Epiroc Mining India Limited

Annual Report 2019

Epiroc

CONTENTS

CORPORATE DATA

Epiroc Mining India Limited

Board of Directors

Kunal Thakore
Chairman

Jerry Andersson
Managing Director

Vinayak Padwal
Helena Hedblom
Anders Linden
Sami Niiranen
Suresh Ghotage

Company Secretary & Manager Finance

Ashish Jain

Bankers

Deutsche Bank
Bank of India
Union Bank of India

Auditors

Deloitte Haskins & Sells LLP

Registrar & Transfer Agents

Karvy Computershare Private Ltd.
Karvy Selenlum Tower B,
Plot No. 31 & 32,
Gachibowli, Financial District,
Nanakramguda,
Serilingampally,
Hyderabad - 500 032
Phone: 040-23420818
Fax: 040-23420814
E-mail: einward.ris@karvy.com

Karvy Computershare Pvt. Ltd.
Mozaloc building, 3rd Floor,
CTS No - 1216/1, F.C. Road,
Opp. F.C. College Main Gate,
Above Allahabad Bank,
Shivajinagar, Pune - 411004
Tel. No - 020 66496701
E-mail: rispune@karvy.com

Management Team

Jerry Andersson
Managing Director

Suresh Ghotage
Director & CFO

Arvind Patil
General Manager-Product Company Nasik

Prem Madhavan
General Manager-Product Company Hyderabad

Chandu Rao
General Manager-CMTEC

Registered Office

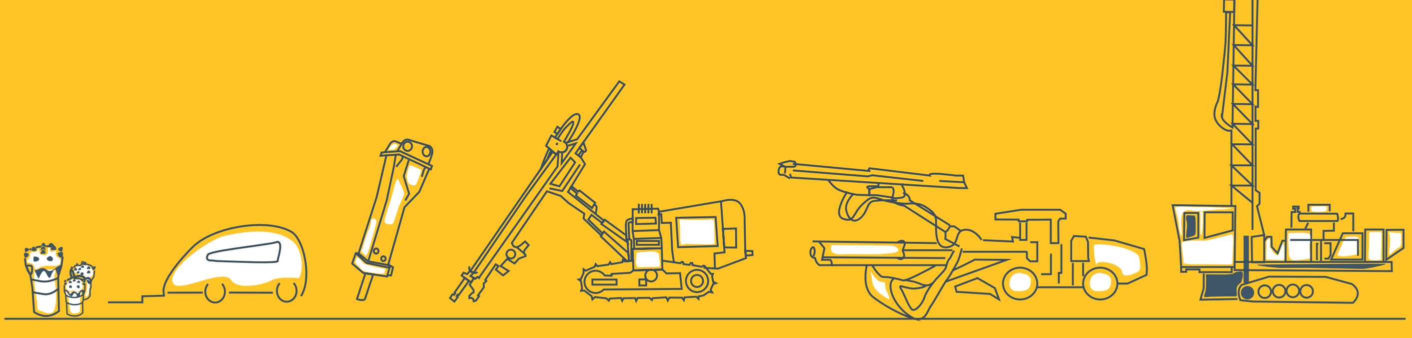
14th Floor, Tower 1,
Fountainhead, Phoenix Market City, Nagar Road,
Viman Nagar, Pune - 411 014,
Maharashtra, India
Phone : +91 72197 22200

Factories

1 Plot No. 90, MIDC Industrial Area, Satpur, Nashik 422 007

2 146/2, Sector-I, Lane 8, IDA, Phase – II, Cherlapally, Hyderabad-500 051

ANNUAL REPORT 2019



DIRECTORS' REPORT

To The Members:

The Directors of Epiroc Mining India Limited (the "Company") are pleased to present their Second Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2019.

1. **FINANCIAL RESULTS:**

(Rs. Million)

Particulars	For the year ended 31st March, 2019	For the period 20th July, 2017 to 31st March, 2018
Total Revenue	15883.13	4920.43
Profit before finance charge, depreciation and tax	2705.47	772.78
Depreciation	171.62	52.70
Finance Charge	14.58	1.63
Profit before tax	2519.27	718.45
Provision for tax (including adjustments for prior year's provision/deferred tax)	874.68	248.76
Net Profit	1639.09	463.30

* One Million equals 10 Lakhs rupees.

There are no changes and/or commitments materially affecting the financial position of the Company that have occurred between the financial year ended on 31st March, 2019 and the date of this report.

2. **OPERATIONS:**

During the year 2018-19, the total revenue was Rs. 15,883 million against Rs. 4,920 million for the period from 20th Jul 2018 to 31st March 2018 last year. The profit before tax for the year was at Rs. 2,519 million as against Rs. 718 million for the period 20th July 2017 to 31st March 2018.

The figures for the current year are not exactly comparable to those of pervious period since the Company operated only for part of the year last year. However, on a 12 month basis there is a growth of 8% in revenue and 17% in profit before tax.

3. **ECONOMIC SCENARIO:**

India continues to be one of the fastest growing economy in the world. The current pace of growth of less than 7%, is far below what India achieved a few years ago. However, the pace of economic growth is expected to pick up during the year 2019-20 in view of implementation of key reforms such as Goods and Service Tax, Insolvency and Bankruptcy code, direct benefit schemes and the like.

4. **CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

During the year in review, there has been no change in nature of business of the Company.

5. **INFORMATION ABOUT SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES:**

Your Company does not have any subsidiaries, joint ventures or associate companies.

6. **FIXED DEPOSITS:**

During the year under review, your Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013 (the "Act") read together with the Companies (Acceptance of Deposits) Rules, 2014.

7. **DIVIDEND:**

Your Directors in their meeting held on 18th April, 2019 have recommended an interim dividend of Rs. 50/- per equity share of Rs. 10/- each fully paid-up for the year ended March 31, 2019. The same has since been paid to all the shareholders. Your Directors propose to treat the interim dividend as final dividend for the year ended 31st March, 2019.

The paid up share capital of the Company is Rs. 225,615,640/- divided in to 22,561,564 equity shares of Rs. 10/- each.

Your Company has not come out with any issue (public, rights or preferential) during the year.

8. **DIRECTORS:**

During the period under review:

a) the Board at its meeting held on 13th April 2018, appointed Mr. Anders Linden as an additional Director of the Company.

b) the Board at its meeting held on 12th September 2018, appointed Mr. Kunal Thakore and Mr. Vinayak Padwal as Independent Directors of the Company.

c) Mr. A. K. Hirji and Mr. J. Delvadavala, the Independent Directors of the Company, resigned from the Board with effect from 15th September 2018.

d) Mr. Anders Nordbrandt, Additional Director has resigned from the Board with effect form 31st December, 2018.

e) the Board at its meeting held on 25th January 2019, appointed Mr. Sami Niiranen as Additional Director of the Company with effect from 4th April, 2019.

The Board places on record its appreciation of the invaluable contributions made by Mr. A. K. Hirji, Mr. J. Delvadavala and Mr. Andreas Nordbrandt during their tenure as Directors of the Company.

9. **DECLARATION BY INDEPENDENT DIRECTORS:**

The Company has received necessary declaration from each independent Director stating that they meet the criteria of independence as laid down under section 149(6) of the Act.

10. **KEY MANAGERIAL PERSONNEL**

Pursuant to the provisions of Section 203 of the Act, read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed following persons as Key Managerial Personnel (KMP) during the period in review:

Name of Employee	Designation
Mr. Jerry Andersson	Managing Director (w.e.f 7th December, 2017)
Mr. Suresh Ghotage	Chief Financial Officer (w.e.f. 1st January, 2018)
Mr. Ashish Jain	Company Secretary (w.e.f. 6th March, 2018)

11. **MEETINGS OF THE BOARD:**

During the year 2018-19, five (5) Board meetings were held on 13th April 2018, 27th July 2018, 12th September 2018, 11th October 2018 and 25th January 2019.

12. **INFORMATION PURSUANT TO SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013, READ WITH RULE 8(3) OF COMPANIES (ACCOUNTS) RULES, 2014:**

a) **Conservation of Energy, Technology absorption and Foreign Exchange Earnings & Outgo:**

Information in accordance with Section 134 (3) (m) of the Act, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is given in **Annexure A** to this report.

b) **Particulars of employees:**

Particulars required to be given under Rule (5) (2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are available for inspection at the Registered Office of the Company on any working day during normal business hours. Shareholders who wish to have a copy of the same are advised to contact the Company Secretary.

13. **AUDIT COMMITTEE:**

The Board has constituted an Audit Committee as per provisions of Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. The committee comprises of the following Directors:

Mr. Vinayak Padwal – Chairman

Mr. Kunal Thakore – Member

Mr. Jerry Andersson – Member

14. **NOMINATION AND REMUNERATION COMMITTEE:**

The Board has constituted a Nomination and Remuneration Committee as per provisions of Section 178 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. The committee comprises of the following Directors:

Mr. Vinayak Padwal - Chairman

Mr. Kunal Thakore - Member

Mr. Anders Linden - Member

Ms. Helena Hedblom - Member

15. **REMUNERATION POLICY:**

The Company follows market linked remuneration policy, which is aimed at enabling the Company to attract and retain the best talent. The Company has a market based compensation policy which is also linked to individual and team performance as they support the achievement of Corporate Goals. The Company does not have an Employee Stock Option Policy.

16. **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Board has constituted Stakeholders Relationship Committee as per provisions of Section 178 of Act to consider and resolve the grievances of security holders of the Company. The committee comprises of the following Directors:

Mr. Kunal Thakore – Chairman

Mr. Vinayak Padwal – Member

Mr. Jerry Andersson – Member

Mr. Suresh Ghotage – Member

17. CORPORATE SOCIAL RESPONSIBILITY:

Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, Company has formed a Corporate Social Responsibility Committee (CSR Committee). The Committee comprises following Directors:

Mr. Kunal Thakore – Chairman

Mr. Vinayak Padwal – Member

Mr. Jerry Andersson – Member

Mr. Suresh Ghotage – Member

Annual Report on CSR activities including CSR Policy of the Company is given in **Annexure B** to this report.

18. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(5) of the Act, the Directors confirm that:

i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to any material departures;

ii) the Directors have selected such accounting policies, and applied them consistently and made judgments 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 31 March 2019 and of the profit of the Company for the year ended as on that date.

iii) 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 preventing and detecting fraud and other irregularities.

iv) the Directors have prepared the annual accounts on a going concern basis;

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

19. AUDITORS AND AUDIT OBERVATION:

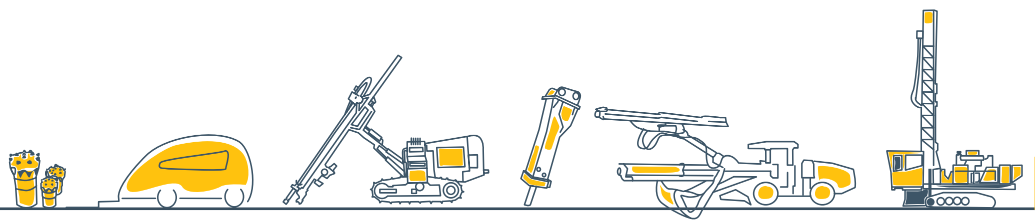
M/s. Deloitte Haskins & Sells LLP, Chartered Accountants have been appointed as the Statutory Auditors of the Company on 11th September, 2018 to hold office upto the date of 6th Annual General Meeting of the Company.

INTERNAL AUDITORS:

M/s. KPMG, Chartered Accountants, Pune have been appointed by the Board of Directors as the Internal Auditors of the Company.

SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. Yogesh D. Dabholkar and Company, Practicing Company Secretaries, Mumbai to undertake the Secretarial Audit of the Company for the financial year ended 31st March 2019. A copy of the Secretarial Audit Report is attached as **Annexure C** to this report.



COST AUDIT:

Pursuant to the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company has appointed M/s. Deepak Marne & Company, Cost Accountants to undertake the Cost Audit of the Company for the financial year ended 31st March 2019.

20. HUMAN RESOURCES:

The industrial relations during the period under review continued to be cordial. The total number of employees of the Company as at 31st March 2019 is 1,039. The Directors place on record their sincere appreciation of the services rendered by employees at all levels.

21. EXTRACT OF ANNUAL RETURN (FORM MGT -9):

An extract of Annual Return (Form MGT-9) as required under Section 134 (3) of the Act, is given in **Annexure D** to this report.

22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013.

Your Company has neither given any loans and guarantees nor made any investments covered under Section 186 of the Act.

23. RELATED PARTY TRANSACTIONS:

All related party transactions entered during the year were in the ordinary course of business and at arm's length. Accordingly, the disclosure relating to related party transactions set out under Section 134 (3) (h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable.

24. RISK MANAGEMENT:

The Company's internal control processes cover, amongst others, processes for identification, assessment and mitigation of various kinds of risks, which include strategic, operational, financial, environmental, reputation and other risks. Such risks are reviewed and discussed at various meetings of Business Boards, Product Committees, Management Committee, Facilities Committee and various other forums within the organization, where members of senior management are involved. Company's internal auditors review the internal controls, risk assessment and mitigation procedures, independently as a part of their internal audit process and their observations and findings are presented, reviewed and discussed in the Audit Committee meetings. The Board also reviews the risk assessment and mitigation procedures periodically.

The Epiroc Group's principles, guidelines and instructions that are documented in 'The Epiroc Way' provides executives with tools to monitor and follow up the business operations closely and quickly detect the deviations that could develop into risks. The managers in charge of operating units continuously communicate with employees, customers and other stakeholders both in a formal and an informal way to keep themselves abreast with the developments in the market, products, competition and other areas.

25. DISCLOSURE UNDER RULE 8(5) (VII) OF COMPANIES (ACCOUNTS) RULES, 2014:

During the year under review, no significant and/or material orders were passed by any Regulatory Authority or Court or Tribunal against the Company impacting the Company's going concern status or its operations in the future.

26. INTERNAL FINANCIAL CONTROLS:

Your Company has effective and adequate internal control systems commensurate with the nature, size and complexities of its business, which ensure reliable financial reporting, safeguarding of assets, adherence to management policies and promotion of ethical conduct. These systems are regularly reviewed, modified and improved upon, to conform to changes in the business environment and processes. The Epiroc Group's procedures also require a regular internal audit to be conducted for each business unit and experienced people within the Group conduct such audits.

27. DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place a Sexual Harassment, Prevention, Prohibition and Redressal Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Internal Complaints Committee has been set up to redress the complaints received regarding sexual harassment.

All employees are covered under this policy. There were no complaints received during the year under review.

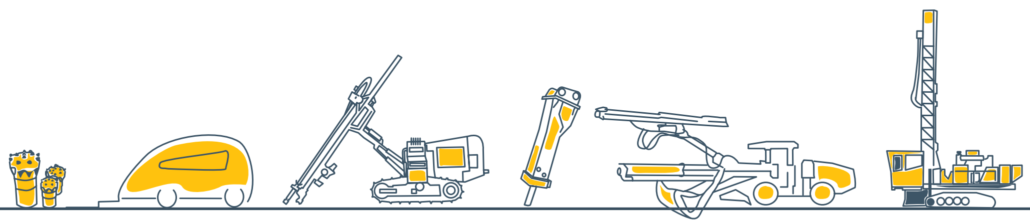
28. ACKNOWLEDMENTS:

Your Board of Directors wishes to express its sincere appreciation for the excellent support and co-operation by Epiroc Group, shareholders, vendors, customers, bankers and all other business partners. The Board also wishes to express its sincere appreciation for the contribution and commitment of all the employees to the success of the Company.

On behalf of the Board of Directors

Kunal Thakore
Chairman
(DIN : 06462999)

Pune
8th July, 2019



ANNEXURE A

Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo.
[Particulars pursuant to Companies (Accounts) Rules, 2014]

A. Conservation of energy:

The Company has taken efforts to conserve energy by adopting following measures:

Steps taken at Hyderabad manufacturing location:

1. Effective preventive maintenance

a) A preventive maintenance software is developed, to ensure all the equipment in the factory undergo preventive maintenance periodically.

b) The software sends reminder to the equipment owner to release the equipment for preventive maintenance, and alerts the maintenance department in advance about the plan.

c) The above ensures that all equipment undergo preventive maintenance as planned, leading to efficient operation of the equipment.

The above leads to saving in power, reduced usage of lubricants and coolants.

2. Conservation of water in Paint booths

a) The paint booths in the plant have been retrofitted with – paint sludge separator and chemical injection booster pumps.

b) The sludge separator can separate the paint sludge in line, without stopping the painting operations. The output sludge is dry and compact, easy to dispose.

The above has resulted, in lower water consumption and environmental friendly waste disposal.

3. LED Lights with programmed ON/OFF

a) The plant is fitted with LED lights, with timer connected to the circuit.

b) The timer is programmed to switch on /off the lights depending on the daylight hours.

The above results in optimum usage of lights and saving in energy consumption.

4. Solar Lights

The periphery security lights are powered by solar, converting into energy savings.

5. HVLS Fan

We have Installed a HVLS (high volume low speed), 6 ft diameter fan, this is equivalent to 5 traditional fans and consumes 1/3rd of energy.

6. Inverter based Air Conditioners

We are installing inverter based air conditioners, which results in 20% energy savings over traditional air conditioners.

7. Natural lighting

Our workshop roof is covered with transparent polycarbonate roofing which results in more natural light in the shop floor, with low usage of electrical lights.

8. **STP water Usage**

We use STP water for all our garden purposes, which results in effective water recycling and water conservation.

Steps taken at Nasik manufacturing location:

a. Harmonics Testing of HT as well as LT installation. The plant operation team have installed Two Active Harmonics Filters for keeping Harmonics below 8% as per Electricity Board rule which results in improving the Power Quality and we are maintaining Unity Power Factor.

b. The plant has introduced the concept of "One Factory One Compressor" which feeds the compressed air to entire factory.

c. A solar plant of 155 kw capacity has been installed which generates approximately 23,250 units per month and saves 15% energy used for operations.

d. All CFL 72 W lights have been replaced by 36 W LEDs in offices.

e. The ventilation in shop floor is swithced off during lunch hours and timer has been installed for HVAC to save energy.

f. Installed Solar water heater unit of 2000 ltrs. in canteen for hot water use.

g. Periodic preventive maintenance of HT transformers and air circuit breakers by OEM to reduce the energy losses and trouble free operation.

h. Thermography of all the electrical installations to reduce energy loss and electrical safety.

i. Installed motion sensors in wash room for exhaust fans and lights in some of the offices.

j. Ground water recharge – 3 pits are operative for ground water recharging. Rain water is collected & dripped in these pits to increase the level of ground water.

k. 100% recycling of waste is ensured through disposing it off to the authorized waste recyclers who ensure recycling of different types of hazardous & non-hazardous wastes.

l. Garden waste is used for generating manure though vermicomposting. Manure is then used for gardening inside the premises only.

m. Waste water generated through various activities is treated at STP & is used for gardening in the premises.

The above actions have resulted in reduction of power consumption, saving in energy and fuel costs.

Technology absorption:

Research and Development

1. Specific areas in which the Company carries out R & D.

   The Company does not have specific Research and Development Department. The Company maintains close contacts with the Epiroc Group Companies, which are responsible for the research and development of various product lines. Value engineering and value analysis, with respect to these products, processes and substitute materials, is carried out on a continuous basis to improve quality, reduce rejections and give better value to the Company's customers.

   The Engineering Competency Centre of the Company, located at Bangalore, which provides mechanical engineering, CAE and software development services, have been working in close coordination with Product Development Departments of group companies all over the world.

2. Benefits derived as a result of the above activity

   The benefits derived are, improvements in quality and cost reductions for the existing range of products, development of new products with less energy consumption, noise and emission reduction, more local product development and increased local production, import substitution, export promotion and faster product launch in the markets.

3. Future plans and actions

   The Company has an ongoing program for up-gradation of existing products, introduction of new products, improvement in manufacturing processes and reducing product costs, import substitution and export promotion. This is done through continuous process and product development in close interaction with Group companies, customers and vendors.

4. Expenditure on R & D

   Since the Company has no specific Research and Development Department, it is not possible to quantify expenditure, whether capital or revenue, incurred on research and development activities.

Technology absorption, adaptation and innovation.

1. Efforts in brief, made towards absorption, adaptation and innovation:

   The Company maintains constant contacts with Epiroc Group companies to absorb the latest technology developed by them. Continuous interaction with their technical staff, visits and training of our employees at Group company factories, regular meetings of Product Committees, and visits of technical staff from other Group companies to our factories, help us to keep up to date with all the latest technical developments. Some of the specific steps taken by the Company for absorption of technology, adaptation and innovation are:

   In New upcoming Exploration product, we are using energy efficient pumps to keep the engine RPM at lowest to save the fuel.

2. Benefits derived as a result of the above efforts:

   The benefits of the technology developed by the Epiroc Group are available for the Company on a continuous basis, which enables the Company to manufacture a broad range of existing and new products at optimum costs for both domestic and export markets. This also helps to increase the Company's market share and to improve the Company's competitive position.

C. Foreign Exchange Earnings and Outgo:

1. Activities relating to exports:

   The Company continues to focus on development of new products and services for export market, up-gradation of existing products and improvement in quality and costs with technological support from Epiroc Group companies.

2. Total foreign exchange used:

Particulars	(Rs. Millions)
Earning in foreign currency	4802.19
Payments (expenditure) in foreign currency	5631.00

ANNEXURE B

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

Your Company is committed to operate and grow its business in a socially responsible way. The Company's Corporate Social Responsibility (CSR) policy is available on the website at www.epiroc.com.

1. **CSR Policy of the Company**

This Corporate Social Responsibility Policy has been framed by Epiroc Mining India Limited in accordance with Section 135, Schedule VII of the Companies Act, 2013 and CSR Rules issued by the Ministry of Corporate Affairs.

VISION

To actively contribute to the social and economic development of the communities/regions in which we operate. While doing so, build a better, sustainable way of life for the weaker sections of society and raise the country's human development index.

The Epiroc Group encourages learning and development through cooperation with local communities and believes that this will help to maintain the sustainable development of its own business and contribute to developing communities for future generations to come.

The Epiroc Group encourages its subsidiaries to participate in and support local engagement in selective and focused community activities as appropriate, which are seen to add value to the local community and supporting the long-term development of the Group's business.

BACKGROUND & INTRODUCTION

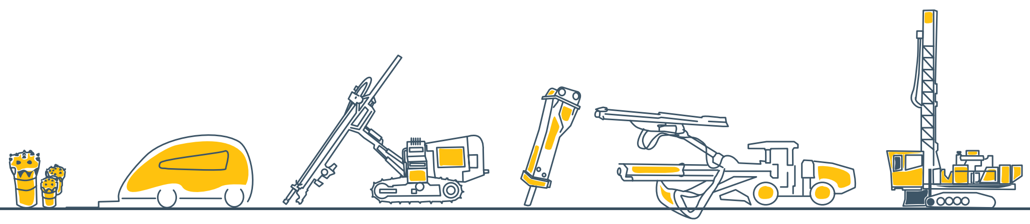
Companies Act, 2013 has formally introduced the Corporate Social Responsibility ("CSR") to the dashboard of the Indian Companies. Epiroc Mining India Limited appreciates the decision taken by the Government of India. Legal framework of CSR is an edge to corporate charitable/reformative approach towards the society to which the Corporate is belonging to. By introducing the separate section for CSR in Companies Act, 2013, the Government has given legal recognition to their community development approach.

The management of the Company expresses its willingness and support to the CSR concept, its legal framework and shall be abided to it.

AREAS TO BE COVERED UNDER CSR

The Company would pursue its CSR activities in the following areas:

1. Promotion of education and skill development
2. Environmental sustainability and energy efficiency projects
3. Rural development
4. Eradication of poverty
5. Promotion of preventive health care and sanitation
6. Provision of safe drinking water



7. Promotion of gender equality, measures for empowering women, setting up homes for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups
8. Protection of national heritage, art and culture
9. Contribution to other charitable and social organisations created with the main objective of engaging themselves in any one or more of the above activities.
10. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief.

CSR COMMITTEE

The CSR Committee is formed by the following persons:

Independent Directors, Managing Director and other Directors as may be decided by the Board.

The Committee would call for a meeting at least once a year to follow-up the CSR projects and discuss about spending and approve new projects.

Board of Directors of the Company may re-constitute the Committee, as and when required to do so, by following the sections, sub-sections, rules, regulations, notifications issued or to be issued, from time to time, by the Ministry of Corporate Affairs or the Central Government of India. The Committee shall exercise powers and perform the functions assigned to it by the Board of Directors of the Company pursuant to section 135 of the Companies Act, 2013 and CSR Rules notified with regard thereto.

ROLE OF CSR COMMITTEE

The main function of the CSR Committee is to devise a transparent monitoring mechanism for implementation of CSR policy of the Company. In addition, this committee would perform following functions:

1. To review and approve CSR projects identified by the Committee in consultation with external agencies.
2. To recommend to the Board, from time to time, the amounts to be contributed to the CSR Projects by way of donations.
3. To report to the Board the progress of various CSR projects undertaken by the Company.
4. To give suggestions to the Board regarding different concepts for carrying out CSR activities.
5. To monitor the CSR projects / programs carried out by the Company and submit periodical review reports to the Board.
6. To submit to the Board the statement of expenses incurred by the Company for CSR activities.
7. To ensure that adequate disclosures are made in the Directors' Report pertaining to CSR.
8. To ensure that the CSR policy and its modifications are published on the website of the Company.

EPIROC CHARITABLE FOUNDATION

The Company proposes to form a charitable foundation and have it approved from Income Tax Department, Government of India, under section 80G of the Income Tax Act. All CSR expenditure of the Company will be done thru this charitable foundation. In the interim, all expenses will be done directly by the Company.

REVISIONS /AMENDMENTS TO THIS POLICY

Any revision or amendments to this CSR policy should be approved by the Board before such revision/amendment is made effective.

2. **Composition of CSR Committee:**

Pursuant to Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has formed a Corporate Social Responsibility (CSR) Committee to formulate and recommend to the Board from time to time, a CSR policy and CSR initiatives to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013. The CSR Committee comprises following Directors:

Mr. Kunal Thakore – Chairman

Mr. Vinayak Padwal – Member

Mr. Jerry Andersson – Member

Mr. Suresh Ghotage – Member

3. The first financal period Profit before Tax of the Company: INR 718.45 million.
4. Prescribed CSR expenditure: INR 14.37 million (2% of above)
5. Details of CSR spent during the financial year:
   a. Total amount spent for the financial year: INR 0.87 million
   b. Amount unspent: INR 13.50 million
   c. Manner in which the amount spent during the financial year is detailed below:

(Rs. million)

S. No.	CSR Project	Sector in which project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects were undertaken	Amount outlay (budget) project wise	Amount spent on the projects (1) Direct Expenditure (2) Overhead	Amount spent Direct or through implementing Agency
1	Donation to Chief Minister Relief Fund – Kerala Flood	(i)	Kerala State	0.67	Direct Expenditure	Direct
2	Donation to – Nasik Run Charitable Trust	(ii)	Maharashtra : Nasik	0.20	Direct Expenditure	Direct
			Total	0.87		
			Add: Overheads	-		
			Total CSR Spend	0.87		

Notes: Activities included in Schedule VII to the Companies Act, 2013.

(i) contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(ii) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic

6. **Reasons for not spending the required amount towards CSR:**

CSR Committee is taking great efforts to identify long-term projects with sustainability. Board has created a separate CSR fund and all unspent money will be accumulated under this fund specifically earmarked to be used for carrying out CSR activities of the Company in future.

7. **CSR Committee Responsibility Statement:**

   The CSR Committee confirms that the implementation and monitoring of CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

On behalf of the Board of Directors
of Epiroc Mining India Limited

Kunal Thakore	**Jerry Andersson**
Chairman of CSR Committee	**Managing Director**

Date: 8th July, 2019
Place: Pune

ANNEXURE C

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 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,
Epiroc Mining India Limited
14th Floor, Tower 1, Fountainhead,
Phoenix Market City, Viman Nagar,
Nagar Road, Pune – 411 014

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Epiroc Mining India Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained and 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 March 31, 2019, generally complied with the statutory provisions listed hereunder and also that the Company has Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2019, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable since the Company is closely held, unlisted public limited company and there was no events occurred during the period which attract the provisions of these guidelines.

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 and its amendment notified on 18th September, 2015;

(e) 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;

(f) The Securities and Exchange Board of India (issue and listing of Debt Securities) Regulations, 2008;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

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

(vi) As informed to us, there are no other laws applicable specifically to the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the labour and environmental laws as applicable.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India which has come into effect from 1st July, 2015. (Further Amended on 01st October 2017)

We have relied on the representation given by the Company's officials and applicability and compliance of the other Act (s). We have not checked compliances of these Acts and have relied on certification(s) as provided to us by the management in this regard.

During the financial year from 1st April, 2018 to 31st March, 2019 under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc subject to the following observations.

1. The Company has submitted hard copy of form FC-GPR along with all enclosures and documents to Reserve Bank of India (RBI) through BNP Paribas, authorised dealer of the Company in respect issue of Equity shares to Non Resident shareholders pursuant to the scheme of Arrangement with Atlas Copco (India) Limited and awaiting response from RBI.

2. There are some instances of delays in filing relevant forms to Ministry of Corporate Affairs.

3. The Company has made an application to Stamp Authorities for adjudication of the stamp duty on the order passed by Hon'ble National Company Law Tribunal on 30th November, 2017 in respect of demerger Mining and Rock Excavation division of Atlas Copco (India) Limited into the Company. The Company is awaiting stamp authrity's approval.

4. There is short-fall in expenditure on Corporate Social Responsibility by the Company during the year under consideration.

We further report that

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as is required under the provisions of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All the decisions in the Board meetings and committee meetings are carried out either unanimously or by majority as recorded in the minutes of the meeting of Board of Directors or committee of the Board, as the case may be.

We further report that as represented by the Company and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

We further report that during the audit period, the Company has not undertaken any specific events / actions that can have a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Yogesh D Dabholkar & Co.,
Practicing Company Secretary

Yogesh D Dabholkar
Proprietor
FCS No: 6336.
CP No: 6752.

Place: Dombivli
Date: 8th July, 2019

ANNEXURE A

To,

The Members,

Epiroc Mining India Limited,
14th Floor, Tower 1, Fountainhead,
Phoenix Market City, Viman Nagar,
Nagar Road, Pune – 411 014

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 believed that the processes and practices that 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 Yogesh D Dabholkar & Co.,
Practicing Company Secretaries

Yogesh D Dabholkar
Proprietor
FCS No: 6336.
COP No: 6752.

Place: Dombivali
Date: 8th July, 2019

ANNEXURE D

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN:- U29309PN2017PLC171542

ii) Registration Date: 20th July, 2017

iii) Name of the Company: EPIROC MINING INDIA LIMITED

iv) Category / Sub-Category of the Company: Public Ltd Co.

v) Address of the Registered office and contact details

14th Floor, Fountainhead, Phoenix Market City, Viman Nagar, Nagar Road, Pune 411014

Contact Number: 7219722200

vi) Whether listed company : No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any
Karvy Fintech Pvt. Ltd.
Karvy Selenium Tower B, Plot No 31 & 32
Gachibowli, Financial District,
Nanakramguda, Serilingampally
Hyderabad – 500 032
Phone - 18003454001

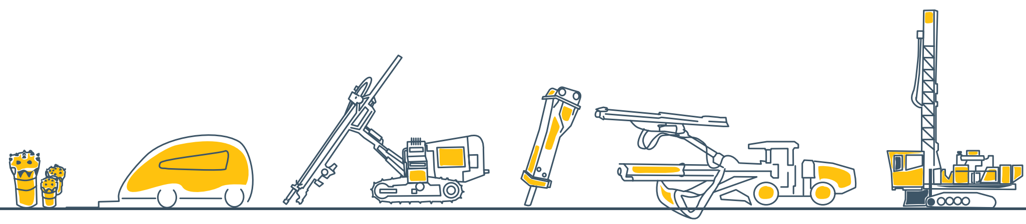
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Mining Equipment	2824	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES.

Sr. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
01	Epiroc Rock Drills AB	N.A.	Holding	96.32%	2(46)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (List attached)

(i) Category-wise Share Holding

Sr. No.	Category	No of shares held as on beginning of the year				No of shares held as on end of the year				% change during the year
		Demat	Physical	Total	%	Demat	Physical	Total	%	
	A. Promoter									
1	**Indian**									
	-	-	-	-	-	-	-	-	-	-
2	**Foreign**									
	Bodies Corporate	21731907	-	21731907	96.32	21731907	40	21731947	96.32	-
	Total Promoter Shareholding	**21731907**	**-**	**21731907**	**96.32**	**21731907**	**40**	**21731947**	**96.32**	**-**
	B. Public	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1	**Institutions**									
	a. Mutual Funds	-	1260	1260	-	2722	1260	3982	-	
	b. Banks/FI	1072	717	1789		1072	1479	2551		
	c. Insurance Cos	-	340	340	-	-	340	340	-	
	d. FIIs	-	500	500	-	-	500	-	-	
	e. HUF	6941	-	6941	-	7443	-	7443	-	
	f. Bodies Corporate	4997	6752	13089	0.05	10283	6243	16526	-	-
	h. Trusts	890	300	1190	-	1262	-	1262	-	
	Total (B)	**13900**	**9869**	**23769**	**0.11**	**22782**	**9822**	**32604**	**0.14**	
2	**Non Institutions**									
	a. Individuals holding nominal share capital upto Rs. 1 lakh	279635	407057	686692	3.04	344374	413191	757565	3.38	
	b. Individuals holding nominal share capital in excess of Rs. 1 lakh	65506	-	65506	0.29	16182	-	16182	0.08	
	c. NRIs	2325	51365	53690	0.24	18030	5236	18582	0.08	
	Total (2)	**347466**	**458422**	**805888**	**3.57**	**378586**	**418427**	**792329**	**3.68**	
	Net Total	**22093273**	**468291**	**22561564**	**100**	**22133275**	**428289**	**22561564**	**100**	

(ii) Shareholding of Promoters

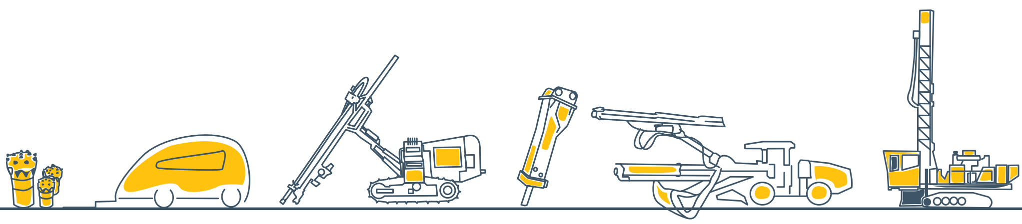
Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Co.	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Co.	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Epiroc Rock Drills AB	21731907	96.32%	-	21731947	96.32%	-	-
	Total	21731907			21731947			

(iii) Change in Promoters' Shareholding: No change in Promoter's shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	21731907	96.32%	21731907	96.32%
	Date wise Increase / Decrease in Promoters Shareholding during the year	40 (Increase)	-	21731947	
	At the End of the year	21731947	96.32%	21731947	96.32%

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

Sr. No.	Name of the Shareholder	No. of Shares as on 31.03.2018		No. of Shares as on 31.03.2019	
		No. of Shares	**%**	**No. of shares**	**%**
1	NALINKANT CHATURBHUJ ASHER CHANDRAKANT CHATURBHUJ ASHER SANJAY KHATAU ASHER	16182	0.073	16182	0.073
2	BIJOU DADABHOY NADIRSHAW FREDDIE BIJOU NDIRSHAW GOOLSHUN FREDDIE NADIRSHAW	5580	0.025	5580	0.025
3	CHANDRU PARMANAND THADHANI	-	-	5360	0.020
4	HARBANS KAUR	3960	0.018	3960	0.018
5	AUDREY ANTHONY CASTELLINO ANTHONY JOSEPH CASTELLINO	3400	0.015	3400	0.015
6	VIJAYLAXMI SRIDHAR BHANDARY	3024	0.013	3024	0.013
7	JOSE MANUEL JESUS DE SEQUEIRA LILIA MARGARIDA DE SEQUEIRA	2790	0.012	2790	0.012
8	JOANA MARIA GEETA DE SEQUEIRA LILIA MARGARIDA DE SEQUEIRA	2790	0.012	2790	0.012
9	ANTHONY JOSEPH CASTELLINO AUDREY ANTHONY CASTELLINO	2790	0.012	2790	0.012
10	NARIMAN HORMUSJI DAROOWALA ROSHAN ERUCHSHAH PATEL	2640	0.010	2640	0.010



(v) Shareholding of Directors and Key Managerial Personnel:

None of the Directors and Key Managerial Personnel are holding any shares in the Company.

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid				
iii) Interest accrued but not due.				
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction				
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. Million)

Sr. No.	Particulars of Remuneration	Mr. Jerry Andersson Managing Director
1	Gross Salary	4.40
	(i)Salary as per Section 17 (1) of the Income Tax Act, 1961.	-
	(ii) Perquisites as per Section 17 (2) of Income Tax Act, 196.1	0.03
	(iii) Profits in lieu of salary as per Section 17(3) of Income Tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission as % of profit	-
5	Other (if any)	-
	Total	**4.43**

B. Remuneration to Other Directors:

(Rs. Million)

Sr. No.	Particulars of Remuneration	Name of the Director	Name of the Director	Total Amount
1	**Independent Directors**	**Mr. A.K. Hirjee**	**Mr. J. Delvadavala**	
	(i)Fee for attending Board and Committee Meetings	0.08	0.08	0.16
	(ii) Commission	0.43	0.20	0.63
	(iii) Others	-	-	-
	Total			
2	**Other Non-Executive Directors**			
	(i)Fee for attending Board and Committee Meetings	-	-	-
	(ii) Commission	-	-	-
	(iii) Others	-	-	-
	Total	**0.51**	**0.28**	**0.79**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs. Million)

Sr. No.	Particulars of Remuneration	Mr. Suresh Ghotage Chief Financial Officer	Mr. Ashish Jain Company Secretary	Total Amount
1	Gross Salary	7.88	2.54	10.41
	(i)Salary as per Section 17 (1) of the Income Tax Act, 1961.	-	-	-
	(ii) Perquisites as per Section 17 (2) of Income Tax Act, 1961	-	-	-
	(iii) Profits in lieu of salary as per Section 17(3) of Income Tax Act, 1961	0.60	-	0.60
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
5	Other (if any)	-	-	-
	Total	**8.48**	**2.54**	**11.02**

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
A. Company	**Nil**	**Nil**	**Nil**	**Nil**
Penalty				
Punishment				
Compounding				
B Directors	Nil	Nil	Nil	Nil
Penalty				
Punishment				
Compounding				
C Other Persons in default	Nil	Nil	Nil	Nil
Penalty				
Punishment				
Compounding				

INDEPENDENT AUDITORS' REPORT

To The Members of Epiroc Mining India Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Epiroc Mining India Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

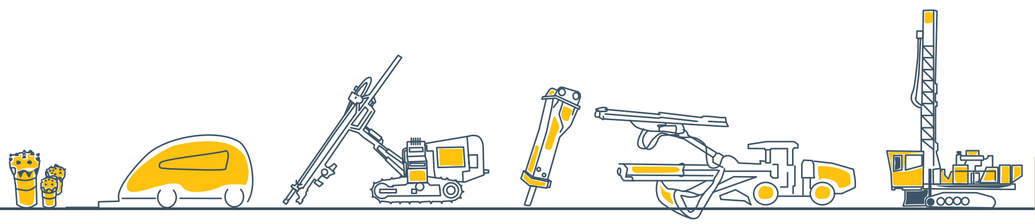
We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the 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 comprise of the Directors' report (but does not include the financial statements and our auditors' report thereon) which we obtained prior to the date of this auditors' report.
- Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance



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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

        In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer Note 33 to the Ind AS Financial Statements.

        ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jayesh Parmar
Partner
(Membership No. 106388)
UDIN reference: 19106388AAAAAV5011

Place: Pune
Date: 8th July, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Epiroc Mining India Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended as on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the IND AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting 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 DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jayesh Parmar
Partner
(Membership No. 106388)
UDIN reference: 19106388AAAAAV5011

Place: Pune
Date: 8th July, 2019

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in Paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

i) In respect of its fixed assets:

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

(b) The fixed assets were physically verified during the period by the management in accordance with the regular programme of verification which, in our opinion, provides for physical verification of fixed assets at reasonable intervals. According to information and explanation given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties of freehold land and buildings, according to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Atlas Copco (India) Limited (“transferor company”) as at the balance sheet date, the Company is in the process of transferring all the titles for immovable properties in the name of the Company.

ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Act. Hence, reporting under clause 3(iii) of the Order is not applicable to the Company.

iv) The Company has not granted any loans, made investments or provided guarantees and securities to the parties covered under section 185 and 186 of the Act. Hence, reporting under clause 3(iv) of the Order is not applicable to the Company.

v) According to the information and explanations given to us, the Company has not accepted any deposits pursuant to Sections 73 to 76 or any other relevant provisions of the Act. There are no unclaimed deposits as at March 31, 2019. Hence, reporting under clause 3(v) of the Order is not applicable to the Company.

vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Service Tax as on March 31, 2019 on account of disputes.

viii) The Company does not have any borrowings from the banks, financial institution and Government and has not issued debentures.

ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable to the Company.

x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the period.

xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv) During the period the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

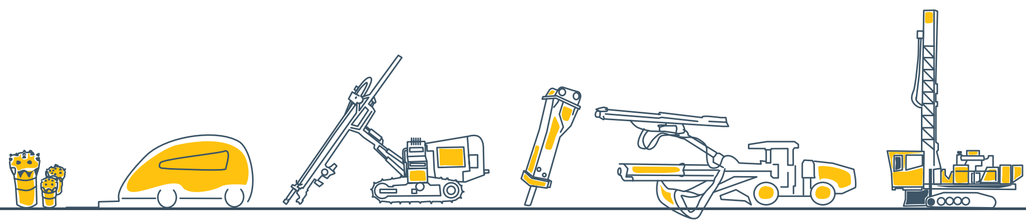
xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable to the Company.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jayesh Parmar
Partner
(Membership No. 106388)
UDIN reference: 19106388AAAAAV5011

Place: Pune
Date: 8th July, 2019



Epiroc Mining India Limited
Balance Sheet As at 31st March 2019

Particulars	Note No.	As at 31st March 2019 Rs. in Million	As at 31st March 2018 Rs. in Million
I ASSETS:			
1. Non-Current Assets:			
(a) Property plant and equipment	2	1,507.59	1,398.00
(b) Capital work-in-progress	2	9.14	85.49
(c) Intangible assets	3	10.63	14.17
(d) Financial assets			
(i) Other financial assets	4	84.46	39.27
(e) Deferred tax asset (net)	5	172.61	163.62
(f) Other non-current assets	6	148.49	183.90
Total non-current assets		**1,932.92**	**1,884.45**
2. Current Assets :			
(a) Inventories	7	2,887.24	3,202.62
(b) Financial assets			
(i) Investments	8	2,019.50	20.15
(ii) Trade receivables	9	3,170.89	3,439.64
(iii) Cash and cash equivalents	10	230.18	225.50
(iv) Other current financial assets	4A	26.44	48.36
(c) Other current assets	6A	624.42	848.66
Total current assets		**8,958.67**	**7,784.93**
TOTAL ASSETS		**10,891.59**	**9,669.38**
EQUITY AND LIABILITIES:			
I EQUITY			
(a) Equity share capital	11	225.62	225.62
(b) Other equity	12	8,220.60	6,558.69
Total Equity attributable to owners of the Company		**8,446.22**	**6,784.31**
II LIABILITIES			
1. Non-Current Liabilities:			
(a) Provisions	13	66.57	71.19
Total Non-Current Liabilities		**66.57**	**71.19**
2. Current Liabilities:			
(a) Financial Liabilities			
(i) Trade payables			
(A) Total outstanding dues of micro enterprise and small enterprise	35	47.14	67.99
(B) Total outstanding dues to creditors other than micro enterprise and small enterprise	14	1,715.77	2,335.71
(ii) Other financial liabilities	15	3.82	13.94
(b) Provisions	13A	375.85	339.48
(c) Current tax liabilities (net)	16	74.32	-
(d) Other current liabilities	17	161.90	56.76
Total current liabilities		**2,378.80**	**2,813.88**
TOTAL EQUITY & LIABILITIES (I+II)		**10,891.59**	**9,669.38**

See accompanying notes forming part of the financial statements

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

Jayesh Parmar
Partner

Date : 8th July 2019
Place : Pune

For and on behalf of **the Board of Directors**

Kunal Thakore
Chairman
(DIN 06462999)

Vinayak Padwal
Director
(DIN 00198772)

Jerry Andersson
Managing Director
(DIN 08015237)

Suresh Ghotage
Director & Chief Financial Officer
(DIN 02100456)

Ashish Jain
Company Secretary
& Manager Finance

Date : 8th July 2019
Place : Pune

Epiroc Mining India Limited
Statement of Profit and Loss for the year ended 31st March 2019

Particulars	Note No.	For the year ended 31st March 2019 Rs. in Million	For the period ended 31st March 2018 Rs. in Million
Revenue from operations	18	15,796.87	4,833.56
Other income	19	86.26	86.87
Total revenue		**15,883.13**	**4,920.43**
Expenses			
Cost of material consumed	20	5,245.77	2,232.35
Purchases of stock-in-trade (traded goods)	21	4,212.11	1,401.40
Changes in inventories of finished goods, work-in-progress & stock-in-trade	22	249.14	(500.54)
Employee benefits expense	23	1,353.50	438.78
Finance cost	24	14.58	1.63
Depreciation and amortisation expenses	2 & 3	171.62	52.70
Other expenses	25	2,117.14	575.66
Total expenses		**13,363.86**	**4,201.98**
Profit before tax for the year		**2,519.27**	**718.45**
Tax expense			
- Current tax expense	36	880.71	258.65
- Deferred Tax	36	(6.03)	(9.89)
Total tax expense		**874.68**	**248.76**
Profit after tax for the period from Continuing Operations		**1,644.59**	**469.69**
Profit after tax for the year		**1,644.59**	**469.69**
Other comprehensive income			
(a) Item that will not be reclassified to profit and loss			
- Reimbursement of defined benefit plans	28	(8.46)	(9.82)
(b) Income tax related to items that will not be reclassified to profit and loss		2.96	3.43
Total other comprehensive income		**(5.50)**	**(6.39)**
Total comprehensive income		**1,639.09**	**463.30**
Earnings per equity share (nominal value per share Rs. 10 each)			
Basic & diluted (in Rs.)	32	72.89	43.70

See accompanying notes forming part of the financial statements

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

Jayesh Parmar
Partner

For and on behalf of **the Board of Directors**

Kunal Thakore
Chairman
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Date : 8th July 2019
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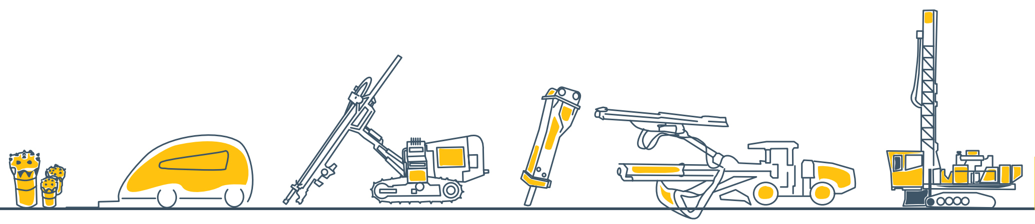

Epiroc Mining India Limited
Cash Flow Statement for the period ended 31st March, 2019

		Year ended 31st March, 2019		Period ended 31st March, 2018	
		Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax for the year :		2,519.27		718.45
	Adjustment for:				
	Depreciation/Amortisation of non-current assets	171.62		52.70	
	Unrealised exchange (Gain)/Loss	10.80		(50.50)	
	Finance cost recognised in profit or loss	-		1.63	
	(Gain)/Loss on disposal of fixed property, plant and equipment	5.69		(0.28)	
	Expense recognised in respect of equity settled share based payments	22.82		4.82	
	Actuarial gain / (loss) on employee benefits reclassified to Other Comprehensive Income (OCI)	(5.50)		(6.40)	
	Expected Credit Loss on trade receivables	(3.88)		128.15	
	Dividend Income	(38.55)		(2.61)	
			163.00		127.51
	Operating profit before Working Capital changes		2,682.27		845.96
	Adjustments for changes in Working capital				
	(Increase) / Decrease in Trade Receivables	279.06		(493.30)	
	(Increase) / Decrease in Inventories	315.37		(740.90)	
	(Increase) / Decrease in Current Assets	224.24		(90.93)	
	Increase / (Decrease) in Trade Payables	(657.76)		577.98	
	Increase / (Decrease) in Non-Current provisions	(4.62)		167.62	
	Increase / (Decrease) in Current provisions	36.37		13.49	
	Increase / (Decrease) in Other current financial liabilities	(10.13)		13.19	
	Increase / (Decrease) in Other current non-financial liabilities	105.14		(11.93)	
	(Increase) / Decrease in Other Current financial assets	21.92		(24.70)	
	(Increase) / Decrease in Other Non-Current financial assets	(45.19)		49.64	
	(Increase) / Decrease in Other Non-Current assets	35.41		(69.39)	
			299.81		(609.23)
	Cash generated from operations		2,982.08		236.73
	Income taxes paid		(809.34)		(262.08)
	Net Cash from/used in Operating activities		**2,172.74**		**(25.35)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Balance transferred from transferor company (Refer note 41)				
	Payment for property, plant and equipment	(213.65)		(60.71)	
	Proceeds from sale of property, plant and equipment	6.64		8.87	
	Purchase of investments	(9,793.55)		(1,520.00)	
	Proceeds from sale of investments	7,794.20		1,499.85	
	Dividend received	38.55		2.61	
	Net Cash from/used in investing activities		**(2,167.81)**		**(69.38)**

Epiroc Mining India Limited

Cash Flow Statement for the period ended 31st March, 2019

		Year ended 31st March, 2019		Period ended 31st March, 2018	
		Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of equity instruments of the Company	-		0.00007	
	Payment for equity shares extinguished as per the National Company Law Tribunal Order on Scheme of Demerger	-		(0.00007)	
	Payment of Short Term Borrowings	-		(129.73)	
	Finance cost paid	-		(1.63)	
	Net Cash from/used in financing activities		**-**		**(131.36)**
D	**UNREALISED EXCHANGE GAIN / (LOSS) IN CASH AND CASH EQUIVALENTS**		**(0.25)**		**1.26**
E	**NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS**		**4.68**		**(224.83)**
	Cash and Cash Equivalents (Opening balance)		225.50		0.00007
	Add: Cash and cash equivalents transferred from transferor company (Refer note 41)		-		450.33
	Cash and cash equivalents (Closing balance)		230.18		225.50

Notes :

1. Figures in brackets represent outflows of cash and bank balances.
2. Cash and bank balances comprise of :

Cash and Cash Equivalents	**As at 31st March, 2019 Rs. Million**	**As at 31st March, 2018 Rs. Million**
Cash on hand	0.00*	0.17
Bank Balance:		
In Current Accounts	197.50	146.23
Exchange Earners Foreign Currency Accounts	32.68	79.10
Balances with Banks held as Margin Money against Bank Guarantees	-	-
	230.18	**225.50**

* represents amount rounded off to million

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

Jayesh Parmar
Partner

Date : 8th July 2019
Place : Pune

For and on behalf of **the Board of Directors**

Kunal Thakore
Chairman
(DIN 06462999)

Vinayak Padwal
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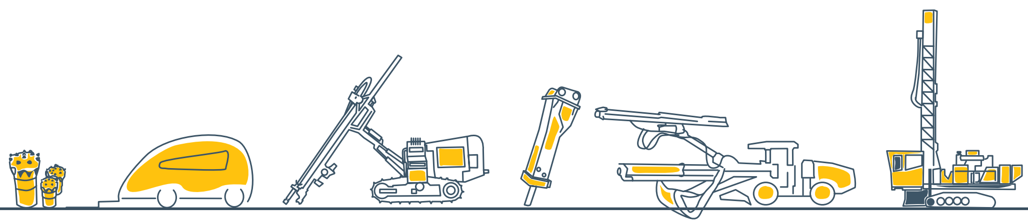

Epiroc Mining India Limited
Statement of Changes in Equity for the year ended as at 31st March 2019

A. Changes in Equity

Particulars	For the year ended 31st March, 2019 Rs. Million	For the period ended 31st March, 2018 Rs. Million
Opening balance as on 1st April, 2018	225.62	-
Shares allotted to the Subscriber of Articles of Association	-	0.00007
Shares issued during the period (Refer note 41)	-	225.62
Equity shares extinguished as per the National Company Law Tribunal Order on Scheme of Demerger	-	0.00007
Balance as at the end of the year	**225.62**	**225.62**

B. Changes in Other Equity

Rs. Million

Particulars	Capital Reserve	Other comprehensive income	Share based payments	Retained Earnings	Total Equity
Opening balance as on 20th July, 2017	-	-	-	-	-
Balance transferred from transferor company (Refer note 41)	6,090.57	-	-	-	6,090.57
Profit for the period	-	-	-	469.69	469.69
Other comprehensive income for the period, net of income tax	-	(6.39)	-	-	(6.39)
Recognition of share-based payments	-	-	4.82	-	4.82
Balance as at 31st March, 2018	**6,090.57**	**(6.39)**	**4.82**	**469.69**	**6,558.69**
Opening balance as on 01st April, 2018	6,090.57	(6.39)	4.82	469.69	6,558.69
Profit for the period	-	-	-	1,644.59	1,644.59
Other comprehensive income for the year, net of income tax	-	(5.50)	-	-	(5.50)
Recognition of share-based payments	-	-	22.82	-	22.82
Balance as at 31st March, 2019	**6,090.57**	**(11.89)**	**27.64**	**2,114.28**	**8,220.60**

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

Jayesh Parmar
Partner

Date : 8th July 2019
Place : Pune

For and on behalf of **the Board of Directors**

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Director & Chief Financial Officer
(DIN 02100456)

Ashish Jain
Company Secretary
& Manager Finance

Date : 8th July 2019
Place : Pune

Corporate Information

Epiroc Mining India Limited ('the Company') was incorporated on 20th July 2017. It is a subsidiary of Epiroc Rock Drills AB, Sweden, part of Epiroc Group, Sweden. The Epiroc Group is into manufacturing of mining and construction equipment.

Epiroc Mining India Limited has an extensive presence in India with two manufacturing locations, a design-engineering centre and sales offices across all major cities in India.

Atlas Copco (India) Limited and Epiroc Mining India Limited under a scheme of arrangement between them, vide National Company Law Tribunal's order CSP No. 976 of 2017 dated 30th November, 2017, demerged Mining and Rock Excavation (including Civil Construction) business in Epiroc Mining India Limited with effect from close of business hours on 30th November 2017.

Epiroc Rock Drills AB, Sweden holds 96.32% of equity share capital and the remaining is held by minority shareholders.

The financial statements are for the period from 01st April 2018 to 31st March 2019 and the same are approved by the Board of Directors and authorized for issue on 8th July 2019.

1. Significant Accouting Policies

1.1 Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

1.2 Basis for preparation of financial statements

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on their value of the consideration given in exchange for goods and services.

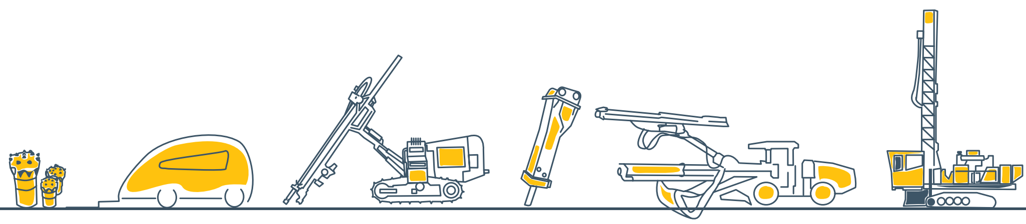
In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purpose in these financials statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are, inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are not based on observable market data (unobservable inputs) Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.



1.3 Use of Estimates

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Critical accounting estimates

i) Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. The policy for the same has been explained under Note 1.12.

ii) Useful lives of property, plant and equipment and intangible assets

The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During the currently year, the directors have determined that no changes are required to the useful lives of assets. The policy for the same has been explained under Note 1.4 & 1.5.

iii) Discount rate - defined benefit obligation

The Company's defined benefit obligation is discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant judgement is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the government bonds, quality of the bonds and the identification of outliers which are excluded.

iv) Product warranty expenses

The estimated liability for product warranties is accounted when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

v) Valuation of deferred tax balances

The Company reviews the carrying amount of deferred tax balances at the end of each reporting period. The policy for the same has been explained under Note 1.13.

vi) Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

1.4 Property, Plant & Equipment

Property Plant and Equipment (PPE) are stated at cost of acquisition or construction where cost includes amount added/deducted on revaluation less accumulated depreciation / amortization and impairment loss, if any. All costs relating to the acquisition and installation of property plant and equipment are capitalized and include borrowing costs relating to funds attributable to construction or acquisition of qualifying assets, up to the date the asset / plant is ready for intended use. The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodies within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognized. The cost for day-to-day servicing of property, plant and equipment are recognized in Statement of profit and loss as and when incurred.

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use.

Depreciation is calculated on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice from experts, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

i) General Plant and machinery – 4 to 10 years

ii) Vehicles – 5 years

iii) Furniture and Fixtures – 6 years

iv) Assets given on operating lease – 2 to 4 years

v) Factory Building – 25 years

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

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of profit or loss.

1.5 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Following summarizes the nature of intangible and the estimated useful life:

(a) Software Costs - 3 years

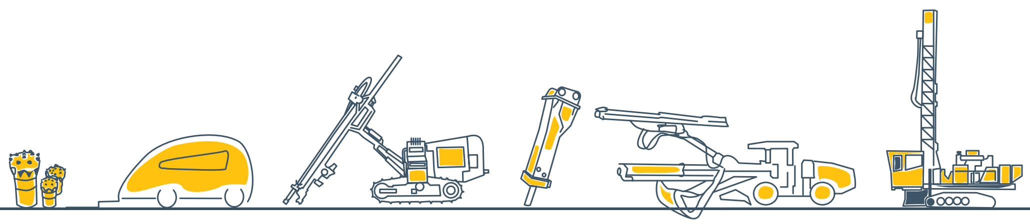
An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of profit or loss when the asset is derecognized.

1.6 Impairment

(i) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company performs credit assessment for customers on an annual basis. Company recognizes credit risk, on the basis of lifetime expected losses and where receivables are due for more than one year.



For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-Financial Assets

Property Plant and Equipment and Intangible assets

Property, plant and equipment and intangible assets with a finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

1.7 Leases:

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

Operating Lease

Lease arrangements under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease rental under operating lease are recognized in the Statement of Profit and Loss on a straight line basis over the lease term.

Finance Lease

Assets held under finance leases are initially recognized as an asset and a lease obligation at the lower of the fair value of the asset and the present value of minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Minimum lease payments are apportioned between finance expense and reduction of the outstanding lease obligation. Finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease obligation. Finance expense is recognized immediately in the Statement of profit or loss, unless they are directly attributable to qualifying asset, in which case they are capitalized in accordance with the policy on borrowing costs.

1.8 Revenue recognition:

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues Company expects to receive in exchange for those products or services.

- Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

  The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price is a fixed amount of customer consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Export of goods

Export revenue is recognised when the control for goods is transferred have passed with respect to the revenue. Conditions enumerated above in 'sale of goods' section relating to recognition of sale are also followed in export of goods as well. The revenue is recognised based on delivery terms as per the terms of sale agreed with the buyer.

Rendering of services

Revenue from services is recognized as and when the services are rendered and the related costs are incurred.

Revenue from Rental Equipment

Revenues from rental of equipment are recognized on a straight line basis over the lease period.

Interest income

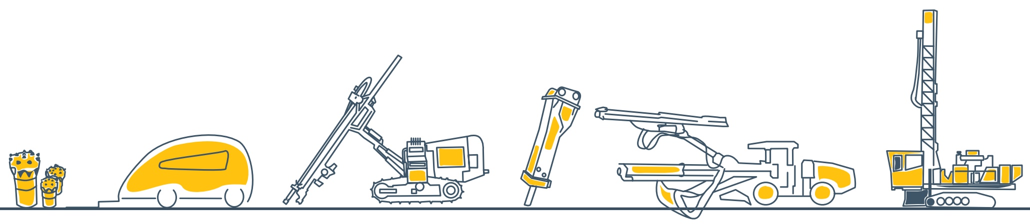
Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest Income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset's net carrying amount on initial recognition.

Dividend Income

Dividend income is recognised when the right to receive it is established.

Export benefits

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.



1.9 Foreign currency :

The financial statements are presented in Indian rupees, which is the functional currency of the Company.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the Statement of profit or loss.

Non-monetary assets and liabilities denominated in a foreign currency are translated using the exchange rate prevailing at the date of initial recognition (in case measured at historical cost) or at the rate prevailing at the date when the fair values determined (in case measured at fair value).

Foreign exchange differences are recognized in the Statement of profit or loss in the period in which they arise except for exchange difference on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

1.10 Financial Instruments:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability, as appropriate. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of profit or loss.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in the Statement of profit or loss.

Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

1.11 Employee Benefits:

i) Short term employee benefits:

A liability is recognized for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefit that is expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

ii) Other employee benefits:

The Company provides for compensated absences subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized based on the actuarial valuation as at the balance sheet date.

A. Defined Contribution Plan

Payments to defined contribution plans are recognized as an expense when the employees have rendered the service entitling them to the contribution.

Superannuation fund: Certain employees are participants in a defined contribution plan and are entitled to receive benefits in respect of superannuation fund. The Company has no further obligations to the Plan beyond its monthly contributions at a specified percentage of employees' salary depending on the grade of the employee which are invested with the Life Insurance Corporation of India. The Company recognises such contributions as expense when incurred. Employees do not make any contributions to the fund.

Provident fund: The employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12 percent of employees' salary). The contributions as specified under the law are made partially to the provident fund and pension fund administered by the Regional Provident Fund Commissioner. The Company recognizes such contributions as an expense when incurred.

B. Defined Benefit Plan:

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

Gratuity: The Company has an obligation towards gratuity, a defined benefit plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days, 22 days or 1 month of salary payable for each completed year of service, depending on the total period of service rendered by the employee. Vesting occurs upon completion of five years of service. The Company makes contribution to the fund established as a Gratuity Trust. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on an independent actuarial valuation carried at each balance sheet date using the projected unit credit method. The gratuity plan is funded plan and the Company makes the contributions to the recognized fund.

C. Share Based Payments

Certain employees of the Company receive remuneration in the form of Stock Options (SOPs) / Share Appreciation Rights (SARs) given by the ultimate holding company (Epiroc AB, erstwhile "Atlas Copco AB, Sweden"), for rendering services over a defined vesting period. SOPs / SARs granted are measured by reference to the fair value of the instrument at the date of grant.

The expense is recognized in the statement of profit and loss with a corresponding increase to the retained earnings, as a component of other equity. SOPs / SARs generally vest in a graded manner over the vesting period. The fair value determined at end of each reporting period and at the date of settlement, with any change in the fair value recognized in the Statement of profit or loss over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Company's estimate of SOPs / SARs that will eventually vest.

1.12 Taxation:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized the Statement of profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset is recognized 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 utilized.

The carrying amount of deferred income 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 income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.13 Earnings per Share:

Basic earnings / (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings / (loss) per share, the net profit / (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.

1.14 Cashflow Statement:

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

1.15 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present (legal or constructive) obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made.

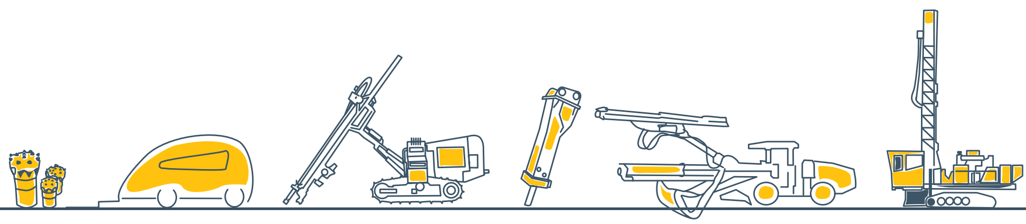
The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainities surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

On an ongoing basis, Company reviews pending cases and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognised until the contingency has been resolved and amounts are received or receivable.

1.16 Current Non-Current Classification:

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.



Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

- 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 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

Current liabilities include the current portion of long term financial liabilities. 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 and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

1.17 Inventories:

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing the products to its present location and condition are accounted for as follows:

Raw materials, stores & spare parts and packing materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and costs necessary to make the sale.

1.18 Operating cycle:

Based on the nature of products / activities of the Company and the normal time period between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operating cycle as 12 months for purpose of classification of its assets and liabilities as current and non-current.

1.19 Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in the Statement of profit or loss in the period in which they are incurred.

1.20 Segment Reporting:

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of manufacture and sale of mining equipment, which in the context of Indian Accounting Standard 108 'Segment Information' represents single separate reportable business segment. The accounting policies of the reportable segment are the same as the accounting policies disclosed in Note 1. The revenues, total expenses and net profit as per the Statement of profit and loss represents the revenue, total expenses and the net profit of the reportable segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

1.21 Fair Value Measurement:

Fair value is the price that would be received from the sale of 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 an asset or transfer the liability takes place either:

- In the principal market for the asset or liability.
- In the absence of 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.

The 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 incidental 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Determination of Fair Value

1) Financial Assets

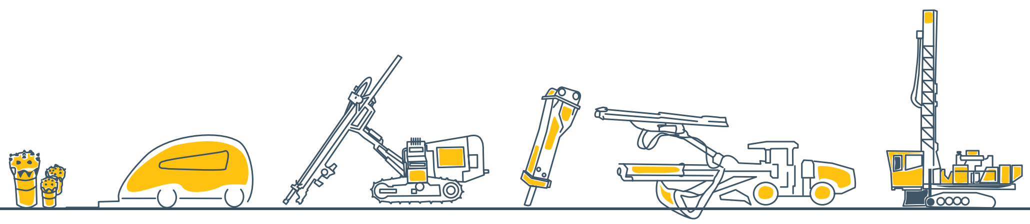
The fair value of financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purpose.

2) Non-Derivative financial liabilities

Fair Value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

3) Investments in Mutual Funds

The fair value of available mutual funds held for trading is determined with reference to their net asset value as at the reporting date and is recorded as other income/expense. The Company invests its surplus funds in mutual funds. These investments have been classified as fair value through the Statement of profit or loss by the management.



1.22 Share Capital:

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

1.23 Dividend:

Dividend on shares is recorded as a liability on the date of approval by the shareholders.

1.24 New Accounting Standards, Amendments to Existing Standards, Annual Improvements and Interpretations Effective Subsequent to March 31, 2019, applicable to the Company:

Ind AS 12 - Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in the Statement of profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 116 - Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of profit or loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

The effect of adoption as on transition date would majorly result in an increase in Right of use asset approximately by 377.55 million and an increase in lease liability approximately by 370.94 million.

Note 2 - Property, plant and equipment

Rs. in Million

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Assets given on Lease - Plant and Machinery	Total
(I) Gross carrying amount								
Opening balance	-	-	-	-	-	-	-	**-**
Balance transferred from transferor company (Refer note 41)	233.30	538.28	858.18	25.08	18.90	1.17	8.59	**1,683.50**
Additions during the period	-	65.76	98.35	7.77	3.58	-	-	**175.46**
Disposals during the period	-	-	(22.58)	(1.41)	(0.17)	-	-	**(24.16)**
Balance as at 31st March, 2018	**233.30**	**604.04**	**933.95**	**31.44**	**22.31**	**1.17**	**8.59**	**1,834.80**
(II) Accumulated depreciation and impairment								
Opening balance	-	-	-	-	-	-	-	**-**
Balance transferred from transferor company (Refer note 41)	-	(55.60)	(313.52)	(11.28)	(12.32)	(1.17)	(8.59)	**(402.48)**
Eliminated on disposals	-	-	14.15	1.40	0.04	-	-	**15.59**
Depreciation expense during the period	-	(9.09)	(38.03)	(1.66)	(1.13)	-	-	**(49.91)**
Balance as at 31st March, 2018	**-**	**(64.69)**	**(337.40)**	**(11.54)**	**(13.41)**	**(1.17)**	**(8.59)**	**(436.80)**
Net carrying amount as 31st March, 2018 (I+II)	**233.30**	**539.35**	**596.55**	**19.90**	**8.90**	**-**	**-**	**1,398.00**
(I) Gross carrying amount								
Opening balance	233.30	604.04	933.95	31.44	22.31	1.17	8.59	**1,834.80**
Additions during the year	-	34.70	205.37	31.96	12.24	-	-	**284.27**
Disposals during the year	-	(0.95)	(56.20)	(16.55)	(6.53)	(1.17)	-	**(81.40)**
Reclassification during the current year	-	-	(7.91)	-	-	-	7.91	**-**
Balance as at 31st March, 2019	**233.30**	**637.79**	**1,075.21**	**46.85**	**28.02**	**-**	**16.50**	**2,037.67**
(II) Accumulated depreciation and impairment								
Opening balance	-	(64.69)	(337.40)	(11.54)	(13.41)	(1.17)	(8.59)	**(436.80)**
Eliminated on disposals during the year	-	0.90	45.28	16.49	6.41	1.17	-	**70.25**
Depreciation expense during the year	-	(29.87)	(118.77)	(8.32)	(3.93)	-	(2.64)	**(163.53)**
Depreciation on reclassification during the year	-	-	1.78	-	-	-	(1.78)	**-**
Balance as at 31st March, 2019	**-**	**(93.66)**	**(410.89)**	**(3.37)**	**(10.93)**	**-**	**(11.23)**	**(530.08)**
Net carrying amount as at 31st March, 2019 (I+II)	**233.30**	**544.13**	**664.32**	**43.48**	**17.09**	**-**	**5.27**	**1,507.59**

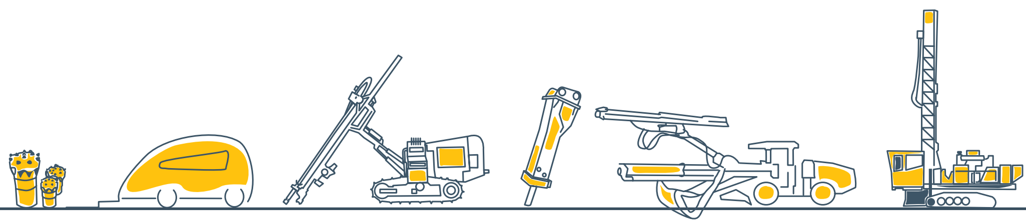
Capital work in progress

Particulars	Rs. in Million
As at March 31, 2019	9.14
As at March 31, 2018	85.49

Note 3 - Intangible assets

(Other than internally generated) **Rs. in Million**

Particulars	**Design and Drawings**	**Software**	**Total**
(I) Gross carrying amount			
Opening balance	-	-	-
Balance transferred from transferor company (Refer note 41)	6.94	53.32	60.26
Additions during the period	-	0.38	0.38
Disposals during the period	-	-	-
Balance as at 31st March, 2018	**6.94**	**53.70**	**60.64**
(II) Accumulated amortisation and impairment			
Opening balance	-	-	-
Balance transferred from transferor company (Refer note 41)	(6.94)	(36.74)	(43.68)
Amortisation expense during the period	-	(2.79)	(2.79)
Eliminated on disposals	-	-	-
Balance as at 31st March, 2018	**(6.94)**	**(39.53)**	**(46.47)**
Net carrying amount as at 31st March, 2018 (I+II)	**-**	**14.17**	**14.17**
(I) Gross carrying amount			
Opening balance	6.94	53.70	60.64
Additions during the year	-	5.63	5.63
Disposals during the year	(6.94)	(18.46)	(25.40)
Balance as at 31st March, 2019	**-**	**40.87**	**40.87**
(II) Accumulated amortisation and impairment			
Opening balance	(6.94)	(39.53)	(46.47)
Amortisation expense during the year	-	(8.09)	(8.09)
Eliminated on disposals during the year	6.94	17.38	24.32
Balance as at 31st March, 2019	**-**	**(30.24)**	**(30.24)**
Net carrying amount as at 31st March, 2019 (I+II)	**-**	**10.63**	**10.63**



Note 4- Other non-current financial asset
(Unsecured ; carried at amortised cost)

Rs. in Million

Particulars	As at 31st March 2019	As at 31st March 2018
Security deposits	93.61	41.75
(-) Provision for doubtful deposits	(14.79)	(7.21)
	78.82	34.54
Loans and advances to employees	5.64	4.73
Total	**84.46**	**39.27**

Note 4A- Other current financial assets
(Unsecured ; carried at amortised cost)

Security deposits	0.44	38.56
Loans and advances to employees	26.00	9.80
Total	**26.44**	**48.36**

Note 5 - Deferred tax asset (net)

Deferred tax asset/(liability):		
Tax effects of items constituting deferred tax asset		
Written down value of Fixed Assets	-	3.66
Disallowances under section 43B of Income Tax Act, 1961	35.72	55.49
Provision for doubtful debts/ advances	77.17	74.21
Provision for C Form and RVAT	65.80	30.26
Demerger Expenses	0.54	-
	179.23	163.62
Tax effects of items constituting deferred tax liability		
Written down value of Fixed Assets	(6.62)	-
	(6.62)	-
Total	**172.61**	**163.62**
Opening balance	163.62	-
Balance transferred from transferor company (Refer note 41)	-	150.30
Recognized in other comprehensive income	2.96	3.43
Recognized in statement of profit and loss	6.03	9.89

Note 6 - Other non-current assets (Unsecured)

Rs. in Million

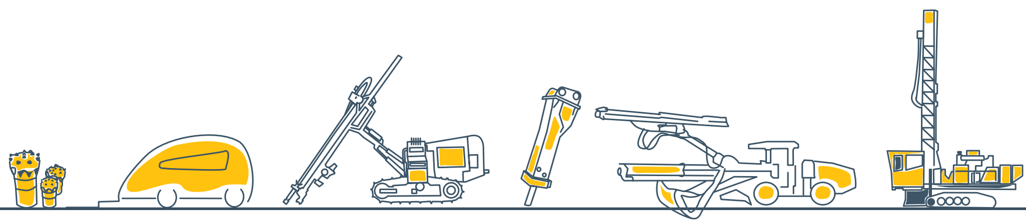
Particulars	As at 31st March 2019	As at 31st March 2018
Capital advances	8.17	33.36
Prepaid expenses	21.06	10.31
Lease prepayments		
Prepaid lease	0.12	0.12
Balances with government authorities		
Customs authorities	68.21	67.84
Excise & service tax authorities	12.74	21.46
Sales tax authorities	20.46	33.08
Income tax authorities (net)	17.73	17.73
Tax paid in advance (current tax) net of provisions Rs. 258.65 Million (as of 31st March 2018 Rs.258.65 Million)		
Total	**148.49**	**183.90**

Note 6A- Other current assets (Unsecured)

Prepaid expenses	15.37	15.77
Advance to suppliers and others	87.28	96.93
Balances with government authorities		
Customs authorities	306.55	360.25
Goods and services tax authorities	215.22	375.71
Total	**624.42**	**848.66**

Note 7 - Inventories (lower of cost and net realisable value)

Raw materials and components	1,266.03	1,240.42
Goods in Transit	91.32	59.92
	1,357.35	1,300.34
Manufactured components	121.67	221.21
Work-in-progress	119.35	122.16
Finished goods	218.90	266.02
Stock-in-Trade (Acquired for trading)	940.86	1,040.53
Goods in Transit	129.11	252.36
	1,069.97	1,292.89
Total	**2,887.24**	**3,202.62**



The cost of inventories recognised as an expense includes Rs. 21.01 Million in 2018-19 (Rs.162.71 Million during 2017-18) in respect of write-down of inventories.

The mode of valuation has been stated in para 1.17 of Accounting Policies.

Note 8 - Investments

Rs. in Million

Particulars	As at 31st March 2019	As at 31st March 2018
Designated as fair value through profit and loss		
Investments in Mutual Funds (Quoted)		
Aditya Birla Sunlife Liquid Fund- Direct Daily Dividend- 5,483,555.29 units of Rs. 100.24 each fully paid (As at 31st March 2018, Nil units)	549.68	-
DSP- Liquidity Fund- Direct Daily Dividend- 505,613.62 units of Rs.1000.93 each fully paid up (As at 31st March 2018, Nil units)	506.09	-
IDFC Cash Fund - Direct Daily Dividend - 79,920.39 units of Rs.1002.05 each fully paid up (As at 31st March 2018, Nil units)	80.08	-
Reliance Liquid Fund -Direct Daily Dividend- 223,530.00 units of Rs.1529.35 each fully paid up (As at 31st March 2018, Nil units)	341.86	-
ICICI Prudential Liquid DP - Direct Daily Dividend- 5,409,906.11 units of Rs.100.14 each fully paid (As at 31st March, 2018- 2,01,133.10 units of Rs. 100.11 each)	541.79	20.15
Total carrying amount of all investments	**2,019.50**	**20.15**
Aggregate amount of quoted investments	**2,019.50**	**20.15**

Note 9 - Trade Receivables

(a) Trade receivables considered good- unsecured	3,175.39	3,439.64
Less: Expected credit loss allowance	(4.50)	-
(b) Trade receivables which have significant increase in credit risk;	119.78	128.15
Less: Loss allowance	(119.78)	(128.15)
Total	**3,170.89**	**3,439.64**

Notes:

1] Normal credit period allowed by the Company ranges from 30-90 days.

2] Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers is reviewed once a year. Of the trade receivables as at 31st March 2019, Rs.731.80 million is due from a customer (as at March 31, 2018 of Rs. 1,382.93 million is due from 3 customers). There are no other customers who represent more than 5% of the total balance of trade receivables.

3] The Company has used practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

This provision matrix is based on judgement considering past experience. The provision matrix at the end of reporting period is as follows:

Aging of expected credit loss — **Rs. in Million**

Particulars	**As at 31st March 2019**	**As at 31st March 2018**
0-365 days past due	4.50	-
More than 365 days past due	119.78	128.15
Total	**124.28**	**128.15**

4] Debtors ageing

Within credit period	2,117.95	1,862.53
Less than 30 days	421.24	577.28
30 to 90 days	449.64	706.22
More than 90 days but less than 365 days	116.36	216.23
More than 1 year but less than 2 years	131.26	111.72
More than 2 years but less than 3 years	39.85	42.44
More than 3 years	18.87	51.37
Grand Total	**3,295.17**	**3,567.79**

Movement in the allowance for expected credit loss/ loss allowance

Opening balance	128.15	-
Balance transferred from transferor company (Refer note 41)	-	119.50
Movement in the expected credit loss/loss allowance on trade receivables calculated at lifetime expected credit losses	13.15	8.65
Amounts recovered during the year/period	(17.02)	-
Balance at the end of the year/period	**124.28**	**128.15**

The concentration of credit risk is limited due to the fact the customer base is large and unrelated.

5] Trade Receivables include amount receivable from Related Parties. (Refer note 30C)

Note 10 - Cash And Cash Equivalents

(a) Cash on hand	0.00*	0.17
(b) Balance with banks in -		
Current accounts	197.50	146.23
Exchange earners foreign currency accounts	32.68	79.10
Total	**230.18**	**225.50**

* represents amount rounded off to million

Note 11 - Equity share capital

Rs. in Million

Particulars	As at 31st March 2019	As at 31st March 2018
Authorised:		
25,000,000 (31st March, 2018: 25,000,000) equity shares of Rs 10 each	250.00	250.00
Issued, subscribed and fully paid-up:		
22,561,564 (31st March, 2018: 22,561,564) equity shares of Rs 10 each	225.62	225.62

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number of Shares	Rs. Million	Number of Shares	Rs. Million
Shares outstanding at the beginning of the year	2,25,61,564	225.62	-	-
Shares outstanding at the beginning of the period (Allotted to Subscriber of Articles of Association)	-	-	7	0.00
Less: equity shares extinguished as per the National Company Law Tribunal Order on Scheme of Demerger (Refer note 41)	-	-	7	0.00
Add: additional equity shares issued during the period as per the National Company Law Tribunal Order (Refer note 41)	-	-	2,25,61,564	225.62
Shares outstanding as at 31st March, 2019	2,25,61,564	225.62	2,25,61,564	225.62

Note:

Of the above shares 22,561,654 shares were allotted as fully paid-up pursuant to a contract without payment being received in cash to all shareholders as on the date of demerger from Atlas Copco India Limited w.e.f. 9th December,2017

b. Equity shares held by Holding Company

Name of Shareholder	Relationship	As at 31st March 2019	As at 31st March 2018
Epiroc Rock Drills AB	Holding Company	2,17,31,947	2,17,31,907

c. Rights, preferences and restrictions attached to the shares

The Company has one class of equity shares having a par value of Rs 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company in proportion of their shareholding after distribution of all preferential amounts.

d. Particulars of shareholders holding more than 5% equity shares in the Company

Name of Shareholder	As at 31st March 2019		As at 31st March 2018	
	Number of Shares	Percentage	Number of Shares	Percentage
Epiroc Rock Drills AB, Sweden (Holding Company)	2,17,31,947	96.32%	2,17,31,907	96.32%

Note 12 - Other equity

Rs. in Million

Particulars	As at 31st March 2019	As at 31st March 2018
Capital Reserve		
Opening balance	6,090.57	-
Balance transferred from transferor company (Refer note 41)	-	6,090.57
Closing balance as at year end	**6,090.57**	**6,090.57**
Other comprehensive income		
Opening balance	(6.39)	-
Other comprehensive income for the year, net of income tax	(5.50)	(6.39)
Closing balance as at year end	**(11.89)**	**(6.39)**
Shared based payments		
Opening balance	4.82	-
Share based payments during the year	22.82	4.82
Closing balance as at year end	**27.64**	**4.82**
Surplus in the statement of profit and loss		
Opening balance	469.69	-
Add: Profit for the year	1,644.59	469.69
Closing balance as at year end	**2,114.28**	**469.69**
Balance as at 31st March, 2019	**8,220.60**	**6,558.69**

Note 13 - Non current liabilities: Provisions

Provision		
Long term provisions (Refer note 38)	66.57	56.73
Employee benefits (gratuity) (Refer note 28)	-	14.46
Total	**66.57**	**71.19**

Note 13A - Current liabilities: Provisions

Rs. in Million

Particulars	As at 31st March 2019	As at 31st March 2018
Provisions for employee benefits		
Provisions for compensated absences (Refer note 28)	66.33	67.10
Employee benefits (gratuity) (Refer note 28)	24.22	45.79
Provision others		
Provision for warranty (Refer note 38)	72.83	77.61
Other short term provisions (Refer note 38)	212.47	148.98
Total	**375.85**	**339.48**

Note 14 -Trade payables

Total outstanding dues of micro enterprise and small enterprise (Refer note 35)	47.14	67.99
Total outstanding dues to creditors other than micro enterprise and small enterprise	1,715.77	2,335.71
Total	**1,762.91**	**2,403.70**

Note 15 - Current liabilities: Other current financial liabilities

Payables on purchase of property, plant and equipment	3.20	13.20
Security deposit received	0.62	0.74
Total	**3.82**	**13.94**

Note 16 -Current tax liabilities

Current tax liabilities	74.32	-
(Current tax liabilities net of taxes paid of Rs. 806.40 million (as at 31st March,2018 Rs. Nil))		
Total	**74.32**	**-**

Note 17 - Other current liabilities

Rs. in Million

Particulars	**As at 31st March 2019**	**As at 31st March 2018**
Advance from customers	129.19	35.37
Statutory remittances (contribution to provident fund, withholding taxes, profession tax, etc.)	32.71	21.39
Total	**161.90**	**56.76**

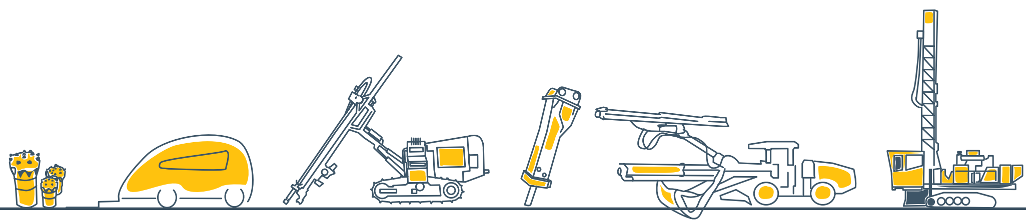
Note 18 - Revenue from operations

Rs. in Million

Particulars	**For the year ended 31st March 2019**	**For the period ended 31st March 2018**
Revenue from sale of products	13,056.56	4,078.80
Revenue from rendering of services	2,407.24	622.71
Other operating revenue (Refer note 18.01)	333.07	132.05
Total	**15,796.87**	**4,833.56**

18.01 Breakup of other operating revenue

Indent commission	120.89	75.65
Sale of scrap	15.12	3.24
Export benefits	197.06	53.16
	333.07	**132.05**



Rs. in Million

Particulars	For the year ended 31st March 2019	For the period ended 31st March 2018
A. Disaggregation of revenue		
(a) Timing of revenue recognition		
Point in time	15,796.87	4,833.56
Over time	-	-
(b) Geographical location		
India	11,167.86	3,547.56
Other	4,629.01	1,286.00
(c) Type of contract		
Fixed price	15,796.87	4,833.56
Time and material	-	-
B. Contract balances	-	-
C. Transaction price		
Amount of transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied)	30.30	3.38

D. Performance obligation: Ordinarily the Company's contract represents a single distinct performance obligation depending on the supply of goods or services as per the contract.

During the year, the Company has adopted Ind AS 115 - revenue from contracts with customers using the cumulative catch up transition method w.e.f. 1st April 2018. The effect of adoption of Ind AS 115 is not material on the net profit of the retained earning as on 1st April 2018.

Note 19 - Other income

Rs. in Million

Particulars	For the year ended 31st March 2019	For the period ended 31st March 2018
Dividend income from current investment	38.55	2.61
Other non operating income		
Net gain on foreign currency transactions and translation	-	50.50
Profit on sale of property, plant & equipment	-	0.28
Miscellaneous income	47.71	33.48
Total	**86.26**	**86.87**

Note 20 - Cost of material consumed

Rs. in Million

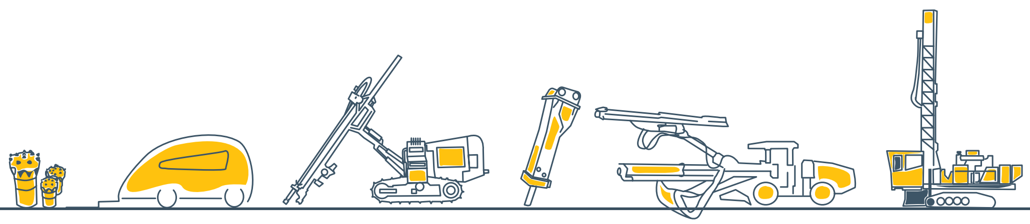
Particulars	For the year ended 31st March 2019	For the period ended 31st March 2018
Opening stock	1,240.42	-
Add: Balance transferred from transferor company (Refer note 41)	-	1,238.24
Add: Purchases	5,271.38	2,234.53
Less: Closing stock	(1,266.03)	(1,240.42)
Total	**5,245.77**	**2,232.35**

Note 21 - Purchases of stock in trade (traded goods)

Purchases of stock in trade	4,212.11	1,401.40
Total	**4,212.11**	**1,401.40**

Note 22 - Changes in inventories of finished goods, work-in-progress & stock-in-trade

Opening balance		
Finished goods	266.02	-
Stock-in-trade	1,040.53	-
Work-in-progress	122.16	-
Manufactured components	221.21	-
Balance transferred from transferor company (Refer note 41)		
Finished goods	-	156.04
Stock-in-Trade	-	798.14
Work-in-progress	-	87.97
Manufactured components	-	107.21
Inventory as at 31st March, 2019		
Finished goods	(218.90)	(266.02)
Stock-in-Trade	(940.86)	(1,040.53)
Work-in-progress	(119.35)	(122.16)
Manufactured components	(121.67)	(221.21)
Net (Increase)/Decrease	**249.14**	**(500.54)**



Note 23 - Employee benefit expenses

Rs. in Million

Particulars	For the year ended 31st March 2019	For the period ended 31st March 2018
Salaries, wages and bonus	1,089.45	351.51
Contribution to provident and other funds	118.26	49.23
Workmen and staff welfare expenses	122.97	33.22
Share based payments	22.82	4.82
Total	**1,353.50**	**438.78**

Note 24 - Finance cost

Bank charges (including guarantee commission paid)	14.58	1.63
Total	**14.58**	**1.63**

Note 25 - Other expenses

Rs. in Million

Particulars	For the year ended 31st March 2019	For the period ended 31st March 2018
Stores and tools consumed	122.31	48.44
Power and fuel	76.83	22.74
Rent	76.12	21.78
Rent other	31.29	13.72
Repairs and maintenance -rented premises	12.41	4.06
Repairs and maintenance -buildings	6.06	1.46
Repairs and maintenance -machinery	27.72	4.71
Repairs and maintenance -others	5.53	0.97
Insurance	11.33	7.22
Rates and taxes	0.79	0.72
Travelling and conveyance expenses	197.89	47.03
Freight, transport and packing	143.19	45.35
Commission	64.31	11.46
Corporate social responsibility expenses (Refer note 43)	0.87	-
Legal and professional fees	158.67	46.28
Audit fees (Refer note 26)	3.13	2.03
Bad trade receivables/advances	40.17	3.59
Expected credit loss	-	8.65
Provision for sales tax liability	104.49	26.41
Royalty (Refer note 30(b))	260.14	7.08
Warranty provision	-	20.11
Software development expenses	119.04	26.09
Security services	15.26	5.07
Expenses on service jobs	51.36	9.01
Conference and training costs	51.32	4.95
External workforce and sundry services	403.36	127.98
Miscellaneous expenses	133.55	58.75
Total	**2,117.14**	**575.66**

Note 26 - Payment to auditors (Net of goods and service tax)

Rs. in Million

Particulars	For the year ended 31st March 2019	For the period ended 31st March 2018
To Statutory Auditors		
Audit fees	1.70	0.90
Audit fees for group reporting	0.90	0.90
Tax audit fees	0.38	0.23
Other taxation services	0.15	-
Total	**3.13**	**2.03**

Note 27- The net exchange differences arising during the period

Recognised appropriately in the Statement of Profit and Loss	10.80	(50.50)
Adjusted in carrying amount of Property Plant and Equipment	-	-

Note 28- Employee benefits

(A) Defined contribution plans

The Company has recognised the following amounts in the Statement of Profit and Loss

Contribution to Employees' Superannuation Fund	23.02	7.47
Contribution to Provident Fund	50.24	17.08

(B) Defined benefit plans

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days, 22 days or the full month's salary (depending on the total years of service) multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the period are as follows:

i) Reconciliation of benefit obligation

Rs. in Million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	302.71	-
Current service cost	30.17	9.07
Past Service Cost	-	-
Employer Contributions	-	-
Interest expense/(income)	22.47	6.69
Benefit payments from plan assets	-	-
Benefit payments from employer	(25.44)	(10.90)
Settlement payments from plan assets	-	(5.50)
Increase (decrease) due to effect of any business combination, divestures, transfers*	-	295.20
Remeasurement	(9.34)	-
(Gain)/loss from change in demographic assumptions	(1.19)	-
(Gain)/loss from change in financial assumptions	(6.32)	-
(Gain)/loss from change in experience adjustments	6.54	8.15
Present Value of Defined Benefit Obligations as on March 31, 2019	**319.60**	**302.71**

An amount of Rs. 9.34 Million has been arised due to transfer to Dynapac

ii) Reconciliation of fair value of plan assets

Opening balance	242.46	-
Interest income	21.05	3.11
Employer contribution	41.30	1.00
Employer direct benefit payments	25.44	10.90
Benefit payments from plan assets	-	-
Benefit payments from employer	(25.44)	(10.90)
Settlement payments from plan assets	-	(5.50)
Increase (decrease) due to effect of any business combination, divestures, transfers	-	245.52
Return on assets (excluding interest income)	(9.43)	(1.67)
Fair Value of Plan Assets as on March 31, 2019	**295.38**	**242.46**

iia) Composition of Plan Assets*

Rs. in Million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Group Gratuity Cash Accumulation Policy No 11484 in Life Insurance Company of India	-	34.77
Group Gratuity Cash Accumulation Policy No 709003225 in Life Insurance Company of India	295.38	-
Group Gratuity Cash Accumulation Policy No 609232 in Life Insurance Company of India, (Funds related to Epiroc Mining India Limited to be transferred by Atlas Copco (India) Limited as per the demerger order)	-	206.69
Funds Investment for application to new policy in Life Insurance Company of India	-	1.00
Fair Value of Plan Assets as on March 31, 2019	**295.38**	**242.46**

* since the plan assets are invested by insurance company break-up of the invested amount is not available with the company

iii) Amount to be recognized in Balance Sheet

Present value of funded obligations	319.60	302.71
Fair value of plan assets	295.38	242.46
Amount to be recognized in Balance Sheet	**24.22**	**60.25**

iv) Expenses recognised in the Statement of Profit and Loss under the head employee benefits expense

Rs. in Million

Particulars	For the year ended 31st March, 2019	For the period ended 31st March, 2018
Current Service Cost	30.17	9.07
Interest Cost	22.47	6.69
Interest Income	(21.05)	(3.11)
Expenses recognized in statement of profit and loss	**31.59**	**12.65**

v) Remeasurement for the period & amount recognised in statement of Other Comprehensive Income (OCI)

Rs. in Million

Particulars	As at 31st March, 2019	As at 31st March, 2018
(Gain)/loss from change in demographic adjustments	(1.19)	-
(Gain)/loss from change in financial assumptions	(6.32)	-
(Gain)/loss from change in experience assumptions	6.54	8.15
Return on assets (excluding interest income)	9.43	1.67
Expenses recognized in statement of profit and loss	**8.46**	**9.82**

Valuation in respect of Gratuity has been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

Particulars	**As at 31st March, 2019**	**As at 31st March, 2018**
Discount rate	7.80%	8.00%
Salary escalation	9.50%	10.00%
Rate of return on plan assets	7.80%	8.00%

(a) The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated terms of the obligations.

(b) Salary escalation rate: The estimates of future salary increases considered taking into the account the inflation, seniority, promotion and other relevant factors.

(c) Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments for the year ending:

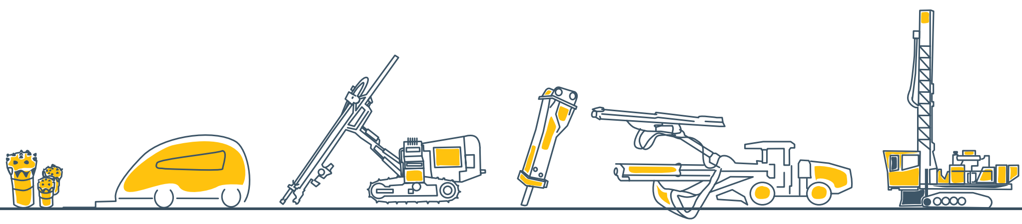
Rs. in Million

Particulars	**As at 31st March, 2019**
31st March 2019	-
31st March 2020	53.63
31st March 2021	26.90
31st March 2022	28.10
31st March 2023	30.73
31st March 2024	39.35
31st March 2025 to 2028	245.39

Sensitivity analysis for significant assumptions are as follows:

Particulars	**As at 31st March, 2019**	**As at 31st March, 2018**
Increase/(decrease) in present value of defined benefit obligation as at the end of the period		
(i) 0.5% increase in discount rate	308.11	286.85
(ii) 0.5% decrease in discount rate	331.92	320.06
(iii) 0.5% increase in rate of salary escalation	330.91	318.93
(iv) 0.5% decrease in rate of salary escalation	308.94	287.72

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.



These plans typically expose the group to actuarial risk such as: Investment risk, Interest rate risk, longevity risk and salary risk.

Description of Plan Characteristics and Associated Risks

The Gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financials results are expected to be;

Investment Risk-

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on planned asset is below this rate, it will create a planned deficit. Currently, for the plan in India, it has relatively balanced mixed of investment in government securities, and other debt instruments. Further, the overseas plan has a relatively balanced investment in equity securities, debt instruments and real estate due to the long term nature of plan liabilities, the board of overseas fund considers it appropriate that reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the fund.

Interest Risk-

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plans debt investments.

Longevity Risk-

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plans liability.

Salary Risk-

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plans liability.

Demographic Risk-

As the plan is open to new entrants, an increase in membership will increase the defined benefit obligation. Also, the plan only provides benefits upon completion of a vesting criteria. Therefore, if turnover rates increase then the liability will tend to fall as fewer employees reach vesting period.

Possible reasons for Actuarial Gains or Losses on Plan Liabilities

1) If the actual attrition, retirement or mortality experience turns out to be higher or lower than expected based on the assumptions made at the start of the accounting period, it would lead to an Actuarial Gain or Loss on Plan Liabilities.

2) If the salary increases are higher or lower than expected based on the assumption made at start of the accounting period, it would lead to an Actuarial Gain or Loss on Plan Liabilities.

3) If the actuarial assumptions of salary increase, attrition rate and discount rate change from one valuation year to another, it may lead to Actuarial Gain or Loss on Plan Liabilities.

4) Any significant changes in the demographic profile may also lead to Actuarial Gain or Loss on Plan Liabilities such as a large growth of the employee count from new joinees.

Possible reasons for experience Gains or Losses on Plan Assets:

Return on plan assets greater/(lessor) than discount rate. For example, if the discount rate was 8% and the fund actually earned 7% it would result in an actuarial loss on assets.

Contributions expected to be paid to the plan during the next financial year Rs. 53.63 Million (For FY 2017-18 Rs 45.79 Million)

(C) Compensated Absences

Compensated Absences charged to Statement of Profit and Loss Rs. 5.42 Million (FY 2017-18 Rs 20.26 million) for the period ended 31 March 2019 and liability as at 31 March, 2019 was Rs.66.33 Million (FY 2017-18 Rs 67.10 Million)

Note 29 - Segment information

Information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses only on one business segment i.e. Mining and rock excavation division . There are no other reportable segments.

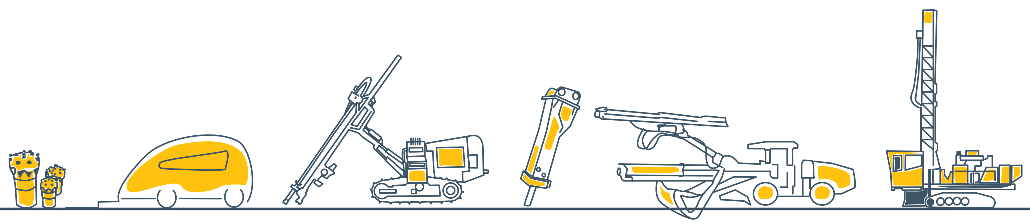
Following is break-up of revenue of the Mining and rock excavation division in India and Overseas:

Particulars	India Rs. in Million	Outside India Rs. in Million	Total Rs. in Million
Segment revenue by geographical area based on geographical location of customers (including sales, services & other operating revenue)			
For the year 2018-19	11,167.86	4,629.01	15,796.87
For the period 2017-18	3,547.56	1,286.00	4,833.56

Note: The Company's operating facilities are located in India.

Breakup of segment revenue outside India is as follows: **Rs. in Million**

Country	For the year ended 31st March, 2019	For the period ended 31st March, 2018
Sweden	1,001.33	573.99
South Africa	681.49	254.39
United States of America	466.60	61.40
Mexico	279.92	1.46
Garland	209.24	49.52
Russia	189.30	29.17
Thailand	170.91	1.61
South Korea	150.42	8.18
China	139.14	44.55
Hongkong	113.83	-
Others	1,226.83	261.73
Total	**4,629.01**	**1,286.00**



Note 30 - Related party disclosures

NOTE 30 (a) - name of the related party and nature of relationship where control exists

(i) Where Control Exists

Particulars	Entity name	Country
Ultimate Holding Company	Epiroc AB	Sweden
Holding Company	Epiroc Rock Drills AB	Sweden

(ii) Other parties with whom there were transactions during the year, Common control Fellow Subsidiaries

Sr. No.	Entity Name	Country
1	Anbaufrasen Pc Gmbh	Germany
2	Atlas Copco Algerie Spa*	Algeria
3	Atlas Copco Central Asia LLP*	Armenia
4	Atlas Copco Drilling Solutions LLC*	United States of America
5	Atlas Copco (India) Limited*	India
6	Atlas Copco Makinalari Imalat*	Algeria
7	Construction Tools Eood	Bulgaria
8	Construction Tools Gmbh	Germany
9	Construction Tools Pc AB	Sweden
10	Ep Drilling Solutions Australia	Australia
11	Epiroc (Zhangjiakou) Construction & Mining Equipment Limited	China
12	Epiroc Argentina S.A.	Argentina
13	Epiroc Australia Pty Limited	Australia
14	Epiroc Bh D.O.O	Bosnia
15	Epiroc Boliviana S.A.	Boliviana
16	Epiroc Brasil	Brazil
17	Epiroc Bulgaria Eood	Bulgaria
18	Epiroc Burkina Faso	Burkina Faso
19	Epiroc Central America S.A.	Panama
20	Epiroc Central Asia LLP	Kazakhstan
21	Epiroc Central Asia LLP, Armenia Branch	Armenia
22	Epiroc Chile Sac	Chile
23	Epiroc Colombia Sas	Colombia
24	Epiroc Copco KK	China
25	Epiroc Croatia D.O.O.	Croatia
26	Epiroc Customer Center	Canada
27	Epiroc Czech Republic Sro	Czech Republic

Sr. No.	Entity Name	Country
28	Epiroc Czech Republic Sro Praga	Romania
29	Epiroc Deutschland Gmbh	Germany
30	Epiroc Drc Sprl	Democratique Republic Of Congo
31	Epiroc Driling Tools	Canada
32	Epiroc Driling Tools LLC	United States of America
33	Epiroc Drilling Solutions LLC	United States of America
34	Epiroc Drilling Tools	Canada
35	Epiroc Drilling Tools AB	Sweden
36	Epiroc Drilling Tools LLC	United States of America
37	Epiroc Eastern Africa Limited	Kenya
38	Epiroc Exploration	Canada
39	Epiroc Financial Solution	Portugal
40	Epiroc Finland Oy AB	Finland
41	Epiroc France Sas	France
42	Epiroc Geotechnical Drilling Tools	United Kingdom
43	Epiroc Hellas SA	Greece
44	Epiroc Hong Kong Limited	Hongkong
45	Epiroc Italia Srl	Italy
46	Epiroc Japan KK	Japan
47	Epiroc Korea Limited	Korea
48	Epiroc Makina AS	Turkey
49	Epiroc Mali Sarl	Mali
50	Epiroc Maroc	Morocco
51	Epiroc Mexico S.A. De C.V	Mexico
52	Epiroc Meyco AG	Switzerland
53	Epiroc Middle East Fze	UAE
54	Epiroc Mineria E Ingenieria	Spain
55	Epiroc Mongolia LLC	Mongolia
56	Epiroc Nanjing Construction & Mining Equipment Co Limited	China
57	Epiroc Norge AS	Norway
58	Epiroc Peru Sociedad Anonima	Peru
59	Epiroc Peruana S.A	Peru
60	Epiroc Philippines Inc.	Philippines
61	Epiroc Polska S.P	Poland
62	Epiroc Portugal Unipessoal, LDA	Portugal
63	Epiroc Rus LLC	Russia

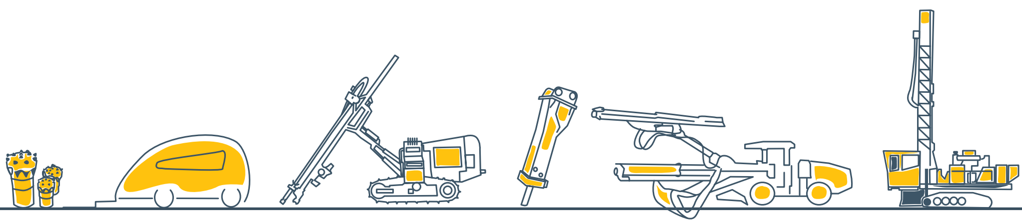
Sr. No.	Entity Name	Country
64	Epiroc South Africa Pty Limited	South Africa
65	Epiroc Srbija AD	Serbia
66	Epiroc Stonetec Srl	Italy
67	Epiroc Sweden AB	Sweden
68	Epiroc Tanzania	Tanzania
69	Epiroc Tashkent Fe LLC	Algeria
70	Epiroc Thailand Limited	Thailand
71	Epiroc Thiessen	Canada
72	Epiroc Trading Co Limited	China
73	Epiroc UK And Ireland Limited	Great Britain
74	Epiroc Ukraine LLC	Ukraine
75	Epiroc USA LLC	United States of America
76	Epiroc Zambia Limited	Zambia
77	Epiroc Zimbabwe Private Limited	Zimbabve
78	Epiroc Australia Pty Limited	Australia
79	Eprioc Drilling Solutions Australia	Australia
80	Oy Epiroc Drilling Tools AB	Finland
81	PT Epiroc Southern Asia	Indonesia
82	Shandong Rock Drilling Tools Co Limited	China

(iii) Key Management Personnel

Sr. No.	Name	Designation
1	Jerry Andersson	Managing Director
2	Suresh Ghotage	Chief Financial Officer

NOTE 30 (b) - Related Party Transactions:

Nature of Transactions	Ultimate Holding Company Rs. in Million	Holding Company Rs. in Million	Common Control Rs. in Million	Key Management Personnel Rs. in Million	Total Rs. in Million
Purchase of Goods	**-**	**1,810.14**	**1,408.83**	**-**	**3,218.97**
	(-)	(608.00)	(440.63)	(-)	(1,048.63)
Sale of Goods	**-**	**418.47**	**3,073.70**	**-**	**3,492.17**
	(-)	(456.33)	(712.65)	(-)	(1,168.98)
Income from Services	**-**	**343.29**	**263.68**	**-**	**606.97**
	(-)	(100.93)	(76.67)	(-)	(177.60)
Commission Income	**-**	**73.66**	**47.23**	**-**	**120.89**
	(-)	(61.39)	(14.26)	(-)	(75.65)
Commission Paid	**-**	**-**	**35.32**	**-**	**35.32**
	(-)	(-)	(0.21)	(-)	(0.21)
Royalty Expenses	**6.11**	**116.60**	**137.43**	**-**	**260.14**
	(-)	(3.70)	(2.47)	(-)	(6.17)
Warranty Charges	**-**	**-**	**0.07**	**-**	**0.07**
	(-)	(-)	(0.69)	(-)	(0.69)
Warranty Recovery	**-**	**2.84**	**1.03**	**-**	**3.87**
	(-)	(-)	(0.03)	(-)	(0.03)
Recovery of Freight	**-**	**2.30**	**85.92**	**-**	**88.22**
	(-)	(0.18)	(14.81)	(-)	(14.99)
Travelling expenses	**-**	**16.23**	**1.79**	**-**	**18.02**
	(-)	(5.45)	(0.62)	(-)	(6.07)
Charges paid for Techinical/ Professional Services	**2.94**	**149.57**	**2.50**	**-**	**155.01**
	(-)	(17.20)	(1.54)	(-)	(18.74)
Capital Goods Purchase	**-**	**41.52**	**31.77**	**-**	**73.29**
	(-)	(-)	(0.69)	(-)	(0.69)
Managerial Remuneration	**-**	**-**	**-**	**12.90**	**12.90**
	(-)	(-)	(-)	(3.81)	(3.81)
Corporate Management Fees	**16.37**	**-**	**-**	**-**	**16.37**
	(-)	(0.66)	(-)	(-)	(0.66)
Reimbursement of Expenses	**-**	**3.15**	**9.66**	**-**	**12.81**
	(2.17)	(-0.28)	(63.90)	(-)	(65.79)



Nature of Transactions	Ultimate Holding Company Rs. in Million	Holding Company Rs. in Million	Common Control Rs. in Million	Key Management Personnel Rs. in Million	Total Rs. in Million
Amounts outstanding at year end					
- Receivables	**-**	**109.47**	**756.92**	**-**	**866.39**
	(-)	(40.90)	(764.16)	(-)	(805.06)
- Payable	**3.12**	**365.47**	**280.72**	**-**	**649.31**
	(-)	(571.51)	(479.88)	(-)	(1,051.39)

Note:

* The process of demerger of Mining and Rock Excavation business of Atlas Copco Group was completed on 18th June 2018 and Epiroc AB is the ultimate holding company of all Epiroc entities from 18th June 2018 onwards. The ultimate Holding Company of Epiroc Mining India Limited till 18th June 2018 was Atlas Copco AB.

Hence "*" Transactions with these entities are considered as Related Party Transactions till the period 18th June 2018.

Note 30 (c) - Details of material related party transactions with companies under common control with the Company

Name of the Related Party	Purchase of goods	Sale of goods	Income from rendering of services	Commission Income	Commission Paid	Royalty	Warranty charges	Warranty Recovery	Recovery of freight	Charges paid for Technical / Professional Services	Capital Goods Purchased	Travelling Expenses	Payment of Management Fees	Reimbursement of Expenses	Amount Receivable	Amount Payable
Atlas Copco (India) Limited	**10.71**	**82.03**	**1.18**	-	-	-	-	-	-	-	-	-	-	**9.66**	-	-
	(42.86)	(143.50)	(0.94)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(63.19)	(44.36)	(18.50)
Atlas Copco Construction Tools	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(0.71)	(-)	(-)	(-)	(-)	(0.84)	(0.40)	(-)	(-)	(0.32)	(-)	(-)	(-)	(-)	(-)	(1.38)
Atlas Copco Drilling Solutions LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**5.69**
	(11.85)	(8.44)	(-)	(-)	(-)	(1.63)	(-)	(-)	(-)	(0.03)	(-)	(-)	(-)	(-)	(-)	(0.01)
Atlas Copco Ltd. UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(0.13)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.14)
Atlas Copco Peruana SA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(1.40)	(-)	(-)	(-)	(-)	(0.09)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.64)
Epiroc South Africa (Pty) Limited	**0.06**	**681.49**	-	**0.09**	-	-	-	-	**1.36**	**0.32**	-	-	-	-	**60.75**	-
	(-)	(254.39)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.39)
Atlas Copco Zimbabwe (Private) Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**62.17**	-
	(-)	(48.63)	(-)	(-)	(-)	(-)	(-)	(-)	(1.59)	(-)	(-)	(-)	(-)	(-)	(101.53)	(-)
Epiroc Drilling Solutions LLC	**100.65**	**15.05**	**209.24**	**5.90**	-	**33.61**	-	**(2.11)**	**0.46**	-	-	**0.07**	-	-	**52.49**	**3.38**
	(38.75)	(10.78)	(56.65)	(2.34)	(-)	(-)	(-)	(-)	(4.03)	(-)	(-)	(-)	(-)	(-)	(34.80)	(41.49)
Epiroc Drilling Tools AB	**492.39**	**2.98**	**11.12**	**3.03**	-	**74.47**	**0.07**	**1.28**	**0.37**	**0.12**	-	-	-	-	**(2.45)**	**131.01**
	(145.30)	(1.19)	(6.38)	(4.55)	(-)	(-)	(-)	(0.03)	(0.16)	(0.05)	(-)	(-)	(-)	(-)	(4.52)	(127.02)
Epiroc Rock Drills AB	**1,810.14**	**418.47**	**343.29**	**73.66**	-	**116.59**	-	**2.84**	**2.30**	**149.57**	**41.52**	**16.23**	-	**3.15**	**109.47**	**365.47**
	(606.73)	(456.33)	(100.93)	(61.39)	(-)	(3.70)	(-)	(-)	(0.18)	(17.20)	(-)	(5.45)	(0.66)	(-)	(40.90)	(571.51)
LLC Atlas Copco Ukraine - Mining and Rock Excavation Technique	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(6.22)	(-)	(-)	(0.21)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Power Tools Distribution N.V.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(8.50)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.05)	(-)	(0.69)	(-)	(-)	(-)	(0.21)	(0.44)
Construction Tools GmbH	**486.53**	**3.27**	**1.13**	-	-	-	-	**1.62**	**0.32**	**1.07**	-	-	-	-	**5.40**	**88.26**
	(46.51)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Construction Tools PC AB	-	-	-	-	-	**29.35**	-	**0.38**	-	**0.03**	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Epiroc AB	-	-	-	-	-	**6.11**	-	-	-	**2.94**	-	-	**16.37**	-	-	**3.12**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Epiroc Mexico S.A. DE C.V	-	**279.92**	-	-	-	-	-	-	**11.44**	-	-	-	-	-	**143.80**	-
	(-)	(1.45)	(-)	(-)	(-)	(-)	(-)	(-)	(0.16)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Epiroc Nanjing Construction & Mining Equipment Co Ltd	**103.59**	**6.65**	**26.38**	-	-	-	-	-	**0.65**	**0.96**	**28.40**	**0.13**	-	-	**2.62**	**14.96**
	(-)	(3.61)	(5.74)	(-)	(-)	(-)	(-)	(-)	(0.29)	(0.45)	(-)	(0.56)	(-)	(0.64)	(-)	(-)
Epiroc Rus LLC	-	**189.30**	-	-	-	-	-	-	**5.33**	-	-	-	-	-	**115.46**	-
	(-)	(26.77)	(-)	(-)	(-)	(-)	(-)	(-)	(1.29)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Epiroc Tashkent FE LLC	-	-	-	-	**5.16**	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Name of the Related Party	Purchase of goods	Sale of goods	Income from rendering of services	Commission Income	Commission Paid	Royalty	Warranty charges	Warranty Recovery	Recovery of freight	Charges paid for Technical / Professional Services	Capital Goods Purchased	Travelling Expenses	Payment of Management Fees	Reimbursement of Expenses	Amount Receivable	Amount Payable
Epiroc Thailand Ltd	-	3.18	-	-	23.16	-	-	-	0.13	-	-	-	-	-	1.79	-
	(-)	(1.61)	(-)	(-)	(-)	(-)	(-)	(-)	(0.07)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Epiroc USA LLC	-	332.38	-	-	-	-	-	-	20.11	-	-	-	-	-	77.43	0.02
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Epiroc Stonetec Srl	64.88	-	0.22	26.33	-	-	-	-	-	-	-	0.06	-	-	0.21	-
	(61.67)	(-)	(0.12)	(5.23)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Note 31 - Operating lease

A) Particulars of assets taken on operating lease

a) Total of future Minimum lease payments under non-cancellable operating lease

Rs. in Million

Particulars	For the year ended 31st March, 2019	For the period ended 31st March, 2018
i) Not later than one year	82.46	24.27
II) Later than one year and not later than five years	150.66	32.44
Total	**233.12**	**56.71**

b) Lease payments recognised in the Statement of Profit and Loss for the year from 1st April 2018 to 31st March 2019 is Rs. 107.41 Million. (FY 2017-18 Rs. 35.50 Million)

c) The aforesaid leasing arrangements are in respect of Laptops/ Computers with lease period of four year and in respect of buildings with lease period of 3 - 9 years

B) Particulars of assets given on operating lease

The aforesaid leased assets are equipment given on operating lease to customers. The period of lease generally is 1-3 years

i) Gross carrying amount	16.50	8.59
ii) Accumulated Depreciation	10.38	8.59
iii) Depreciation for the period	2.64	-

Note 32 - Earnings per share

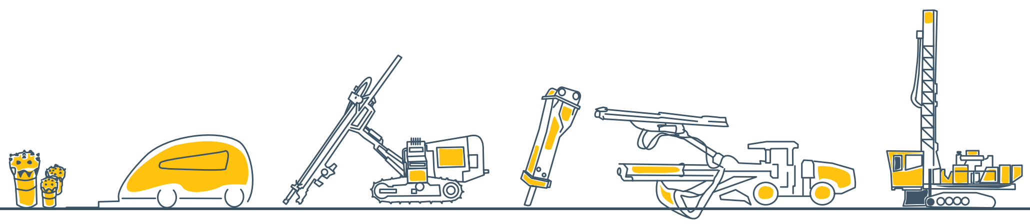
Net Profit After Tax (Rs.Million)	1,644.59	469.69
Weighted Average Number of Equity Shares (In numbers) (Basic and Diluted)	2,25,61,564	1,07,47,835
Nominal Value of Equity Shares (in Rs)	10	10
Basic / diluted earning per share	72.89	43.70

Note 33 - Contingent liability

Sales Tax matters*	106.84	102.12
Excise Duty / Service Tax*	14.45	13.01
Total	**121.29**	**115.13**

* includes potential claims against the Company not acknowledged as debts contested by Atlas Copco (India) Limited payable by Epiroc Mining India Limited as per scheme of arrangement of demerger referred in Note no. 41

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.



Note 34 - Commitments

Rs. in Million

Particulars	For the year ended 31st March, 2019	For the period ended 31st March, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Property, Plant and Equipment	39.35	82.93
Total	**39.35**	**82.93**

Note 35 - Disclosure under section 22 of Micro Small and Medium Enterprises Development Act 2006

Rs. in Million

Particulars	For the year ended 31st March, 2019	For the period ended 31st March, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting period -		
- Principal amount outstanding	43.13	67.99
- Interest thereon	0.86	0.09
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting period -	-	-
- Interest paid in terms of Section 16	-	-
- Interest payable on delayed principal payments	2.67	0.40
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 Micro, Small and Medium Enterprises Development Act, 2006 -	-	-
- Normal Interest accrued during the year, for all the delayed payments, as per the agreed terms and not as payable under the Act	-	-
- Normal Interest payable during the year, for the period of delay in making payment, as per the agreed terms and not as payable under the Act.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period -	-	-
- Total interest accrued during the period	3.52	0.49
- Total Interest remaining unpaid out of the above as at the balance sheet date	3.52	0.49
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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Particulars	For the year ended 31st March, 2019	For the period ended 31st March, 2018
- Outstanding interest at the end of previous year	0.49	-
- Outstanding interest at the end of current year	4.01	0.49

Note 36 - Effective tax rate reconciliation

(i) Profit or Loss section

Rs. in Million

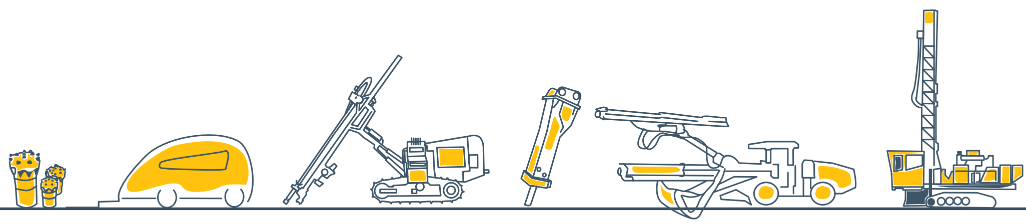
Particulars	**For the year ended 31st March, 2019**	**For the period ended 31st March, 2018**
Current tax expenses	880.71	258.65
Deferred tax	(6.03)	(9.89)
Total Income tax expense recognised in the statement of profit and loss	**874.68**	**248.76**

(ii) OCI Section

Net gain/ (loss) on remeasurement of defined benefit plans	(8.46)	(9.82)
Income tax charged to OCI	2.96	3.43

(b) Reconciliation of effective tax rate

(A) Profit before tax	2,510.81	708.63
(B) Enacted tax rate in India	34.944%	34.608%
(C) Expected tax expenses	877.40	245.24
(D) Other than temporary difference		
Share Based Payment	22.82	4.82
Dividend on Mutual Funds	(38.55)	(2.61)
Interest payable to Micro, Small and Medium Enterprises	3.52	-
Corporate Social Responsibility Expenses	0.87	-
Others	(4.91)	(1.96)
(E) Effect of income exempt and disallowed from tax	(16.25)	0.25
(F) Net Adjustment in Tax Expenses (B*E)	(5.68)	0.09
(G) Current tax expenses to be recognised in statement of profit and loss (F+C)	871.72	245.32
(H) Income tax adjustment on income tax charged to other comprehensive income on remeasurement of defined benefit plans	(2.96)	(3.43)
(I) Net Current tax expenses recognised in statement of profit and loss	874.68	248.76



Note 37 - Employee Share Based Payments

Atlas Copco AB in Sweden was split in 2018 and Epiroc AB (Ultimate Holding Company) became a listed company in Sweden. At the time of split the existing Share Appreciation Rights (SARs) programs were split according to certain principles and the SAR programs are now related to Epiroc AB share. Epiroc AB administers share based payments to the employees across the group i.e. Share Appreciation Rights (SARs) and in terms of which, it has granted SARs to certain employees of the Company.

SAR— In terms of the SARs granted hereunder entitles the Holder to receive from the Ultimate Holding Company or from a party appointed by the Holding Company upon exercise of the SARs, or portion thereof, cash equal to the difference between the Issue Value and the closing price (the last transaction price for the day on the Stockholm Stock Exchange) of the Series A-Shares on Exercise Day less any administrative fees, multiplied by the number of SARs exercised, is paid to the employees.

SARs are calculated in SEK (Swedish Krona).

The following share-based payment arrangements were in existence during the current and prior years with respect of certain employees of Epiroc Mining India Limited.

				Atlas Copco AB			Epiroc AB		
Options series	Number	Grant date	Expiry date	Exercise price	Fair value at grant date	Equivalent fair value INR*	New exercise price (after split and conversion to Epiroc AB share)	New fair value at grant date (after split and conversion to Epiroc AB share)	Equivalent fair value INR*
Share Appreciation Rights									
2014	18,842	28-May-14	01-May-19	SEK 271.50	SEK 52.90	412.64	94.38	13.10	97.69
2015	58,163	29-May-15	01-May-20	SEK 196.00	SEK 33.90	264.43	65.71	8.39	62.59
2016	1,23,319	30-Jun-16	30-Apr-23	SEK 313.00	SEK 66.70	520.28	47.43	16.53	123.27
2017	57,608	26-May-17	30-Apr-24	SEK 390.00	SEK 64.20	500.78	75.75	15.90	118.57
2018	69,426	28-May-18	30-Apr-25	Not applicable	Not applicable	Not applicable	96.83	14.12	105.29

* converted into INR using exchange rate

Movements in Stock Option Units during the year	SAR 2018-2019 No of Units
Balance at beginning of year	1,03,493
Exercised in Atlas Copco (India) Limited	(16,618)
Net amount in Atlas Copco (India) Limited before demerger of Epiroc Mining India Limited	88,887
Net amount after conversion to Epiroc Mining India Limited	3,58,949
Granted during the year	69,426
Forfeited during the year	-
Vested and exercised during the year	(51,320)
Balance at end of year	**3,77,055**

Fair value of share options granted in the year

The Company accounts for the SARs granted to its employees,in terms of the above plan at their fair value estimated on the date of the grant using the Black-Scholes option pricing model and tune up to the amount of the underlying security as on the reporting date for the Cash Settled options and SARs Expected volatility is based on implied volatilities from traded options on common stock of Epiroc AB (erstwhile 'Atlas Copco AB') and historical volatility of common stock of Atlas Copco AB. The expected volatility has been determined by analyzing the historic development of the Epiroc AB share price as well as other shares on the stock market. When determining the expected option life, assumption have been made regarding the expected exercising behaviour of different categories of optionees

The inputs used in the measurement of the fair values at grant date of the SARs were as follows.

Grant Date	**28-May-18**	**26-May-17**	**30-Jun-16**	**29-May-15**
Exercise price in Atlas Copco AB	NA	SEK 390	SEK 313	SEK 196
Exercise price in Epiroc AB	SEK 96.83	SEK 75.75	SEK 47.43	SEK 65.71
*Exercise price in equivalent INR	INR 722	INR 565	INR 354	INR 490
Expected volatility	30%	30%	30%	30%
Option life	4.64	4.64	4.40	3.10
Dividend yield	6.00%	6.00%	6.00%	10.00%
Risk-free interest rate	1.00%	1.00%	1.00%	(0.50%)
Fair value per share in Atlas Copco AB	NA	SEK 57.00	SEK 76.40	SEK 141.10
Fair value per share in Epiroc AB	SEK 14.93	SEK 16.98	SEK 24.02	SEK 44.38
* Fair value per share in equivalent INR	INR 1,662	INR 1,890	INR 2,674	INR 4,941
* converted into INR using exchange rate on 31st March,2019				

Since the payments made by the Ultimate Holding Company under SARs are not cross charged by the Ultimate Holding Company, the Company records the expenses in the statement of profit or loss with corresponding credit to other equity as 'Shared based payments'.

The above information is presented to the extent has been provided by the Holding Company and available with the Company

Note 38 - **Details of provisions and movements in each class of provisions as required by The Indian Accounting Standard on provisions, contingent liabilities and contingent assets (Indian Accounting Standard-37)**

Rs. in Million

Particulars	Warranty	Provisions -Others	
		Late Delivery	Provision for Contingencies
Carrying Amounts at the beginning of the year	77.61	1.80	203.91
	(60.00)	(1.80)	(211.28)
Additional Provision made during the year	3.20	-	81.96
	(38.28)	(-)	(7.52)
Amounts Used/Paid during the year	7.98	-	-
	(20.67)	(-)	(13.14)
Unused amounts reversed during the year	-	-	6.84
	(-)	(-)	(1.75)
Carrying Amounts at the end of the year	72.83	1.80	279.03
	(77.61)	(1.80)	(203.91)

Brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits :

1) Warranty Provision:

The provision for warranty claims represents the present value of the managements' best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under local sale of goods legislation. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

2) Late Delivery :

These are accrued based on managements assessment of the expected late delivery damages payable by the Company to its customers.

3) Provision for contingencies :

Other Provisions are provisions made for potential liabilities towards contingencies expected to be settled on completion of assessments / appeals net of amounts paid.

Note 39- Financial instruments and risk review

Financial Risk Management Framework

Epiroc Mining India Limited is exposed primarily to exchange rates risk, credit risk which may adversely impact the fair value of its financial instruments. Due to the strong position in cash flow and a debt-free position, the Company does not see much risk in terms of interest rate risk and liquidity risk.

Company assesses unpredictability and uncertainty in the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

i) Capital Management

The Company's capital management objectives are to maintain a strong capital base so as to retain the confidence of its business partners and to sustain future development of the business. With the Holding Company considering the debt free and positive surplus position of the Company, the Board of Directors does not see any major challenges in capital management in the coming year.

The Company manages capital risk by maintaining a sound capital structure through monitoring of financial ratios. The Company takes the positioning of the current ratio management as quite critical to continue to maintain itself debt-free and as a surplus organization.

In case of contingency if the Company needs to borrow, Company does have a borrowing policy in place and if required to borrow, the Company goes with the lowest cost borrowing option that is available in the market like packing credit etc.

Investment position as on 31st March, 2019

Particulars	**As at 31st March 2019 Rs. in Million**	**As at 31st March 2018 Rs. in Million**
Investments	2,019.50	20.15

Current Ratio

Particulars	**As at 31st March 2019 Rs. in Million**	**As at 31st March 2018 Rs. in Million**
Total Current Assets	8,958.67	7,784.93
Total Current Liabilities	2,378.80	2,813.88
Current ratio	**3.77**	**2.77**

ii) Credit Risk

Credit risk is the risk of financial loss arising from failure of the customer to repay according to the contractual terms or obligations. Credit risk includes primarily the risk of default and a possibility of erosion in creditworthiness of the customer, thereby impacting the future business of the Company. Credit risk is managed by the customer centre teams with specific policies for analysing credit limits and creditworthiness of customers. Such reviews are done on a continuous basis. Such credit limits which are reviewed in line with the credit limits are also maintained in the Enterprise Resource Planning (ERP) system as well wherein the sales beyond credit limits are held back by system unless specifically approved.

Financial instruments that are subject to concentration of credit risk principally consists of trade receivables. None of the financial instruments of the Company result in material concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs.3,170.89 (Rs. Million) as of 31 March 2019 (FY 2017-18 Rs 3,439.64 Million) being the total of the carrying amount of balances with trade receivables.

Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of financial statement whether a financial asset or a group of financial assets is impaired. Company provides a loss allowance on trade receivable on a case to case basis at the end of each reporting period. An impairment analysis at each reporting date on an individual basis for major customers. In addition a large number of customers that are outstanding for upto 90 days are assessed for impairment collectively.

During the year, the Company has made write off of Rs. 40.17 Million of trade receivable (FY 2017-18 Rs 3.59 Million). Further, the Company has made provision for expected credit loss/loss allowance of Rs. 13.15 Million (FY 2017-18 Rs 8.65 Million)

Movement in the allowance for expected credit loss	As at 31st March 2019 Rs. in Million	As at 31st March 2018 Rs. in Million
Opening balance	128.15	-
Balance transferred from transferor Company	-	119.50
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	13.15	8.65
Amounts recovered during the period	(17.02)	-
Balance at the end of the period	**124.28**	**128.15**

iii) 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. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

As mentioned above in point (i), Company has been in a cash surplus position. Therefore, the liquidity risk is limited for Company. Unless some new unexpected capital expenditure is required to be done by the Company due to business directives, the Company expects to remain in cash surplus for at least one year. Accordingly, the Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

a) Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets and liabilities are denominated in a currency other than the functional currency of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Details of derivative instruments (for hedging) - Nil

Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise

Particulars	Currency	Amount in Foreign Currency	Equivalent amount	Amount in Foreign Currency	Equivalent amount
		As at 31st March 2019 in Million	As at 31st March 2019 Rs. in Million	As at 31st March 2018 in Million	As at 31st March 2018 Rs. in Million
Trade Payables	EURO	2.44	189.47	5.54	444.42
	GBP	0.01	0.99	-	-
	SEK	65.57	488.92	85.55	666.46
	JPY	26.52	17.01	-	-
	USD	1.23	84.87	1.28	83.40
	CAD	0.04	2.15	-	-
	NOK	0.08	0.65	-	-
	AUD	-	0.09	-	-
	CHF	-	-	0.00	0.07
	NOK	-	-	0.52	4.31
Trade Receivables	AUD	0.13	6.64	0.35	17.53
	CAD	0.00	0.11	0.02	0.84
	EURO	5.47	443.20	3.71	297.46
	GBP	-	-	0.01	0.58
	JPY	0.18	0.11	6.68	4.07
	SEK	9.48	72.89	2.60	20.28
	USD	5.21	370.95	3.71	242.06
	ZAR	11.90	60.75	41.46	228.58
	SGD	0.13	6.72	-	-
Bank balances	EURO	0.08	6.36	0.27	21.50
	USD	0.26	18.74	0.75	48.88
	SEK	0.99	7.59	0.86	6.71

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, JPY, AUD, CAD, NOK, SGD, GBP, ZAR and SEK 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.

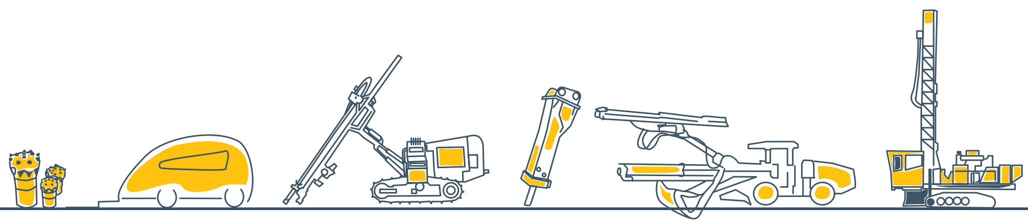
Rs. in Million

Particulars	Currency	Change in rate	Effect on profit before tax - gain / (loss)
March 31, 2019	EUR	+10%	26.01
	EUR	-10%	(26.01)
	USD	+10%	30.48
	USD	-10%	(30.48)
	SEK	+10%	(40.84)
	SEK	-10%	40.84
	AUD	+10%	0.66
	AUD	-10%	(0.66)
	CAD	+10%	(0.20)
	CAD	-10%	0.20
	GBP	+10%	(0.10)
	GBP	-10%	0.10
	JPY	+10%	(1.69)
	JPY	-10%	1.69
	ZAR	+10%	6.07
	ZAR	-10%	(6.07)
	SGD	+10%	0.67
	SGD	-10%	(0.67)
	NOK	+10%	(0.07)
	NOK	-10%	0.07
March 31, 2018	EURO	+10%	(12.55)
	EURO	-10%	12.55
	USD	+10%	20.75
	USD	-10%	(20.75)
	SEK	+10%	(63.95)
	SEK	-10%	63.95

Note 40- Fair value measurement

Set out below is the comparison by class of the carrying amounts and fair value of the Company's financial instruments

Particulars	Carrying Amount For the year ended 31st March 2019 Rs. in Million	Fair Value For the year ended 31st March 2019 Rs. in Million	Carrying Amount For the period ended 31st March 2018 Rs. in Million	Fair Value For the period ended 31st March 2018 Rs. in Million
FINANCIAL ASSETS				
Measured at Amortized Cost				
Non Current Financial Assets				
Security Deposits	93.61	93.61	41.75	41.75
(-) Provision for doubtful deposits	(14.79)	(14.79)	(7.21)	(7.21)
	78.82	78.82	34.54	34.54
Loans and Advances to Employees	5.64	5.64	4.73	4.73
Current Financial Assets				
Measured at Fair value through Statement of Profit and Loss				
Investments	2,019.50	2,019.50	20.15	20.15
Trade Receivables	3,295.17	3,295.17	3,567.79	3,567.79
(-) Expected credit loss /loss allowance	(124.28)	(124.28)	(128.15)	(128.15)
	3,170.89	3,170.89	3,439.64	3,439.64
Cash & Cash Equivalent				
Cash on hand	-	-	0.17	0.17
Balance with banks in -				
Current Accounts	197.50	197.50	146.23	146.23
EEFC Accounts	32.68	32.68	79.10	79.10
Measured at Amortized Cost				
Security Deposits	0.44	0.44	38.56	38.56
Loans and advances to employees	26.00	26.00	9.80	9.80
FINANCIAL LIABILITIES				
Measured at Amortized Cost				
Trade Payables	1,762.91	1,762.91	2,403.70	2,403.70
Other current liabilities				
Payables on purchase of property plant and equipment	3.20	3.20	13.20	13.20
Security Deposit Received	0.62	0.62	0.74	0.74



The management assessed that the fair values of short term financial assets and liabilities significantly 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 among willing parties, other than in a forced or liquidation sale.

The Company determines fair values of financial assets and financial liabilities by discounting the contractual cash inflows/outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. The fair value of investment is determined using quoted net assets value from the fund. Further, the subsequent measurement of all financial assets and liabilities is at amortised cost, using the effective interest method.

Discount rates used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the best possible borrowing rate of the borrower. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The following methods and assumptions were used to estimate fair value:

(a) Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) Fair value of quoted mutual funds is based on the net assets value at the reporting date. The fair value of other financial liabilities as well as other non current financial liabilities is estimated by discounting future cash flow using rate currently applicable for debt on similar terms, credit risk and remaining maturities.

(c) The fair value of the Company's interest bearing borrowing received are determined using discount rate that reflects the entity's borrowing rate as at the end of the reporting period.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed 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) price is active market for identical assets or liabilities

Level 2: Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed, either directly or indirectly

Level 3: Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observable market data

The following table presents our assets and liabilities measured at fair value on recurring basis at 31st March, 2019

Rs. in Million

Particulars	Level 1	Level 2	Level 3
31st March 2019			
Investments	2,019.50	-	-

During the period ended 31st March, 2019, there were no transfers between Level 1 and Level 2 fair value measurement and no transfer into and out of Level 3 fair value measurement

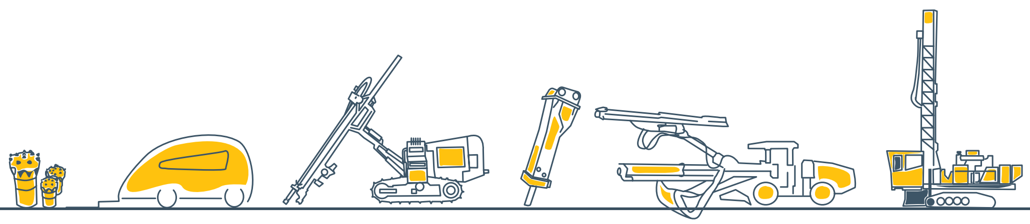
Note - 41 - Scheme of arrangement

i) The Board of Directors of Atlas Copco (India) Limited ("the Transferor Company") in their meeting held on 21st July, 2017, approved the scheme of arrangement between Epiroc Mining India Limited (""the Company"") and the Transferor Company and their respective Shareholders ("the Scheme") for demerger of the Mining and Rock Excavation Equipment Manufacturing Business, inter alia, consisting of entire undertaking, business, activities and operations pertaining to the Mining and Rock Excavation Equipment Manufacturing Business of the Transferor Company as a going concern to the Company with effect from November 30, 2017 (Appointed date) in consideration of which, all the Equity Shareholders of the Transferor Company as on the appointed Date have been entitled to receive on a proportionate basis for every 1 (one) fully paid-up equity share of INR 10/- each held in the Transferor Company, 1 (one) fully paid-up equity share of INR 10/- each of the Company. The Scheme has been approved by the Mumbai Bench of National Company Law Tribunal (NCLT) vide their order dated November 30, 2017 and on completion of the required formalities on December 8, 2017 (effective date), the Scheme has become effective.

Accordingly, the effect of the Scheme has been given from November 30, 2017, being the Appointed Date for the transfer in terms of which:

a) The assets and liabilities of the Mining and rock excavation equipment manufacturing business have been transferred to Epiroc Mining India Limited (""the Demerged Company""), at the values appearing in the books of accounts of the company on the close of business hours on November 30,2017, details as given in (ii) below.

b) The difference between the net book value of assets transferred (i.e. book value of assets minus book value of liabilities of the Demerged Undertaking) and face value of equity shares issued to the Equity Shareholders of the Transferor Company, pursuant to the demerger are accounted as Capital Reserve.



ii) The major classes of assets and liabilities of the Demerged undertaking at the Appointed date are as follows:

Particulars	Rs. in Million Mining and Rock Excavation Equipment Manufacturing Business As at 1st December, 2017*
ASSETS	
Non-Current Assets	
(a) Property, Plant and Equipment	1,281.02
(b) Capital work-in-progress	200.63
(c) Other Intangible assets	16.58
(d) Financial Assets	-
(i) Others Non-current financial assets	88.91
(e) Deferred tax assets (net)	150.30
(f) Other non-current assets	114.51
Total Non-Current Assets	**1,851.95**
Current Assets	
(a) Inventories (including Goods in transit - Rs. 74.10 in Million)	2,461.72
(b) Financial Assets	-
(i) Trade receivables (net of provision of expected loss - Rs. 119.50 in Million)	3,061.07
(ii) Cash and bank balances	450.33
(iii) other current financial assets	23.66
(c) Other current assets	757.73
Total Current Assets	**6,754.51**
Total Assets	**8,606.46**
LIABILITIES	
Non-Current Liabilities	
(a) Provisions	30.48
Total Non-Current Liabilities	**30.48**
Current Liabilities	
(a) Financial Liabilities	
(i) Borrowings	129.73
(ii) Trade Payables	1,861.53
(iii) Other Current Financial Liabilities	0.75
(b) Provisions	199.08
(c) Other Current Liabilities	68.70
Total Current Liabilities	**2,259.79**
Total Liabilities	**2,290.27**
Net assets transferred from the transferor Company	**6,316.19**

* the scheme was approved as of 30th November 2017 (end of business hours), balances stand transferred as at 1st December 2017.

The difference between the net book value of assets transferred (i.e. book value of assets minus book value of liabilities of the Demerged Undertaking) and face value of equity shares issued pursuant to demerger to the Equity Shareholders of the Transferor Company amounting to Rs. 225.62 Million is accounted as Capital Reserve - Rs. 6,090.57 Million.

Note 42 - The Board of Directors in their meeting held on 18th April, 2019 have recommended and paid dividend of Rs. 50/- per equity share of Rs. 10/- each fully paid-up resulting in dividend tax of Rs. 231.87 Million and total outflow of Rs. 1,359.96 Million.

Note 43 - Pursuant to Companies Act, 2013 Corporate Social Responsibility (CSR) committee has been formed on 1st February, 2018 to undertake CSR projects.

The CSR committee is in the process of identifying various long term projects. Company has spent Rs. 0.87 Million during the year on various CSR activities against required spend of Rs. 14.37 Million.The amount remaining unspent as on 31st March, 2019 is Rs. 13.50 Million.

Rs. in million

Sr. No.	Particulars	In Cash	Yet to be paid in cash	Total
1	Construction / acquisition of any asset	-	-	-
2	On purposes other than (1) above	0.87	-	0.87

Note 44 - The financial statements for the year ended 31st March 2019 are approved by the Board of Directors and authorised for issue on 8th July 2019. The previous year figures stated in Financial Statements have been drawn for the period 20th July 2017 (Date of Incorporation) to 31st March, 2018.

Signature to Notes 1 to 44

For and on behalf of **Epiroc Mining India Limited**

Kunal Thakore
Chairman

Vinayak Padwal
Director

Jerry Andersson
Managing Director

Suresh Ghotage
Director & Chief Financial Officer

Ashish Jain
Company Secretary & Manager Finance

Date: 8th July 2019
Place: Pune

Notes

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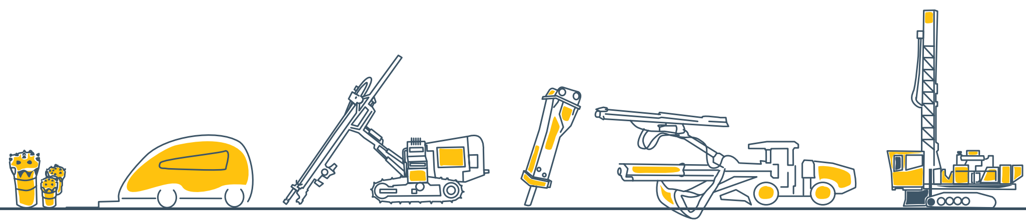


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