018: INR 5.58)

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 36

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

16 Other current liabilities

	March 31, 2019	March 31, 2018
Contract liabilities	13.51	12.98
Statutory dues and other payables**	36.87	37.73
	50.38	**50.71**

** Statutory dues and other payable includes payable on account of provident fund, tax deducted at source etc.

For Company's credit risk management process, refer note 38.

17 Provisions

	March 31, 2019	March 31, 2018
Non-Current		
Provision for employee benefits		
Provision for gratuity (refer note 29)	31.09	17.02
	31.09	**17.02**
Current		
Provision for employee benefits		
Provision for gratuity (refer note 29)	9.06	10.22
Provision for leave encashment	31.80	28.55
	40.86	**38.77**
Other provision		
Provision for warranties	25.57	18.46
Provision for statutory matter	79.86	51.18
	105.43	**69.64**
	146.29	**108.41**

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, 2019	March 31, 2018
At the beginning of the year	18.46	15.43
Arising during the year	14.29	9.43
Utilized during the year	(7.18)	(6.40)
At the end of the year	**25.57**	**18.46**

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

Provision for statutory matter

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, 2019	March 31, 2018
At the beginning of the year	51.18	44.43
Arising during the year	28.68	6.75
Utilized during the year	-	-
At the end of the year	**79.86**	**51.18**

18 Revenue from operations

	March 31, 2019	March 31, 2018
Sale of products (including excise duty as applicable)		
Finished goods	2,853.69	2,339.02
Traded goods	1,620.68	1,133.78
Sale of services	26.63	24.23
Other operating revenue		
Scrap sales	4.04	4.06
Government grant - export incentives (Refer Note 10 and Note 6)	47.20	11.27
Total revenue from operations	**4,552.24**	**3,512.36**

Revenue from operations for period up to June 30, 2017 includes excise duty of INR Nil (March 31, 2018: 32.89). From July 01, 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The Company collects GST on behalf of the government and hence, GST is not included in revenue from oprations. In view of the aforesaid change in indirect taxes, revenue from operations for the year ended March 31, 2019 is not comparable with March 31, 2018.

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Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

Disaggregated revenue information

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

	March 31, 2019
Location	
India	3,606.29
Outside India	901.75
Total revenue from contracts with customers*	**4,505.04**
Timing of revenue recognition	
Goods transferred at a point in time	4,478.41
Services transferred over time	26.63
Revenue from contract with customers*	**4,505.04**
Set out below is the amount of revenue recognised from	
Amounts included in contract liabilities at the beginning of the year	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	4,522.54
Adjustments	
Discounts	(17.50)
Revenue from contract with customers*	**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 47.20.

The Company has applied IND AS 115 for the first time for the year ended March 31, 2019 and accordingly disclosures for 'Disaggregated revenue information has been furnished only for year ended March 31, 2019.

19 Other income

	March 31, 2019	March 31, 2018
Interest income		
Bank deposits	3.79	3.61
Others**	27.84	-
Rental income (refer note 30)	4.62	3.47
Exchange difference (gain)	1.62	8.54
Miscellaneous income	0.04	1.45
	37.91	**17.07**

** Includes interest of refund received Income tax department.

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

20 Cost of raw material and components consumed

	March 31, 2019	March 31, 2018
Inventory at the beginning of the year	279.39	209.12
Add: Purchases	1,939.07	1,543.82
	2,218.46	**1,752.94**
Less: Inventory at the end of the year	319.86	279.39
	1,898.60	**1,473.55**

21 (Increase in inventories of finished goods, work in progress and traded goods)

	March 31, 2019	March 31, 2018
Inventory at the end 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**
Inventory at the beginning of the year		
Traded goods	184.20	169.35
Work-in-progress	97.99	78.00
Finished goods	39.58	49.22
	321.77	**296.57**
	(118.00)	**(25.20)**

22 Employee benefits expenses

	March 31, 2019	March 31, 2018
Salaries, wages and bonus	269.95	267.11
Contribution to provident and other funds	12.69	12.50
Gratuity expense (refer note 29)	7.07	6.70
Staff welfare expenses	24.85	25.35
Recruitment and training expenses	0.73	0.43
	315.29	**312.09**

23 Depreciation expenses

	March 31, 2019	March 31, 2018
Depreciation on property, plant and equipment (Refer note 3A)	70.85	60.84
Amortisation of intangible assets (Refer note 3C)	0.74	0.32
	71.59	**61.16**

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

24 Finance costs

	March 31, 2019	March 31, 2018
Interest expenses	86.43	89.76
Others including interest cost defined benefit plans, interest on MSMED and tax payment	9.98	2.26
	96.41	**92.02**

25 Other expenses

	March 31, 2019	March 31, 2018
Consumption of tools	31.20	31.75
Consumption of stores and spares	30.95	24.41
Power and fuel	43.95	40.95
Rent expenses (refer note 30)	11.10	11.06
Freight, packaging and forwarding charges	48.30	42.93
Rates and taxes	39.53	11.84
Repairs and maintenance		
- Building	1.69	1.88
- Plant and machinery	11.91	7.62
- Others	6.42	5.99
Contract labour expenses	85.62	33.97
Corporate cost allocation	35.05	30.01
Corporate support charges (refer note 42)	118.47	70.28
IT Support charges	3.73	26.79
Royalty expense	155.80	58.31
Increase in excise duty on closing stock	-	4.85
Legal and professional fees	8.76	13.88
Provision for doubtful debts and advances (net of bad debt & advances written off INR 1.18) (March 31, 2018: INR Nil)	15.88	1.80
Write off/loss on sales/discard of property, plant and equipment (net)	4.85	-
Warranty cost (net) (refer note 17)	14.29	9.43
Travelling and conveyance	16.98	15.47
Payment to auditor (refer details below)	3.69	3.29
Corporate Social Responsibilities (‘CSR’) expenditure (Refer note 26 below)	0.79	-
Miscellaneous expenses**	26.18	22.56
	715.14	**471.39**
Less: Expenses recovered (refer note 41)	(5.98)	(7.52)
	709.16	**463.87**

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

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

Payment to auditor

	March 31, 2019	March 31, 2018
As auditor:		
Audit fees	2.98	2.48
Tax audit fee	0.50	0.50
In other capacity		
Fees for other services (including group audit)	0.05	0.15
Reimbursement of expenses	0.16	0.16
	3.69	**3.29**

26 Corporate Social responsibility

As set out in Section 135 of the Companies Act, 2013, the Company is required to contribute INR.1.20 (March 31, 2018 : INR Nil) towards corporate social responsibility activities, as calculated basis 2% of its average net profits of the last three financial years. However, during the current year, the Company has contributed INR.0.79 (March 31, 2018: INR Nil) towards corporate social responsibility activities as mentioned in Schedule VII (including amendments thereto) of the Companies Act, 2013.

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, 2019	March 31, 2019
Numerator for basic and diluted profit per share			
Net Profit after tax attributable to shareholders	(A)	117.21	181.07
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)**	**16.83**	**26.00**

* 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.

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

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.

Operating lease commitments - Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on evaluation of the terms and conditions of the agreements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

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.

Deferred tax asset

The Company has recognised Deferred Tax Asset (DTA) on temporary differences, 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 estimated the amount of future taxable profits, that it expects to earn in future and have recognised DTA only to the extent it is probable that such taxable profits will be earned.

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 indentify 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.

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

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, 2019	March 31, 2018
Current service cost	7.07	6.70
Net benefit expense in the Statement of profit and loss	**7.07**	**6.70**

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

Particulars	March 31, 2019	March 31, 2018
Actuarial loss due to DBO experience	21.56	4.40
Actuarial (gain) due to DBO assumption changes	(0.13)	(3.75)
Return on plan assets less than discount rate	0.75	0.92
Actuarial losses recognized in OCI	**22.18**	**1.57**

Net interest expense

Particulars	March 31, 2019	March 31, 2018
Interest cost	7.23	6.85
Interest income on plan assets	(5.91)	(4.59)
Net interest expense	**1.32**	**2.26**

Balance Sheet

Benefit asset/(liability):

Particulars	March 31, 2019	March 31, 2018
Present value of defined benefit obligation	(122.60)	(103.43)
Fair value of plan assets	82.45	76.19
Plan (liability)	**(40.15)**	**(27.23)**

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

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

Particulars	March 31, 2019	March 31, 2018
Opening defined benefit obligation	103.42	105.71
Current service cost	7.07	6.70
Interest cost	7.23	6.85
Acquisitions	2.45	2.30
Actuarial losses on obligation experience	21.56	4.40
Actuarial (gain) due to DBO assumption changes	(0.13)	(3.75)
Benefits paid directly by the Company	(4.17)	(6.84)
Benefits paid from plan assets	(14.83)	(11.95)
Closing defined benefit obligation	**122.60**	**103.42**

Changes in the fair value of plan assets are as follows

Particulars	March 31, 2019	March 31, 2018
Opening fair value of plan assets	76.19	54.98
Acquisition adjustment	0.94	1.54
Interest income on plan assets	5.90	4.59
Contributions by employer	15.00	27.95
Return on plan assets (lesser) than discount rate	(0.75)	(0.92)
Benefits paid from plan assets	(14.83)	(11.95)
Closing fair value of plan assets	**82.45**	**76.19**

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, 2019	March 31, 2018
Investments with insurer	100%	100%

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

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

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.60%	7.70%
Expected rate of increment in compensation levels	8.75%	8.75%

Employee turnover	March 31, 2019	March 31, 2018
Age		
Between 21-30 years	13%	15%
Between 31-34 years	7%	10%
Between 35-44 years	5%	5%
Between 45-50 years	5%	3%
Between 51-54 years	5%	2%
Above 55 years	4%	1%

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, 2019 and March 31, 2018 is as shown below

Particulars	Sensitivity level	Impact on defined benefit obligation	
		March 31, 2019	March 31, 2018
Discount rate	0.5% increase	(7.20)	(6.79)
	0.5% decrease	8.20	7.76
Future salary increase	0.5% increase	3.90	3.69
	0.5% decrease	(3.70)	(3.49)
Withdrawal rate	5% increase	(2.85)	(2.85)
	5% decrease	4.50	2.83

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.

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
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The following payments are expected contributions to the defined benefit plan in future years:

Particulars	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)	9.06	10.22
Between 1 and 2 years	19.76	6.51
Between 2 and 3 years	14.64	14.74
Between 3 and 4 years	22.70	10.75
Between 4 and 5 years	16.32	18.54
Sum of years 6 to 10	65.28	67.53

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal and interest rate) is 11 years (March 31, 2018: 7 years).

30 Leases

(A) Operating lease commitments (cancellable): Company as lessee

i) The Company has taken office premises and warehouses under operating lease agreement. Lease rentals are charged to the Statement of profit and loss for the year. The arrangement for leased office and warehouse range between 1 to 6 years. These are usually renewable by mutual consent on mutually agreeable terms. At the expiry of the lease term, the Company has an option to renew the agreement or to extend the term by giving notice in writing.

ii) Future lease rental payments are determined on the basis of the lease payments as per the agreements. The below lease rentals do not include contingent rent.

The lease rentals charged during the period are as under:

Particulars	March 31, 2019	March 31, 2018
Lease rentals paid during the year		
On cancellable leases	11.10	11.06
On non-cancellable leases	-	-
Total	**11.10**	**11.06**

Operating lease (cancellable): Company as a lessor

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, 2019	March 31, 2018
Rent received during the year on investment property (refer note 4)	3.18	3.18
Rent received during the year on recovery of rent from group companies on sub lease basis	1.44	0.29
	4.62	3.47

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019

(All amounts in INR million unless otherwise stated)

31 Capital and Other commitments

	March 31, 2019	March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances: March 31, 2019: INR 13.41 (March 31, 2018: INR 38.01))	8.25	32.34
Other commitments (lease commitments have been disclosed under note 30)	-	-
	8.25	**32.34**

32 Contingent liabilities

	March 31, 2019	March 31, 2018
Excise duty/service tax matters (Refer note a)	80.07	82.04
Sales tax matters - VAT and liability for non submission of various forms and other documents (Refer note a and b)	73.99	203.37
Income tax matters (Refer note a)	173.19	252.23
Workmen compensation in respect of certain employees	26.00	25.31
Financial guarantees and advance guarantees given to the customers and other authorities	15.32	5.04
Various other claims made against the Company not acknowledged as debts (Refer note c)	4.57	5.59
EPGC Licences	5.87	-
	379.01	**573.58**

Notes:

(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) Subsequent to the year end, 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.

(d) The Company has paid INR 2.64 to the Pimpri Chinchwad Municipal Corporation towards property tax demand. This matter is presently under appeal before the Honourable High Court (Bombay Bench).

(e) There are numerous enterpretitive issues relating to the Supreme Court judgement on provident fund dated February 28, 2019. Based on company's evaluation of the provision a prospective basis, the impact is not material.

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019

(All amounts in INR million unless otherwise stated)

33 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, 2019	March 31, 2018
Revenue (gross)		
India	3,650.49	2,751.27
Outside India	901.75	761.09
Total	**4,552.24**	**3,512.36**

Particulars	March 31, 2019	March 31, 2018
Carrying amount of assets		
Assets within India	2,802.78	2,485.19
Assets outside India	301.99	224.30
Total	**3,104.77**	**2,709.49**

Particulars	March 31, 2019	March 31, 2018
Additions to property, plant and equipments and intangible assets		
Additions to Capital assets within india	100.30	129.93
Additions to Capital assets outside india	-	-
Total	**100.30**	**129.93**

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

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

Particulars	March 31, 2019	March 31, 2018
Amount of sales to customers to more than 10% of total sales	732.86	650.13

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
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34 Income tax

Particulars	March 31, 2019	March 31, 2018
Current tax		
Minimum alternate tax (MAT)	44.25	40.98
MAT credit entitlement	(0.18)	(40.98)
Relating to origination and reversal of temporary differences	27.56	9.48
Income tax expense reported in statement of profit or loss	**71.63**	**9.48**
OCI Expense		
Deferred tax related to items recognised in OCI during the year	**(7.75)**	**(0.55)**

Reconciliation of tax expense and the accounting profit multiplied by tax rate

Particulars	March 31, 2019	March 31, 2018
Profit before tax	188.84	190.55
Tax rate @ 34.94%	**65.99**	**66.59**
Adjustments for:		
Deferred tax assets recognised on timing differences (effect of movement in timing differences)	0.33	9.48
Utilisation of brought forward losses against current year taxable income	-	(71.71)
Difference due to change in applicable statutory rate	-	5.12
Effect of tax on items in the nature of permanent disallowance in tax	5.31	-
Income-tax expense	**71.63**	**9.48**

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Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

A Deferred tax assets (net)

	Balance sheet		Statement of profit and loss	
	March 31, 2019	**March 31, 2018**	**March 31, 2019**	**March 31, 2018**
Deferred tax assets				
Mat credit entitlement	43.97	43.79	-	-
Other timing difference	66.19	57.72	7.70	2.74
Items in other comprehensive income	9.93	2.18	-	-
Brought forward losses to the extent not utilised	-	34.54	(34.54)	(11.81)
Difference between WDV as per tax and WDV as per financial statement	-	1.20	(1.20)	1.20
	120.09	**139.43**	**(28.04)**	**(7.87)**
Deferred tax liability				
Difference between WDV as per tax and WDV as per financial statement	0.48	-	0.48	(1.61)
	0.48	**-**	**0.48**	**(1.61)**
Deferred tax (charge)			**(27.56)**	**(9.48)**
Net Deferred tax asset	**119.61**	**139.43**		

The Company has MAT credit entitlement of INR 43.79 as at March 31, 2019 (March 31, 2018: INR 43.79) as per the Income tax act, 1961. The Company is eligible to utilise this MAT paid as credit for the next 15 assessment years from the year of generation.

The Company has unabsorbed depreciated as per Income tax laws of INR Nil (March 31, 2018: INR 98.84). The company has utilised the opening unabsorbed depreciation in the current year

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Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

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

	March 31, 2019	March 31, 2018
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	178.43	46.66
Interest due on above	0.66	0.45
	179.09	**47.11**
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.	14.11	1.44
The amount of interest accrued and remaining unpaid at the end of each accounting year.	14.77	1.89
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.	22.16	7.84

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

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Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

36 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 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 w.e.f. November 10, 2017 Nilesh Vilas Dharwadkar, Director Sachit Atmaram Nayak, Director Surendra Yeshwant Kelkar, Independent Director Ishan Kulkarni, Company Secretary w.e.f. July 01, 2017
D) Employee benefit plans where there is significant influence	Vickers Sperry of India limited, Employees' Group Gratuity-cum-Life Assurance Scheme. EFPL Officers' Group Superannuation Scheme
E) Others	Eaton India Foundation

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019

(All amounts in INR million unless otherwise stated)

(b) Transactions along with related parties and balances as at March 31, 2019 and March 31, 2018 and for the year then ended are as follows:

Particulars	March 31, 2019	March 31, 2018
Transactions during the year		
Revenue / Income		
Sale of products (refer Note iii)	755.77	665.41
Sale of services	17.64	15.01
Rent received	4.62	3.47
Expenses recovered	5.98	7.52
Cost / expenditure		
Purchases of raw material and trading goods	1,751.94	1,097.35
Purchase of tangible assets	0.34	1.46
Staff welfare expenses	0.53	1.80
Purchase of stores and spares	0.74	0.06
Purchase of tools	0.02	0.09
Rent expense	4.44	4.31
Repairs and maintenance	0.48	0.50
Communication costs	0.56	0.02
Legal and professional fees	3.27	3.06
Corporate cost allocation	35.05	30.01
Corporate support charges	118.47	70.28
IT support charges	3.73	26.79
Royalty expense	155.80	58.31
Interest expense	86.43	89.76
Corporate Social Responsibility ('CSR') expenditure	0.79	-
Miscelleneous expense	3.98	1.01
Others		
Purchase of Services Exports from India Scheme (SEIS) scrips	85.93	-
Managerial remuneration		
Remuneration paid to key managerial personnel (refer note (i) and (ii))	10.75	7.34
Contributions paid to employee benefit plans	15.35	28.37
	March 31, 2019	**March 31, 2018**
Closing balances at the year end		
Short term borrowings	985.00	985.00
Trade payables	880.93	582.75
Interest accrued but not due	53.85	52.84
Trade receivables	231.63	200.70
Unbilled revenue	3.58	3.58

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

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

Particulars	March 31, 2019	March 31, 2018
Transactions during the year		
Sale of products (refer Note (iii))		
Eaton Corporation, USA	345.60	307.95
Swiss Branch of Eaton Industries LP, Switzerland	83.24	39.16
Eaton Industries Manufacturing GmbH, Switzerland	295.99	282.25
Sale of services		
Eaton (China) Investment Co. Limited, China	12.02	10.92
Eaton Corporation, USA	2.30	2.16
Rent received		
Eaton Technologies Private Limited, India	3.18	3.18
Eaton Power Quality Private Limited, India	1.44	0.29
Expenses recovered		
Eaton Technologies Private Limited, India	5.98	7.52
Purchases of raw materials and trading goods		
Eaton Hydraulics LLC, USA	215.79	163.11
Eaton Hydraulics Systems (Jining) Co. Limited, China	239.33	180.02
Eaton Industries Manufacturing GmbH, Switzerland	406.16	194.24
Eaton Fluid Power (Shanghai) Company Ltd, China	293.82	222.35
Polimer Kaucuk Sanayi VE Pazarlama A.S. , Turkey (refer note (iv))	252.69	95.28
Purchases of tangible assets		
Eaton Corporation, USA	-	0.62
Eaton Industrial Products Private Limited, India	0.34	-
Eaton Aeroquip LLC, USA	-	0.40
Eaton Fluid Power (Shanghai) Co. Limited, China	-	0.20
Managerial remuneration		
Shandar Alam, Managing Director	Refer note (ii)	Refer note (ii)
Prajakta Prakash Kulkarni, Independent director	Refer note (ii)	Refer note (ii)
Surendra Yeshwant Kelkar, Independent Director	Refer note (ii)	Refer note (ii)
Ishan Kulkarni, Company Secretary	Refer note (ii)	-

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Contributions paid to employee benefit plans		
Vickers Sperry of India limited, Employees' Group Gratuity-cum-Life Assurance Scheme	15.00	27.95
EFPL Officers' Group Superannuation Scheme	0.35	0.43
Staff welfare expenses		
Eaton Technologies Private Limited, India	0.42	0.09
MTL Instruments Private Limited, India	0.11	0.09
Purchase of stores and spares		
Eaton Fluid Power GmbH, Germany	-	0.03
Eaton Industries Pte. Ltd., Singapore	-	0.02
Swiss Branch of Eaton Industries LP, Switzerland	-	0.01
Eaton Power Quality Private Limited, India	0.34	-
Eaton Hydraulics LLC, USA	0.31	-
Purchase of tools		
Eaton Hydraulics LLC, USA	0.02	0.04
Eaton Corporation, USA	-	0.05
Rent expense		
Eaton Technologies Private Limited, India	1.59	1.74
Eaton Power Quality Private Limited, India	2.70	2.42
Repairs and maintenance		
Eaton Corporation, USA	-	0.05
Eaton Power Quality Private Limited, India	0.12	0.29
Eaton Hydraulics LLC, USA	0.00	0.11
Swiss Branch of Eaton Industries LP, Switzerland	0.07	-
Eaton Industrial Products Private Limited, India	0.29	-
Communication costs		
Eaton Corporation, USA	-	0.02
Eaton Technologies Private Limited, India	1.66	-
MTL Instruments Private Limited, India	0.01	-
Legal and professional expenses		
Eaton Technologies Private Limited, India	3.27	3.06
Corporate Social Responsibility ('CSR') expenditure		
Eaton India Foundation	0.79	-
Others		
Eaton Technologies Private Limited, India	85.93	-

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

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

Particulars	March 31, 2019	March 31, 2018
Transactions during the year		
Corporate cost allocation		
Eaton Technologies Private Limited, India	35.05	30.01
Corporate support charges		
Eaton Hydraulics LLC, USA	85.56	57.44
Eaton (China) Investment Co. Ltd, China	32.91	12.84
IT support charges		
Eaton Technologies Private Limited, India	3.73	26.79
Royalty expense		
Eaton Corporation, USA	29.80	25.95
Eaton Intelligent Power Limited, Ireland	126.00	32.36
Interest expense		
Eaton Technologies Private Limited, India	86.43	89.76
Miscellaneous Expenses		
Eaton Industries Company, New Zealand	2.85	-
Eaton (China) Investments Co., Ltd., China	0.62	0.64
Eaton Corporation, USA	0.29	0.34
MTL Instruments Private Limited, India	0.14	-
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	66.49
Eaton Hydraulics Systems (Jining) Co., Ltd.	75.21	63.81
Polimer Kaucuk Sanayi ve Pazarlama AS, Turkey	89.85	62.74
Eaton Corporation, USA	98.41	30.19
Eaton Hydraulics LLC, USA	71.36	82.04
Eaton Industries Manufacturing Gmbh, Switzerland	127.53	98.91
Eaton Intelligent Power Limited, Ireland	93.05	-
Interest accrued but not due (net of TDS)		
Eaton Technologies Private Limited, India	53.85	52.84

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019

(All amounts in INR million unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Trade receivables		
Eaton Corporation, USA	120.59	86.92
Eaton Industries Manufacturing GmbH, Switzerland	66.14	61.94
Swiss Branch of Eaton Industries LP, Switzerland	23.39	15.57
Unbilled revenue		
Eaton (China) Investment Co. Limited, China	2.44	2.44
Eaton Corporation, USA	0.44	0.44
Eaton Hydraulics LLC, USA	0.70	0.70

Notes:

(i) 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.

(ii) Salary, bonus and allowance paid to key management personnel have not been disclosed on grounds of confidentiality.

(iii) The Company has made free of cost Sales of 60 units (March 31, 2018: 489 units) to various related parties.

(iv) Net of credit note received from Polimer Kaucuk Sanayi ve Pazarlama A.S., Turkey amounting to INR Nil (March 31, 2018: 14.47).

(v) 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.

(vi) 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, 2019, the Company has not recorded any impairment of receivables relating to amounts owned by related parties (March 31, 2018: 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

(vii) Transactions entered on behalf of other related parties has not been disclosed.

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Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019

(All amounts in INR million unless otherwise stated)

37 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, 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**

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, 2018:

Particulars	Amortised Cost	Total carrying value	Total fair value
Financial assets			
Loans	2.28	2.28	2.28
Trade and other receivables	936.53	936.53	936.53
Cash and cash equivalents	145.39	145.39	145.39
Others financial assets	7.96	7.96	7.96
Total	**1,092.16**	**1,092.16**	**1,092.16**
Financial liabilities			
Borrowings	985.00	985.00	985.00
Trade payables	1,080.43	1,080.43	1,080.43
Other financial liabilities	73.72	73.72	73.72
Total	**2,139.15**	**2,139.15**	**2,139.15**

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.

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

38 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, 2019 and March 31, 2018

i) 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, 2019	5%	(21.48)	(0.32)	(0.44)
	-5%	21.48	0.32	0.44
March 31, 2018	5%	(13.92)	(0.59)	(0.31)
	-5%	13.92	0.59	0.31

ii) 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.

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019

(All amounts in INR million unless otherwise stated)

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. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value.

39. 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.

	March 31, 2019	March 31, 2018
Borrowings	985.00	985.00
less: Cash and Cash equivalents	135.64	145.39
Net debt	849.36	839.61
Equity	448.15	345.37
Gearing ratio (times)	**1.90**	**2.43**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

40. Based on understanding between the Company and Eaton Technologies Private Limited (ETPL), a sum of INR 35.05 (March 31, 2018: INR 30.01) 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.

41. 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 5.98 (March 31, 2018: INR 7.52) have been charged to other Eaton Group entities based on Memorandum of Understanding between the companies. The Company is in process of formalizing a cost allocation policy documentation to support the allocation of expenses to various group companies/ associates.

42. 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 32.91 (March 31, 2018: INR 12.84) and INR 85.56 (March 31, 2018: INR 57.44) respectively for providing product management & marketing services, supply chain management services, information technology services, taxation and finance related services, etc on proportionate basis.

43. Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs ('MCA') has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 amending the following standards:

a) IND AS 116 - Leases

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its IND AS financial statements.

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

b) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation 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

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider,
for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after April 1, 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. The Company continues to assess the impact on account of the new standard.

c) Other Standards

Standard	Impact
Ind AS 109 : Prepayment futures with Negative Compensation	These amendments are unlikely to affect the Company's financial statements
Ind AS 28 : Long-term interest in associates and joint ventures	These amendments are unlikely to affect the Company's financial statements

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Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019
(All amounts in INR million unless otherwise stated)

44. 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, 2019	**March 31, 2018**
Non current assets		
Investment property	0.03	0.03
Total	**0.03**	**0.03**

	Fair value	
	March 31,2019	**March 31, 2018**
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, 2019	47.69	-	47.69
March 31, 2018	47.69	-	47.69

Notes to the IND-AS Financial Statements For The Year Ended March 31, 2019

(All amounts in INR million unless otherwise stated)

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.

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 Vaibhav Kumar Gupta
Partner
Membership No:213935
Place: Pune
Date: August 28, 2019

Shandar Alam
Managing Director
DIN: 07820751
Place: Pune
Date: August 28, 2019

Nilesh Dharwadkar
Director
DIN: 07778007
Place: Pune
Date: August 28, 2019

Ishan Kulkarni
Company Secretary
ACS: 31932
Place: Pune
Date: August 28, 2019

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Form No. MGT – 11
Proxy form
[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

CIN: U29120PN1965PLC015850
Name of the Company: EATON FLUID POWER LIMITED
Registered Office: 145, Mumbai Pune Road, Pimpri, Pune – 411018

Name of the members(s):

Registered address:

Email Id:

Folio No. / Client Id:

DP ID:

I / We, being the member (s) of …………………… shares of the above named Company hereby appoint

1. Name: ……………………………………

Address:

E-mail Id:

Signature: ……………………………; or failing him/her

2. Name: ……………………………………

Address:

E-mail Id:

Signature: ……………………………; or failing him/her

3. Name: ……………………………………

Address:

E-mail Id:

Signature: ……………………………; or failing him/her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 54th Annual General Meeting of the Company to be held on Monday, 30th day of September, 2019 at 10.00 A.M. at the Registered Office of the Company at 145, Mumbai Pune Road, Pimpri, Pune – 411018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Optional	
Ordinary Business	**For**	**Against**
1. Adoption of Audited Financial Statements for the financial year ended March 31, 2019		
2. Appointment of Mr. Sachit Nayak (DIN: 02317135) who retires by rotation		
3. Appointment of Mr. Nilesh Dharwadkar (DIN: 07778007) who retires by rotation		
4. Re-appointment of M/s. S R B C & Co. LLP, Chartered Accountants (ICAI Firm Registration Number: 324982E/E300003) as Statutory Auditors of the Company		
Special Business		
5. Approve the remuneration of M/s. C.S. Adawadkar & Co., Cost Auditors		

Signed this …………. day of ………….. 2019

Signature of shareholder

Signature of Proxy holder(s)

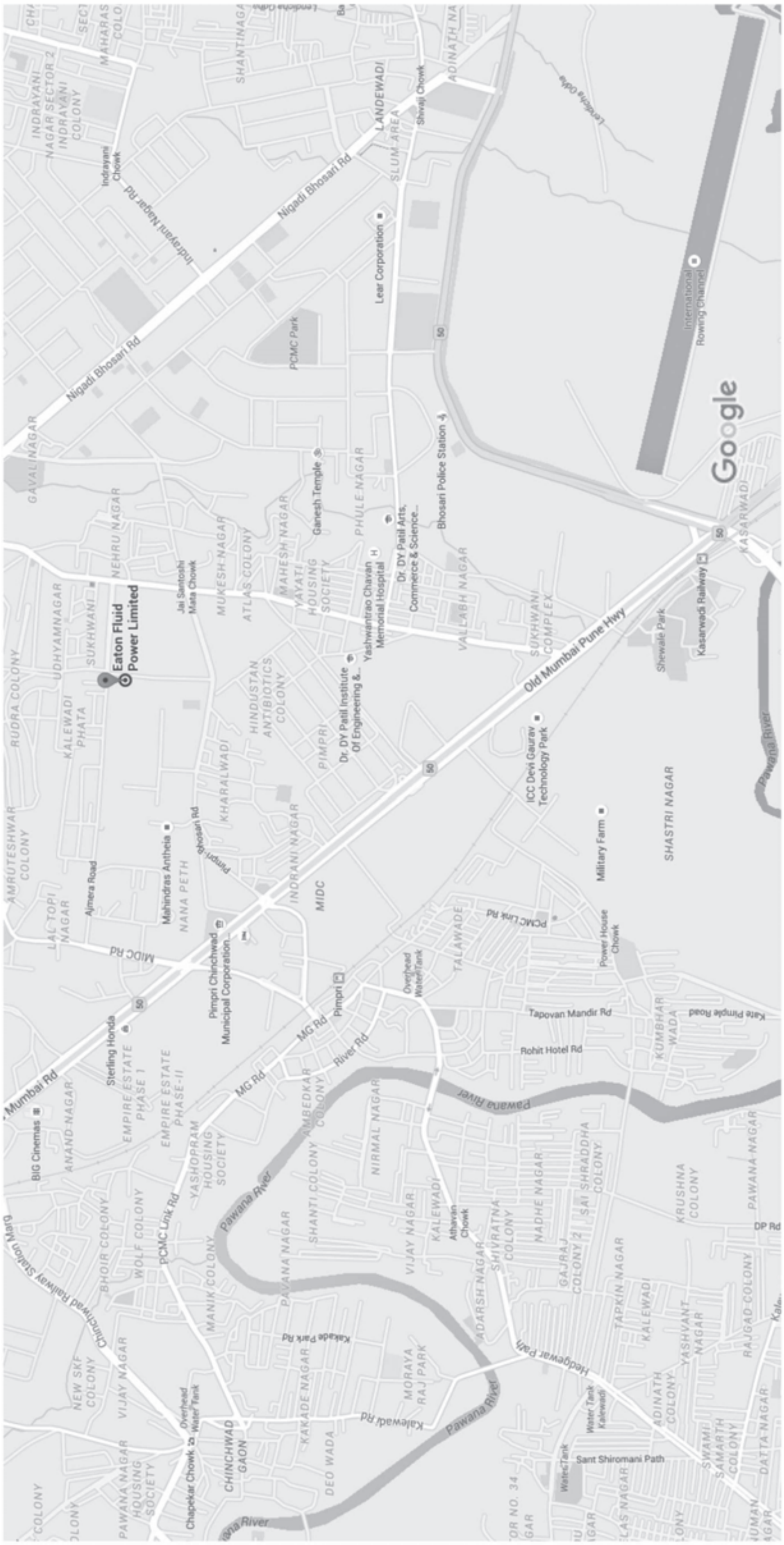
1 Re.

Revenue Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the notice of the 54th Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

ROUTE MAP


Eaton Fluid Power Limited
Nigadi Bhosari Rd
Indrayani Nagar Rd
Old Mumbai Pune Hwy
Mumbai Rd
MIDC Rd
PCMC Link Rd
MG Rd
River Rd
Pawana River
Kalewadi Rd
Kakade Park Rd
Tapovan Mandir Rd
Rohit Hotel Rd
Kate Pimple Road
Hedgewar Path
Sant Shiromani Path
Chinchwad Railway Station Marg
Lear Corporation
PCMC Park
Ganesh Temple
Bhosari Police Station
Dr. DY Patil Arts, Commerce & Science...
Yashwantrao Chavan Memorial Hospital
Dr. DY Patil Institute Of Engineering &...
ICC Devi Gaurav Technology Park
Military Farm
Kasarwadi Railway
Shewale Park
International Rowing Channel
Mahindras Antheia
Pimpri Chinchwad Municipal Corporation
Sterling Honda
BIG Cinemas
Chapekar Chowk
Power House Chowk
Shivaji Chowk
Indrayani Chowk
Jai Santoshi Mata Chowk
Pimpri
MIDC
SHASTRI NAGAR
KASARWADI
LANDEWADI
NEHRU NAGAR
GAVALI NAGAR
PHULE NAGAR
VALLABH NAGAR
CHINCHWAD GAON
Google

ATTENDANCE SLIP

CIN: U29120PN1965PLC015850
Name of the Company: EATON FLUID POWER LIMITED
Registered Office: 145, Mumbai Pune Road, Pimpri, Pune – 411018

I hereby record my presence at the 54th Annual General Meeting of the Company at the Registered Office of the Company at 145, Mumbai Pune Road, Pimpri, Pune – 411018 at 10.00 am on Monday, September 30, 2019

……………………………………	……………………………………
Full name of the Shareholder/Proxy (IN BLOCK LETTERS)	Signature of the Shareholder/Proxy
Folio No……………………	No. of Shares held…………………

Note: Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of meeting hall.

ELECTRONIC VOTING PARTICULARS		
REVEN (Remote E-voting Event Number)	USER ID	PASSWORD / PIN

Note: Please read instructions given in the Notice of the 54th Annual General Meeting carefully before voting electronically.

Notes:

Powering Business Worldwide

If undelivered, please return to:

Eaton Fluid Power Ltd.
145, Mumbai - Pune Road, Pimpri
Pune - 411018, India.

September 2019