Strong Foundations, Stronger India.

Epiroc

Annual Report 2020

60 Years
Strong FOUNDATIONS
Stronger INDIA

Contents

Corporate Data

Epiroc Mining India Limited

Board of Directors

Kunal Thakore
Chairman

Jerry Andersson
Managing Director

Vinayak Padwal

Maria Stedfeldt

Jorgen Ekelow

Sami Niiranen

Company Secretary & Manager Finance

Ashish Jain

Bankers

Deutsche Bank

Bank of India

Union Bank of India

Auditors

Deloitte Haskins & Sells LLP

Registrar & Transfer Agents

KFin Tech Private Limited

Karvy Selenlum Tower B,
Plot No. 31 & 32,
Gachibowli, Financial District
Nanakramguda,
Serilingampally,
Hyderabad - 500 032
Phone: 040-6716 2222
Fax: 040-23431551
E-mail: einward.ris@kfintech.com

KFin Tech Private Limited
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@kfintech.com

Management Team

Jerry Andersson
Managing Director

Shrikant Jog
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

60 years of building a strong India

1873

STOCKHOLM, SWEDEN
Andre Oscar Wallenberg and associates founded the company in Stockholm, Sweden, producing equipment for the Swedish railway network

1970

NASHIK
Inception of the Nashik Production Unit

1987

NASHIK
Started export-oriented unit for Pneumatic Tools

2000

NASHIK
Chicago Pneumatic merged with us

2004

BENGALURU
Drilling Solutions was acquired by Epiroc and ECC also became a part of the company

NASHIK
We acquired Ingersoll Rand's Drilling Solutions business. Surface and Exploration Drilling Equipment and Drilling Solutions Equipment production moved to Nashik

2007

NASHIK
Nashik factory expanded manufacturing with the movement of its Construction and Mining Manufacturing to Nashik. Drilling Solutions and Surface Drilling started full-fledged manufacturing of rigs

2009

HYDERABAD
We acquired Focus Rocbit, Prisma Roctools under the Rock Drilling Tools Division

2011

NASHIK
Underground Rock Excavation Division's Boomer L2D production started at Nashik

2012

HYDERABAD
Major investment in technology and capacity extension

2014

NASHIK
Serpent ventilation system technology shifted to Nashik

2015

NASHIK
Hydraulic Attachment Tools manufacturing begun at Nashik

2016

NASHIK
Meyco concrete spraying equipment manufacturing began

2017

Epiroc

Epiroc Mining India Ltd became a independent entity

NASHIK
State-of-the-art Diamond Back 40 designed and developed by Drilling Solutions India team, for USA and Canada markets

HYDERABAD
Tiberius Project to manufacture premium Rotary bits, Capacity expansion to double the revenue

HYDERABAD
Setting up of the world-class Rotary Test centre and R&D in Material Science

2018

NASHIK
The Mine Truck 436 / 431 Global market production moved to Nashik

BENGALURU
CMTEC crossed the milestone of 5,00,000 invoiced engineering hours

HYDERABAD
Rock Drilling Division became a part of the Demerged Epiroc

HYDERABAD
Received a Tripple ISO Certification and API Certification

2019

NASHIK
Exploration Drilling production started at Nashik, MRS Part centre established, Added prestigious products to Nashik portfolio – DB80, C6T, Boomer M2D, M1D

NASHIK
Project MeXcellence implemented, integrated various divisions into one matrix organisation for higher synergies and efficiencies

HYDERABAD
Investment in Top Hammer Cell to expand capacity

BENGALURU
RPA Center of Excellence (CoE) established

2020

NASHIK
Stonetec production shifted to Nashik

HYDERABAD
Investment in solar energy generation of 600 MWH, being commissioned in Oct 2020

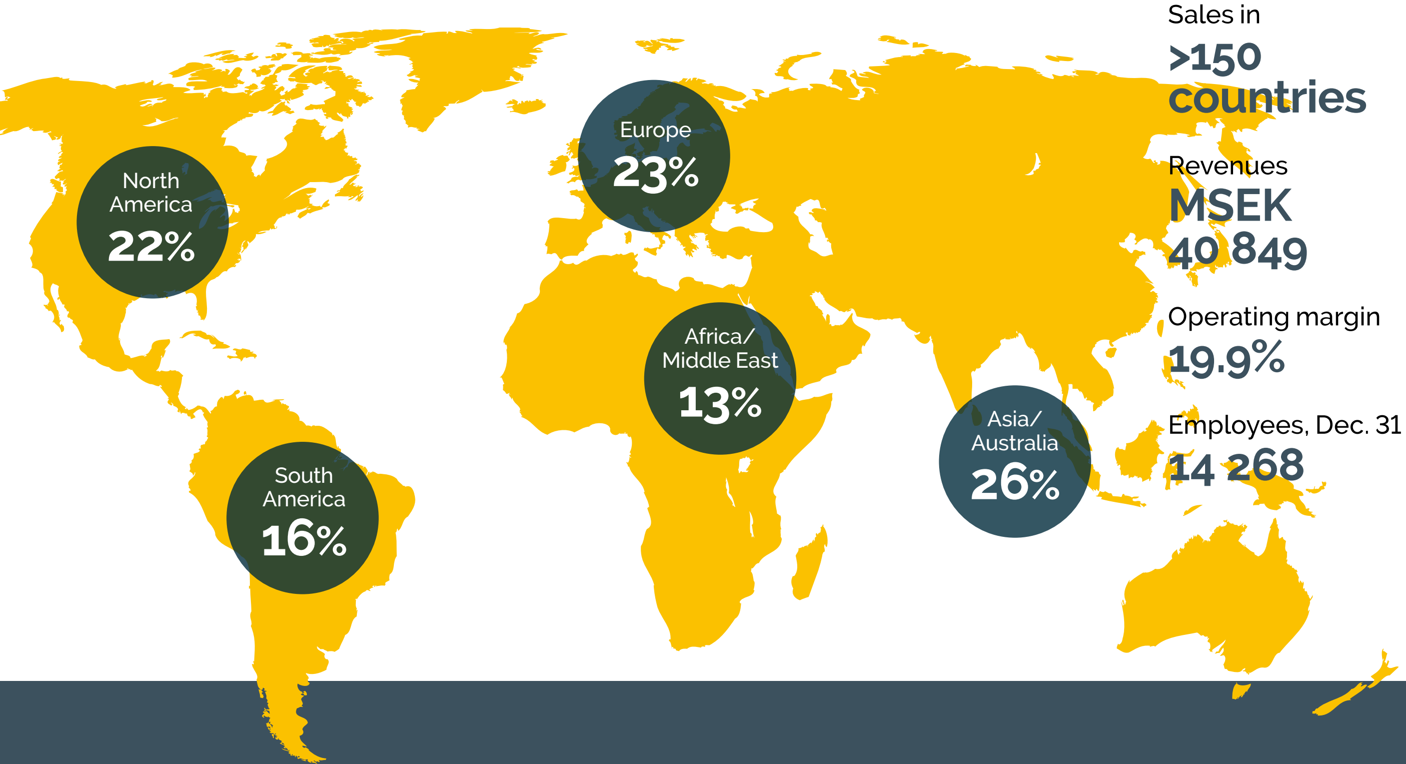
HYDERABAD
RDD and HAT merged into Tools and Attachment Division

60 Years Strong FOUNDATIONS Stronger INDIA

A leading global productivity partner

Epiroc is a leading global productivity partner for the mining and infrastructure industries. With ground-breaking technology, we develop and produce innovative, safe and sustainable drill rigs, rock excavation and construction equipment, and tools. We also provide world-class service and solutions for automation and interoperability. We have a strong operating model characterized by focus on innovation, a strong and resilient services business, and an agile and decentralized operational setup. Our world is changing and our ambition is to be the leader in automation, interoperability and fossil-free operations. We are a 147-year old start-up – a dynamic new company, but with proven expertise and experience. Epiroc means at or on rock, coming from Greek and Latin roots. It reflects our core business, our proximity to customers and the strength of our partnerships.

Geographical distribution of revenues



Sales in
>150 countries

Revenues
MSEK 40 849

Operating margin
19.9%

Employees, Dec. 31
14 268

Values

Our core values define our business culture and what we stand for as Epiroc. They guide our decision-making processes and how we behave both when interacting with colleagues and in our relationships with external stakeholders. The core values are a competitive advantage that helps us maintain our leadership position.

Innovation

We are creative, bold and open minded, with the imagination to develop new ideas and the initiative to bring them to market.

Commitment

We are committed to meet and exceed expectations by staying connected to our customers, technology and the environment.

Collaboration

We believe in close cooperation with customers, colleagues, partners and other stakeholders.

THIS IS EPIROC

Value-creating strategy

To continue being a leading global productivity partner and deliver profitable growth, our strategy builds on focusing on attractive niches and outperforming in these niches. To succeed, we focus our efforts in five strategic areas – Innovation and expertise, Safety and sustainability, Presence and penetration, Operational and service excellence, and People and Leadership. Combined, this allows us to continuously serve our customers better and help them improve their productivity and profitability.

Scooptram ST14 Battery

Zero emission – A battery-driven loader that provides a powerful opportunity to minimize the environmental footprint and create a healthier work environment.

Innovative, safe and sustainable solutions for increased productivity

We offer our customers a dedicated partner and a passionate team supporting them in an innovative, sustainable, and safe way. Our ambition is to increase and maximize our customers' everyday productivity. We improve their competitive advantage, by providing a wide range of high-performance equipment for rock drilling and excavation, demolition and recycling, supported by excellent service offerings, spare parts and consumables.

Our customers evaluate their suppliers primarily from a total cost of operations perspective. A strong track record of excellent quality and reliability is highly valued. Another important aspect is improved sustainability performance, such as safe and healthy working conditions and reduced emissions. We take pride in offering solutions designed to improve work safety, drive productivity and sustainability. We collaborate closely with our customers, maintain a sharp focus on innovation and continuously invest in product development. This means that focus on automation, digitalization and battery power is integral in the development towards more intelligent, efficient and sustainable methods in mining and infrastructure.

Boomer E2

Equipped with the computerized, award-winning Rig Control System, Boomer E2 delivers precision, productivity, maximized uptime and lower costs. Boomer E2 is also available with battery-electric drive train for emission-free tramming.

Equipment

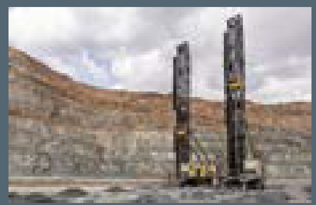
Mining

76%

of orders received in 2019

Underground mining

- Underground drill rigs
- Loaders and trucks
- Mechanical rock excavation
- Rock reinforcement equipment
- Ventilation systems



Surface mining

- Surface drill rigs

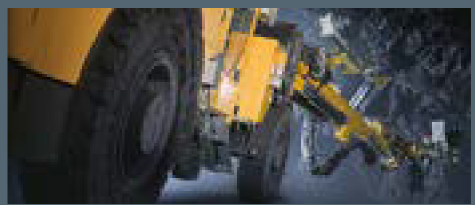
Exploration

- Core drill rigs
- Reverse circulation drill rigs
- Oil and gas drill rigs

Infrastructure

24%

of orders received in 2019



Underground civil engineering

- Underground drill rigs
- Loaders and trucks
- Rock reinforcement equipment
- Ventilation systems

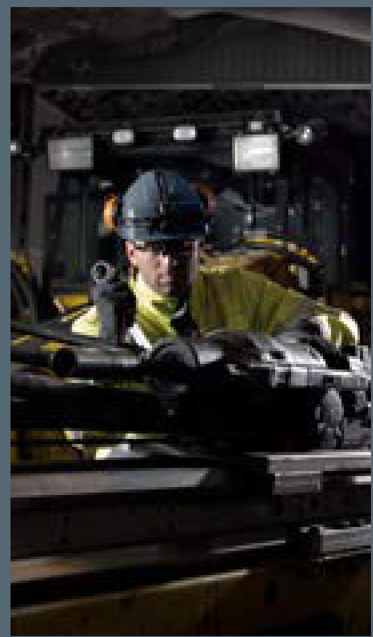
Surface civil engineering

- Surface drill rigs
- Water well drill rigs
- Dimensional stone drill rigs

31%

of orders received in 2019

Aftermarket



Service

- Service agreements and audits
- Supply of spare parts and components
- Midlife services, training, and other service products

Tools

- Rock drilling tools
- Exploration drilling tools
- Ground support tools

Attachments

- Breakers, cutters, pulverizers, grapples, magnets, compactors, bucket crushers etc.
- Working tools

69%

of orders received in 2019

DIRECTORS' REPORT

To The Members:

The Directors of Epiroc Mining India Limited (the "Company") are pleased to present their Third Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2020.

1. FINANCIAL RESULTS:

(Rs. Million)

Particulars	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
Total Revenue	13721.18	15883.13
Profit before finance charge, depreciation and tax	3012.29	2705.46
Depreciation	284.79	171.62
Finance Charge	45.94	14.58
Provision for tax (including adjustments for prior year's provision/deferred tax)	698.99	874.68
Net Profit	1977.59	1639.09

* 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 period ended on 31st March, 2019 and the date of this report.

2. OPERATIONS:

During the year 2019-20, the total revenue was Rs. 13721 million against Rs. 15883 million for the corresponding previous year. The profit before tax for the year was at Rs. 2,682 million as against Rs. 2,519 million for the corresponding previous year.

3. ECONOMIC SCENARIO:

India continues to be one of the growing economy in the world till Q4 of the fiscal. However the spread of COVID pandemic has left the entire world grappling with negative impact on socioeconomic front and India is not an exception. The outlook is now heavily contingent upon the intensity, spread and duration of the pandemic. The Pandemic has negligible impact on the financial for the FY 19-20. The economic started showing signs of normalcy with easing of restrictions.

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

During the period 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 6th July, 2020 have recommended an interim dividend of Rs. 75/- per equity share of Rs. 10/- each fully paid-up for the year ended March 31, 2020. The same has since been paid to all shareholders. Your Directors propose to treat this interim dividend as final dividend for the year ended 31st March, 2020.

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 in review:

a) Mr. Anders Linden and Ms. Helena Hedblom, the Directors of the Company, resigned from the Board with effect from 10th February 2020.

b) the Board at its meeting held on 10th February 2020, appointed Mr. Jorgen Ekelow and Ms. Maria Stedfeldt as Additional Directors of the Company with effect from the date of approval of their Director Identification Number from Ministry of Corporate Affairs.

c) The Ministry of Corporate Affairs had approved the Director Identification Number of Ms. Maria Stedfeldt w.e.f 24th February, 2020 and for Mr. Jorgen Ekelow w.e.f 1st July, 2020.

The Board places on record its appreciation of the invaluable contributions made by Mr. Anders Linden and Ms. Helena Hedblom during their tenure as Directors of the Company.

9. DECLARATION BY INDEPENDENT DIRECTORS:

All Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149 of the Act so as to qualify themselves to be appointed as Independent Directors under the provisions of the Act and the relevant rules.

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 (upto 31st December, 2019)
Mr. Ashish Jain	Company Secretary (w.e.f. 6th March, 2018)
Mr. Shrikant Jog	Chief Financial Officer (w.e.f. 1st January, 2020)

11. MEETINGS OF THE BOARD:

During the year under review, your Board of Directors held five (5) Board Meetings i.e. 18th April 2019, 8th July 2019, 9th September 2019, 5th December 2019 and 10th February 2020.

12. IINFORMATION 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. Jorgen Ekelow - Member

Ms. Maria Stedfeldt - 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.

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

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

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 2020 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.

The qualifications, disclaimers and reservations made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments under Section 134 of the Act. The Auditor has not made any adverse remarks in the Auditor's Report and hence comments by Board of Directors of the Company on the Auditors' Report are not required.

The Auditors have not reported any fraud under Section 143 (12) of the Act during the period in review.

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 2020. 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 & Co., Cost Accountants to undertake the Cost Audit of the Company for the financial year ended 31st March 2020.

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 2020 is 988 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 or 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 period 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.

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)

Mumbai
27th July, 2020

ANNEXURE TO THE DIRECTORS' REPORT

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 remainder 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's undergo Preventive maintenance as planned, leading to efficient operation of the equipment.

d) Equipment fitted to CNC Machines to collect coolant from Scrap. This reduces the wastage of Coolant and the Disposal cost.

e) Equipment fitted to remove Oil from Coolant. This enhances the Coolant Life and reduce Coolant consumption. Also, reduce the wastage of Coolant and Disposal Cost.

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.

c) All Water Taps at Wash Basins fitted with Aerators, which saves around 70% water consumption.

d) Started the Descaling of Furnace Pipe Line. This allows water to free flow and temperature is controlled and Evaporation loss reduced to reduce water Consumption.

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.

c) Office Areas lightings also replaced with LED Lights to save almost 30% Energy use.

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. **New Project for Solar Power Generation at Hyderabad PC**

   Hyderabad PC has approval to install the Solar Panels for generating power upto 568 MWH per annum. These would be Rooftop Panels on the factory building covering the Area of 3572 Sq.M.

   The project is delayed because of COVID-19 situation.

   Now expected to be commissioned by December 2020.

6. **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 the Energy.

7. **Inverter based Air Conditioners**

   We are Installing Inverter based Air conditioners, which result in 20% Energy savings over traditional Air conditioners.

8. **Natural lighting**

   Our Workshop roof is covered with transparent Polycarbonate Roofing. This results in more natural light in the shop floor, resulting in low usage of electrical lights.

9. **STP water Usage**

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

10. **LPG Usage**

    LPG converted from VOT to LOT system to maximize the Utilization. This utilizes the wastage of almost 15% LPG from each Cylinder during Rainy & Winter Seasons.

11. **Paper & Plastic Saving**

    a) Hand Dryers introduced to save on Tissue Papers.

    b) To save on Plastic /water wastage, introduced smaller sizes of water Bottles in Conference Rooms. Also Introduced Water Jugs in Meeting Rooms, to save on Plastics. People are encouraged to use Own Water Bottles during Meetings.

Steps taken at Nasik manufacturing location:

a. Thermography of all the Electrical Installations to reduce Energy loss and Electrical Safety.

b. Switching off water pumps from 6 PM to 7 AM to reduce On Off operation of pump and energy as well.

c. Installed Motion Sensors in wash room for Exhaust Fans and Lights in some of the offices.

d. Reduction in contract demand from 2000KVA to 1000KVA which give substantial saving up to 1.5 lakhs per month.

e. Some of the street lights replaced by LEDs and other replacement is in progress.

f. 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 results in improving the Power Quality and we are maintaining Unity Power Factor.

g. Monthly air leakage checks to fix the wastage of compressed air.

h. A Solar Plant of 155 KW capacity has been installed which generates Approximately 23250 Units per month which saves 15% energy used for operations.

i. Replaced washroom PL tubes by LED lights with 50% reduction in energy usage.

j. Disposal of E waste to the authorized recycler for ensuring proper treatment of specific type of waste.

k. Compressed air supply at aeration tank of STP is reduced to 22 hours from 24 hours for reducing energy consumption.

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 thus by reducing overall consumption.

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	4714.51
Payments (expenditure) in foreign currency	5083.07

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE B

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

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 the 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.

The Company received the approval from Charity Commissioner of Pune for registration of Charitable Foundation, the Company is in the process of getting approval from the Income Tax Authorities under section 80G.

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

3. Average Profit (Profit before Tax) of the Company for last financial years: INR 1618.86 million.

4. Prescribed CSR expenditure: INR 32.38 million (2% of above)

5. Details of CSR spent during the financial year:

   a. Total amount spent for the financial year: INR 4.04 million

   b. Amount unspent: INR 28.34 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	Amount outlay (budget) project wise	Amount spent on the projects (1) Direct Expenditure (2) Overhead	Amount spent Direct or through implementing Agency
1	Promoting Health Care	(i)	Maharashtra: Pune	0.07	Direct Expenditure	Direct
2	Promotion of Education	(ii)	Maharashtra : Nasik	0.93	Direct Expenditure	Direct
3	Promoting Health Care	(i)	Maharashtra: Pune	0.94	Direct Expenditure	Direct
4	Promoting Health Care	(i)	Maharashtra: Pune	0.89	Direct Expenditure	Direct
5	Promotion of Education	(ii)	Maharashtra: Pune	0.55	Direct Expenditure	Direct
6	Contribution to National Fund	(iii)	Army Welfare Fund	0.50	Direct Expenditure	Direct
			Total	3.88		
			Add: Overheads	0.16		
			Total CSR Spend	4.04		

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

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

(iii) 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;

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: 27th July, 2020
Place: Mumbai / UAE

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE C

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 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,
Nagar Road, Viman Nagar,
Pune – 411014, Maharashtra, India

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 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, 2020, 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, 2020, 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 18thSeptember, 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 from time to time including statutory modifications and amendments thereof.

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, 2019 to 31st March, 2020 under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc subject to the following observations.

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

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

3. Composition of Nomination and remuneration Committee does not meet the criteria laid down under the provisions of Section 178 of the Companies Act, 2013 from a period commencing from 10th February, 2020 to 24th February, 2020.

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.
UDIN: F006336B000624701

Place: Dombivli
Date: 27th July, 2020

ANNEXURE A

To,

The Members,

Epiroc Mining India Limited,
14th Floor, Tower 1, Fountainhead,
Phoenix Market City,
Nagar Road, Viman Nagar,
Pune – 411014, Maharashtra, India

My report of even date is to be read along with this letter:

1. Maintenance of Secretarial records 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.
UDIN: F006336B000624701

Place: Dombivali
Date: 27th July, 2020

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE D

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on 31.03.2020

[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
KFin Tech Pvt. Ltd.
Karvy Selenium Tower B, Plot No 31 & 32
Gachibowli, Financial District,
Nanakramguda, Serilingampally
Hyderabad – 500 032

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	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	40	21731947	96.32	21731907	40	21731947	96.32	-
	Total Promoter Shareholding	**21731907**	**40**	**21731947**	**96.32**	**21731907**	**40**	**21731947**	**96.32**	**-**
	B. Public	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1	**Institutions**									
	a. Mutual Funds	2722	1260	3982	-	-	3982	3982	-	
	b. Banks/FI	1072	1479	2551		1072	1479	2551		
	c. Insurance Cos	-	340	340	-	-	340	340	-	
	d. FIIs	-	500	500	-	-	500	-	-	
	e. HUF	7443	-	7443	-	7794	-	7794	-	
	f. Bodies Corporate	10283	6243	16526	0.05	12553	6201	18754	-	-
	h Trusts	1262	-	1262	-	962	-	962	-	
	Total (B)	**22782**	**9822**	**32604**	**0.14**	**22381**	**12502**	**34883**	**0.15**	
2	**Non Institutions**									
	a. Individuals holding nominal share capital upto Rs. 1 lakh	344374	413191	757565	3.36	359743	395600	755343	3.35	
	b.Individuals holding nominal share capital in excess of Rs. 1 lakh	16182	-	16182	0.08	16182	-	16182	0.07	
	c.NRIs	18030	5236	23266	0.08	21059	2150	23209	0.10	
	Total (2)	**378586**	**418427**	**797013**	**3.53**	**396984**	**397750**	**794734**	**3.52**	
	Net Total	**22133275**	**428289**	**22561564**	**100**	**22151272**	**410292**	**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	21731947	96.32%	-	21731947	96.32%	-	-
	Total	**21731947**			**21731947**			

(iii) Change in Promoters' Shareholding:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during	
		No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	21731947	96.32%	21731947	96.32%
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	-	-
	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 31.03.2019		Date of acquisition / sale	Increase/ decrease In shareholding	Reason for Increase/ Decrease	No. of Shares as on 31.03.2020	
		No. of Shares	**%**				**No. of shares**	**%**
1	NALINKANT CHATURBHUJ ASHER CHANDRAKANT CHATURBHUJ ASHER SANJAY KHATAU ASHER	16182	0.07	-	-	-	16182	0.07
2	BIJOU DADABHOY NADIRSHAW FREDDIE BIJOU NDIRSHAW GOOLSHUN FREDDIE NADIRSHAW	5580	0.02	-	-	-	5580	0.02
3	CHANDRU PARMANAND THADHANI	5360	0.02	-	-	-	5360	0.02
4	HARBANS KAUR	3960	0.01	-	-	-	3960	0.01
5	AUDREY ANTHONY CASTELLINO ANTHONY JOSEPH CASTELLINO	3400	0.01	-	(3400)	Sale	-	-
6	VIJAYLAXMI SRIDHAR BHANDARY	3024	0.01	-	-	-	3024	0.01
7	JOSE MANUEL JESUS DE SEQUEIRA LILIA MARGARIDA DE SEQUEIRA	2790	0.01	-	-	-	2790	0.01
8	JOANA MARIA GEETA DE SEQUEIRA LILIA MARGARIDA DE SEQUEIRA	2790	0.01	-	-	-	2790	0.01
9	ANTHONY JOSEPH CASTELLINO AUDREY ANTHONY CASTELLINO	2790	0.01	-	(2790)	Sale	-	-
10	NARIMAN HORMUSJI DAROOWALA ROSHAN ERUCHSHAH PATEL	2640	0.010				2640	0.01

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Shareholder	No. of Shares as on 31.03.2019		Date of acquisition / sale	Increase/ decrease In shareholding	Reason for Increase/ Decrease	Cumulative shareholding during the year	
		No. of Shares	% of total shares				No. of shares	% of total shares
1	Mr. Shrikant Jog	-	-	NA	NA	Appointment of Mr. Shrikant Jog as CFO w.e.f. 1st Janaury, 2020	1	-

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	5.63
	(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	0.00
	(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	**5.63**

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. Kunal Thakore**	**Mr. Vinayak Padwal**	
	(i)Fee for attending Board and Committee Meetings	0.09	0.09	0.18
	(ii) Commission	0.30	0.30	0.60
	(iii) Others	-	-	-
	Total			
2	**Other Non-Executive Directors**			
	(i)Fee for attending Board and Committee Meetings	-	-	-
	(ii) Commission	-	-	-
	(iii) Others	-	-	-
	Total	**0.39**	**0.39**	**0.78**

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

(Rs. Million)

Sr. No.	Particulars of Remuneration	Mr. Suresh Ghotage Chief Financial Officer (upto 31-12-2019)	Mr. Shrikant Jog Chief Financial Officer (from 01-01-2020)	Mr. Ashish Jain Company Secretary	Total Amount
1	Gross Salary	20.60	1.83	2.54	24.97
	(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	0.50		-	0.50
2	Stock Option	-		-	-
3	Sweat Equity	-		-	-
4	Commission as % of profit	-		-	-
5	Other (if any)	-		-	-
	Total	**21.10**	**1.83**	**2.54**	**25.47**

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 March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 March 31, 2020, 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.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the 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 March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   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.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

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

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

Jayesh Parmar
Partner
(Membership No. 106388)
UDIN : 20106388AAAACI3165

Place: Mumbai
Date: July 27, 2020

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 March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 : 20106388AAAACI3165

Place: Mumbai
Date: July 27, 2020

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 Property, Plant and Equipment:

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

(b) The Company has a program of verification of Property, Plant and Equipment to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties of land & building that are freehold, according to the information and explanation given to us and the records examined by us and based on the examination of transfer deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as right to use of assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement, except as follows:

Particulars of the land and building	Amount *(Carrying amount as at 31 March, 2020)*	Remarks *(give reasons for the exception)*
Leasehold land and building located at Plot no. 90, Nashik Industrial Area, Satpur, Nashik – 422007 admeasuring 60,500 sq. meters.	Rs. 0.37 Million	The title deeds are in the name of Atlas Copco (India) Limited, erstwhile Company from which the Company was demerged under Section 230 to 232 of the Act in terms of the approval of the National Company Law Tribunal, Mumbai bench.

(ii) As explained to us, the inventories excluding Goods-in-Transit 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.

(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 deposit pursuant to the section 73 to 76 or any other relevant provisions of the Act. There are no unclaimed deposits as at March 31, 2020. 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, Goods and Services Tax, Customs Duty, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of these statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) There are no dues of Income tax, Goods and Services Tax and Customs Duty, as on March 31, 2020 on account of disputes.

According to the information and explanation provided to us and as per the scheme of arrangement (Refer note 33 to the financial statements), disputed dues pertaining to the business operations transferred from the transferor company prior to November 30, 2017 (appointed date) have not been included since the same will be settled by the transferor company with the statutory authorities. These statutory dues would be reimbursed by the Company.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the Order is not applicable to the Company.

(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.

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

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

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

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 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 year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 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.

(xvi) The Company is not required to be registered under section 45-I 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 : 20106388AAAACI3165

Place: Mumbai
Date: July 27, 2020

Epiroc Mining India Limited
Balance Sheet As at 31st March 2020

Particulars	Note No.	As at 31st March 2020 Rs. in Million	As at 31st March 2019 Rs. in Million
I ASSETS:			
1. Non-Current Assets			
(a) Property, plant and equipment	2	1,456.15	1,507.59
(b) Right-of -use assets	42	245.96	-
(c) Capital work-in-progress	2	-	9.14
(d) Intangible assets	3	4.19	10.63
(e) Financial assets			
(i) Other financial assets	4	88.52	78.82
(f) Deferred tax asset (net)	5	101.59	172.61
(g) Other non-current assets	6	279.61	154.13
Total non-current assets		**2,176.02**	**1,932.92**
2. Current Assets :			
(a) Inventories	7	2,866.12	2,887.24
(b) Financial assets			
(i) Investments	8	2,790.54	2,019.50
(ii) Trade receivables	9	2,864.42	3,170.89
(iii) Cash and cash equivalents	10	161.71	230.18
(iv) Other current financial assets	4A	25.78	26.44
(c) Other current assets	6A	455.41	624.42
Total current assets		**9,163.98**	**8,958.67**
TOTAL ASSETS		**11,340.00**	**10,891.59**
EQUITY AND LIABILITIES:			
I EQUITY			
(a) Equity share capital	11	225.62	225.62
(b) Other equity	12	8,830.41	8,220.60
Total Equity attributable to owners of the Company		**9,056.03**	**8,446.22**
II LIABILITIES			
1. Non-Current Liabilities:			
(a) Provisions	13	153.98	90.79
(b) Lease Liabilites	42	205.64	-
Total Non-Current Liabilities		**359.62**	**90.79**
2. Current Liabilities:			
(a) Financial Liabilities			
(i) Trade payables:			
(A) Total outstanding dues of micro enterprise and small enterprise	35	26.72	47.14
(B) Total outstanding dues to creditors other than micro enterprise and small enterprise	14	1,525.51	1,715.77
(ii) Other financial liabilities	15	2.14	3.82
(iii) Lease liabilities	42	67.52	-
(b) Provisions	13A	247.93	351.63
(c) Current tax liabilities (net)	16	-	74.32
(d) Other current liabilities	17	54.53	161.90
Total current liabilities		**1,924.35**	**2,354.58**
TOTAL EQUITY & LIABILITIES (I+II)		**11,340.00**	**10,891.59**
See accompanying notes forming part of the financial statements	1 to 45		

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

Jayesh Parmar
Partner

(Membership No. 106388)
UDIN : 20106388AAAACI3165

Date : 27th July, 2020
Place : Mumbai

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

Kunal Thakore
Chairman
(DIN 06462999)

Date : 27th July, 2020
Place : Mumbai

Vinayak Padwal
Director
(DIN 00198772)

Date : 27th July, 2020
Place : Mumbai

Jerry Andersson
Managing Director
(DIN 08015237)

Date : 27th July, 2020
Place : UAE

Shrikant Jog
Chief Financial Officer

Date : 27th July, 2020
Place : Pune

Ashish Jain
Company Secretary & Manager Finance

Date : 27th July, 2020
Place : Pune

Epiroc Mining India Limited
Statement of Profit and Loss for the year ended 31st March 2020

Particulars	Note No.	For the year ended 31st March 2020 Rs. in Million	For the year ended 31st March 2019 Rs. in Million
Revenue from operations	18	13,535.84	15,796.87
Other income	19	185.34	86.26
Total revenue		**13,721.18**	**15,883.13**
Expenses			
Cost of material consumed	20	4,277.26	5,245.77
Purchases of stock-in-trade (traded goods)	21	3,022.74	4,212.11
Changes in inventories of finished goods, work-in-progress & stock-in-trade	22	113.75	249.14
Employee benefits expense	23	1,378.98	1,353.50
Finance cost	24	56.62	14.58
Depreciation and amortisation expenses	2, 3 & 42	276.53	171.62
Other expenses	25	1,916.16	2,117.14
Total expenses		**11,042.04**	**13,363.86**
Profit before tax for the year		**2,679.14**	**2,519.27**
Tax expense			
- Current tax expense	36	657.28	880.71
- Short / (Excess) provision for tax relating to prior years		(31.00)	-
- Deferred tax	36	72.70	(6.03)
Total tax expense		**698.98**	**874.68**
Profit after tax for the year from Continuing Operations		**1,980.16**	**1,644.59**
Profit after tax for the year		**1,980.16**	**1,644.59**
Other comprehensive income			
(a) Item that will not be reclassified to profit and loss			
- Reimbursement of defined benefit plans	28	(6.66)	(8.46)
(b) Income tax related to items that will not be reclassified to profit and loss		1.68	2.96
Total other comprehensive income		**(4.98)**	**(5.50)**
Total comprehensive income		**1,975.18**	**1,639.09**
Earnings per equity share (nominal value per share Rs. 10 each)			
Basic & diluted (in Rs.)	32	87.77	72.89
See accompanying notes forming part of the financial statements	1 to 45		

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

Jayesh Parmar
Partner
(Membership No. 106388)
UDIN : 20106388AAAACI3165

Date : 27th July, 2020
Place : Mumbai

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

Kunal Thakore
Chairman
(DIN 06462999)
Date : 27th July, 2020
Place : Mumbai

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Director
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Place : UAE

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Chief Financial Officer
Date : 27th July, 2020
Place : Pune

Ashish Jain
Company Secretary & Manager Finance
Date : 27th July, 2020
Place : Pune

Epiroc Mining India Limited
Cash Flow Statement for the year ended 31st March, 2020

		Year ended 31st March, 2020		Year ended 31st March, 2019	
		Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax for the year :		2,679.14		2,519.27
	Adjustment for:				
	Depreciation and amortisation other than depreciation on right on use assets	192.74		171.62	
	Depreciation on right of use assets	83.79		-	
	Unrealised foreign exchange (gain) / loss	(34.10)		10.80	
	Finance cost other than Interest on Lease Liability	25.85		-	
	Interest on lease liability	30.77		-	
	(Gain)/Loss on disposal property, plant and equipment	(16.31)		5.69	
	Expense recognised in respect of equity settled share based payments	8.63		22.82	
	Actuarial gain / (loss) on employee benefits reclassified to Other Comprehensive Income (OCI)	(4.98)		(5.50)	
	Expected Credit Loss on trade receivables	(18.71)		(3.88)	
	Dividend Income	(74.90)		(38.55)	
	Write off of property, Plant & Equipment	3.14		-	-
			195.92		163.00
	Operating profit before Working Capital changes		2,875.06		2,682.27
	Adjustments for changes in Working capital				
	Adjustments for (increase) / decrease in operating assets:				
	Trade Receivables	362.00		279.06	
	Inventories	21.12		315.37	
	Current Assets	169.01		224.24	
	Other Current financial assets	0.67		21.92	
	Other Non-Current financial assets	(9.70)		(45.19)	
	Other Non-Current assets	(69.93)		35.41	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade Payables	(221.95)		(657.76)	
	Non-Current provisions	63.19		(4.62)	
	Current provisions	(103.70)		36.37	
	Other current financial liabilities	(1.67)		(10.13)	
	Other current non-financial liabilities	(107.37)		105.14	
			101.65		299.81
	Cash generated from operations		2,976.71		2,982.08
	Income taxes paid		(757.82)		(809.34)
	Net Cash from/used in Operating activities		**2,218.90**		**2,172.74**

Epiroc Mining India Limited
Cash Flow Statement for the year ended 31st March, 2020

		Year ended 31st March, 2020		Year ended 31st March, 2019	
		Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Payment for property, plant and equipment	(300.88)		(213.65)	
	Proceeds from sale of property, plant and equipment	188.34		6.64	
	Purchase of investments	(10,316.04)		(9,793.55)	
	Proceeds from sale of investments	9,545.00		7,794.20	
	Dividend received	74.90		38.55	
	Net Cash from/used in investing activities		**(808.68)**		**(2,167.81)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Repayment of lease liability	(70.63)		-	
	Dividend paid during the year	(1,359.96)		-	
	Finance cost	(56.62)		-	
	Net Cash from/used in financing activities		**(1,487.21)**		**-**
D	**UNREALISED EXCHANGE GAIN / (LOSS) IN CASH AND CASH EQUIVALENTS**		**8.53**		**(0.25)**
E	**NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS**		**(68.47)**		**4.68**
	Cash and Cash Equivalents (Opening balance)		230.18		225.50
	Cash and cash equivalents (Closing balance)		161.71		230.18

Notes :

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

Cash and Cash Equivalents	**As at 31st March, 2020 Rs. Million**	**As at 31st March, 2019 Rs. Million**
Cash on hand	0.02	0.00*
Bank Balance:		
In Current Accounts	118.24	197.50
Exchange Earners Foreign Currency Accounts	43.45	32.68
Balances with Banks held as Margin Money against Bank Guarantees		-
	161.71	**230.18**

* represents amount rounded off to million

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

Jayesh Parmar
Partner
(Membership No. 106388)
UDIN : 20106388AAAACI3165

Date : 27th July, 2020
Place : Mumbai

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

Kunal Thakore
Chairman
(DIN 06462999)
Date : 27th July, 2020
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Chief Financial Officer
Date : 27th July, 2020
Place : Pune

Ashish Jain
Company Secretary & Manager Finance
Date : 27th July, 2020
Place : Pune

Epiroc Mining India Limited
Statement of Changes in Equity for the year ended as at 31st March 2020

A. Changes in Equity

Particulars	For the year ended 31st March, 2020 Rs. Million	For the year ended 31st March, 2019 Rs. Million
Opening balance as on 1st April, 2019	225.62	225.62
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 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 period, 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**
Opening balance as on 01st April, 2019	6,090.57	(11.89)	27.64	2,114.28	8,220.60
Profit for the period	-	-	-	1,980.16	1,980.16
Other comprehensive income for the year, net of income tax	-	(4.98)	-	-	(4.98)
ROU and Lease Liability Adjustment	-	-	-	(14.04)	(14.04)
Dividend(including dividend distribution tax)	-	-	8.63	(1,359.96)	(1,351.33)
Balance as at 31st March,2020	**6,090.57**	**(16.87)**	**36.27**	**2,720.44**	**8,830.42**

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

Jayesh Parmar
Partner
(Membership No. 106388)
UDIN : 20106388AAAACI3165

Date : 27th July, 2020
Place : Mumbai

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

Kunal Thakore
Chairman
(DIN 06462999)
Date : 27th July, 2020
Place : Mumbai

Vinayak Padwal
Director
(DIN 00198772)
Date : 27th July, 2020
Place : Mumbai

Jerry Andersson
Managing Director
(DIN 08015237)
Date : 27th July, 2020
Place : UAE

Shrikant Jog
Chief Financial Officer
Date : 27th July, 2020
Place : Pune

Ashish Jain
Company Secretary & Manager Finance
Date : 27th July, 2020
Place : Pune

Corporate Information

Epiroc Mining India Limited ('the Company') was incorporated on 20th July 2017 in India. 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 2019 to 31st March 2020 and the same are approved by the Board of Directors and authorized for issue on 27th July, 2020.

1. Significant accounting 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. Cost of an item of Property, plant and equipment comprises purchase price, import duties and any cost directly attributable to bringing the assets to the location and condition for use. The cost also includes dismantlement and removal of the asset in the future if applicable. 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. Leasing arrangement:

Company as a lessee:

The Company's lease assets primarily consist of leases for store premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset;

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and;

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right of use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement of the lease as on transition date. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right of use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of underlying assets and tested for impairment in accordance with IND AS 36. Refer Note 1.6 above.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if there are significant modifications to lease agreements. Lease liability and right to use asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Company as a Lessor:

The Company enters into lease agreements as a lessor with respect to rent equipment to customers. Leases for which the Company is a lessor are classified as operating lease, where the terms of the lease is not to transfer substantially all the risks and rewards of ownership to the lessee.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.8 Revenue recognition:

The Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

- 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 uncertainties 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.Net realizable value is the estimated selling price for inventories less all estimated costs of completion necessary to make sale. 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:

An operating segment is a component of the entity that engages in the business activities from which it may earn and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Epiroc's management monitors its operations by division which represents the Group's operating segment. The operating results of the operating segments are reviewed regularly by the company' Chief financing officer and Managing Director, the chief operating decision maker to make decisions about allocation of resources to the segment and to assess their 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.

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	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**	**2,037.69**
(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)**	**(409.11)**	**(3.37)**	**(10.93)**	**-**	**(13.01)**	**(530.08)**
Net carrying amount as 31st March, 2019 (I+II)	**233.30**	**544.13**	**666.10**	**43.48**	**17.09**	**-**	**3.49**	**1,507.61**
(I) Gross carrying amount								
Opening balance	233.30	637.79	1,075.21	46.85	28.02	-	16.50	**2,037.67**
Additions during the year	-	5.63	192.24	13.07	4.39	-	94.31	**309.64**
Disposals during the year	-	-	(117.98)	(0.08)	-	-	(11.37)	**(129.43)**
Write off during the year	-	-	(70.09)	-	(0.13)	-	-	**(70.22)**
Balance as at 31st March, 2020	**233.30**	**643.42**	**1,079.38**	**59.84**	**32.28**	**-**	**99.44**	**2,147.64**
(II) Accumulated depreciation and impairment								
Opening balance	-	(93.66)	(409.10)	(3.37)	(10.93)	-	(13.01)	**(530.07)**
Eliminated on disposals during the year	-	-	(54.06)	0.08	-	-	11.37	**(42.61)**
Write off during the year	-	-	67.69	-	0.12	-	-	**67.81**
Depreciation expense during the year	-	(30.42)	(128.20)	(11.05)	(3.12)	-	(13.85)	**(186.64)**
Balance as at 31st March, 2020	**-**	**(124.08)**	**(523.67)**	**(14.34)**	**(13.93)**	**-**	**(15.49)**	**(691.50)**
Net carrying amount as at 31st March, 2020 (I+II)	**233.30**	**519.34**	**555.71**	**45.50**	**18.35**	**-**	**83.95**	**1,456.15**

Capital work in progress

Particulars	Rs. in Million
As at March 31, 2020	-
As at March 31, 2019	9.14

Note 3 - Intangible assets

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

Particulars	Design and Drawings	Software	Total
(I) Gross carrying amount			
Opening balance	6.94	53.70	60.64
Additions during the period	-	5.63	5.63
Disposals during the period	(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)**	**(30.23)**
Net carrying amount as at 31st March, 2019 (I+II)	**-**	**10.63**	**10.63**
(I) Gross carrying amount			
Opening balance	-	40.87	40.87
Additions during the year	-	0.39	0.39
Write off during the year	-	(5.45)	(5.45)
Balance as at 31st March, 2020	**-**	**35.81**	**35.81**
(II) Accumulated amortisation and impairment			
Opening balance	-	(30.24)	(30.24)
Amortisation expense during the year	-	(6.09)	(6.09)
Write off during the year	-	4.71	4.71
Balance as at 31st March, 2020	**-**	**(31.62)**	**(31.62)**
Net carrying amount as at 31st March, 2020 (I+II)	**-**	**4.19**	**4.19**

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

Rs. in Million

Particulars	As at 31st March 2020	As at 31st March 2019
Security deposits	110.02	93.61
(-) Provision for doubtful deposits	(21.50)	(14.79)
Total	**88.52**	**78.82**

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

Security deposits	2.17	0.44
Loans and advances to employees	23.61	26.00
Total	**25.78**	**26.44**

Note 5 - Deferred tax asset (net)

Deferred tax asset/(liability):		
Tax effects of items constituting deferred tax asset		
Disallowances under section 43B of Income Tax Act, 1961	33.43	35.72
Provision for doubtful debts/ advances	51.83	77.17
ROU and Lease Liability Adjustment	2.70	-
Provision for C Form and RVAT	19.12	65.80
Demerger Expenses	0.26	0.54
	107.34	179.23
Tax effects of items constituting deferred tax liability		
Written down value of Fixed Assets	(5.75)	(6.62)
	(5.75)	(6.62)
Total	**101.59**	**172.61**
Opening balance	172.61	163.62
Recognized in other comprehensive income	1.68	2.96
Recognized in statement of profit and loss	(72.70)	6.03

Note 6 - Other non-current assets (Unsecured)

Rs. in Million

Particulars	As at 31st March 2020	As at 31st March 2019
Capital advances	9.12	8.17
Prepaid expenses	14.99	21.06
Loans and advances to employees	6.11	5.64
Lease prepayments		
Prepaid lease	0.12	0.12
Balances with government authorities		
Customs authorities	74.25	68.21
Excise & service tax authorities	12.74	12.74
Sales tax authorities	89.02	20.46
Income tax authorities (net) (Tax paid in advance (current tax) net of provisions Rs.1,764.95 Million (as of 31st March 2019 Rs.258.65 Million)	73.27	17.73
Total	**279.62**	**154.13**

Note 6A- Other current assets (Unsecured)

Prepaid expenses	17.95	15.37
Advance to suppliers and others	80.94	87.28
Balances with government authorities		
Customs authorities	221.56	306.55
Goods and services tax authorities	134.96	215.22
Total	**455.41**	**624.42**

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

Raw materials and components	1,280.66	1,266.03
Goods in Transit	85.46	91.32
	1,366.12	1,357.35
Manufactured components	112.13	121.67
Work-in-progress	105.86	119.35
Finished goods	182.34	218.90
Stock-in-Trade (Acquired for trading)	886.70	940.86
Goods in Transit	212.98	129.11
	1,099.68	1,069.97
Total	**2,866.12**	**2,887.24**

The cost of inventories recognised as an expense includes Rs. 33.72 Million in 2019-20 (Rs.21.01 Million during 2018-19) 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 2020**	**As at 31st March 2019**
Designated as fair value through profit and loss		
Investments in Mutual Funds (Quoted)		
Aditya Birla Sunlife Liquid Fund - Direct Daily Dividend - 2,902,650.08 units @ 100.195 each fully paid up (As at 31st March 2019 - 5,483,555.29 units of Rs. 100.24 each fully paid)	290.83	549.68
Aditya Birla Sunlife Liquid Fund - Money Manager Fund - DD Direct - 3,133,839.53 units @ 100.02 each fully paid up (As at 31st March 2019, Nil units)	313.45	-
DSP Liquidity Fund - Direct Daily Dividend - 532,563.99 units @ 1000.99 each fully paid up (As at 31st March 2019 - 505,613.62 units of Rs.1000.93 each fully paid up)	533.09	506.09
DSP Overnight Fund - Direct Gain - 65,529.97 units @ 1068.69 each fully paid up (As at 31st March 2019, Nil units)	70.03	-
IDFC Cash Fund daily Dividend Direct Plan - 577,777.41 units @ 1001.67 each fully paid up (As at 31st March 2019 - 79,920.39 units of Rs.1002.05 each fully paid up)	578.74	80.08
Nippon India Liquid Fund - Direct Plan Daily Dividend Option - 264,236.53 units @ 1528.74 each fully paid up (As at 31st March 2019 - Nil Units)	403.95	-
Reliance Liquid Fund - Direct Daily Dividend - Nil Units (As at 31st March 2019 - 223,530.00 units of Rs.1529.35 each fully paid up)	-	341.86
ICICI Liquid Fund - DP Daily Dividend - 3,750,585.30 units @ 100.11 each fully paid up '(As at 31st March 2019 - 5,409,906.11 units of Rs.100.14 each fully paid)	375.46	541.79
ICICI Money Market Fund- Drt Daily Dividend - 2,246,622.00 units @ 100.14 each fully paid up (As at 31st March 2019, Nil units)	224.98	-
Total carrying amount of all investments	**2,790.53**	**2,019.50**
Aggregate amount of quoted investments	**2,790.53**	**2,019.50**

Note 9 - Trade Receivables

(a) Trade receivables considered good- unsecured	2,884.53	3,175.39
Less: Expected credit loss allowance	(20.11)	(4.50)
(b) Trade receivables which have significant increase in credit risk;	86.15	119.78
Less: Loss allowance	(86.15)	(119.78)
Total	**2,864.42**	**3,170.89**

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 2020, Rs.1027.67 million is due from 3 customer (as at March 31, 2019 of Rs. 731.80 million is due from a customer). There are 3 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 2020	As at 31st March 2019
0-365 days past due	15.83	4.50
More than 365 days past due	90.43	119.78
Total	**106.26**	**124.28**

4] **Debtors ageing**

Within credit period	1,883.93	2,117.95
Less than 30 days	382.37	421.24
30 to 90 days	336.52	449.64
More than 90 days but less than 365 days	227.47	116.36
More than 1 year but less than 2 years	33.74	131.26
More than 2 years but less than 3 years	90.20	39.85
More than 3 years	16.44	18.87
Grand Total	**2,970.67**	**3,295.17**

Movement in the allowance for expected credit loss/ loss allowance		
Opening balance	124.28	128.15
Movement in the expected credit loss/ loss allowance on trade receivables calculated at lifetime expected credit losses	16.70	13.15
Amounts recovered during the year	(34.73)	(17.02)
Balance at the end of the year	**106.25**	**124.28**

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	0.02	0.00*
(b) Balance with banks in -		
Current accounts	118.24	197.50
Exchange earners foreign currency accounts	43.45	32.68
Total	**161.71**	**230.18**

* represents amount rounded off to million

Note 11 - Equity share capital

Rs. in Million

Particulars	As at 31st March 2020	As at 31st March 2019
Authorised:		
25,000,000 (31st March, 2019: 25,000,000) equity shares of Rs 10 each	250.00	250.00
Issued, subscribed and fully paid-up:		
22,561,564 (31st March, 2019: 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 2020		As at 31st March 2019	
	Number of Shares	Rs. Million	Number of Shares	Rs. Million
Shares outstanding at the beginning of the year	22,561,564	225.62	22,561,564	225.62
Shares outstanding as at 31st March, 2020	22,561,564	225.62	22,561,564	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 2020	As at 31st March 2019
Epiroc Rockdrills AB	Holding Company	21,731,947	21,731,947

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 2020		As at 31st March 2019	
	Number of Shares	Percentage	Number of Shares	Percentage
Epiroc Rockdrills AB, Sweden (Holding Company)	21,731,947	96.32%	21,731,947	96.32%

Note 12 - Other equity

Rs. in Million

Particulars	As at 31st March 2020	As at 31st March 2019
Capital Reserve		
Opening balance	6,090.57	6,090.57
Closing balance as at year end	**6,090.57**	**6,090.57**
Other comprehensive income		
Opening balance	(11.89)	(6.39)
Other comprehensive income for the year, net of income tax	(4.98)	(5.50)
Closing balance as at year end	**(16.87)**	**(11.89)**
Shared based payments		
Opening balance	27.64	4.82
Share based payments during the year	8.63	22.82
Closing balance as at year end	**36.27**	**27.64**
Surplus in the statement of profit and loss		
Opening balance	2,114.28	469.69
Add: Profit for the year	1,980.16	1,644.59
Less: Dividend(including dividend distribution tax)	(1,359.96)	-
Less: ROU and Lease Liability Adjustment	(14.04)	-
Closing balance as at year end	**2,720.44**	**2,114.28**
Balance as at 31st March, 2020	**8,830.41**	**8,220.60**

Note 13 - Non current liabilities: Provisions

Provisions for employee benefits		
Employee benefits (gratuity) (Refer note 28)	37.99	24.22
Provision others		
Long term provisions (Refer note 38)	115.98	66.57
Total	**153.97**	**90.79**

Note 13A - Current liabilities: Provisions

Rs. in Million

Particulars	As at 31st March 2020	As at 31st March 2019
Provisions for employee benefits		
Provisions for compensated absences (Refer note 28)	71.82	66.33
Provision others		
Provision for warranty (Refer note 38)	68.75	72.83
Other short term provisions (Refer note 38)	107.36	212.47
Total	**247.93**	**351.63**

Note 14 -Trade payables

Total outstanding dues of micro enterprise and small enterprise (Refer note 35)	26.72	47.14
Total outstanding dues to creditors other than micro enterprise and small enterprise	1,525.51	1,715.77
Total	**1,552.23**	**1,762.91**

Note 15 - Current liabilities: Other current financial liabilities

Payables on purchase of property, plant and equipment	2.09	3.20
Security deposit received	0.06	0.62
Total	**2.15**	**3.82**

Note 16 -Current tax liabilities

Current tax liabilities	-	74.32
Total	**-**	**74.32**

Note 17 - Other current liabilities

Rs. in Million

Particulars	As at 31st March 2020	As at 31st March 2019
Advance from customers	30.79	129.19
Statutory remittances (contribution to provident fund, withholding taxes, profession tax, tax deducted at source etc.)	23.74	32.71
Total	**54.53**	**161.90**

Note 18 - Revenue from operations

Rs. in Million

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Revenue from sale of products	10,769.50	13,056.56
Revenue from rendering of services	2,364.52	2,407.24
Other operating revenue (Refer note 18.01)	401.83	333.07
Total	**13,535.85**	**15,796.87**

18.01 Breakup of other operating revenue

Indent commission	97.45	120.89
Sale of scrap	8.87	15.12
Income from rental of Equipment	33.81	-
Export benefits	261.70	197.06
	401.83	**333.07**

Rs. in Million

Particulars	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**
A. Disaggregation of revenue		
(a) Timing of revenue recognition		
Point in time	13,535.84	15,796.87
(b) Geographical location		
India	8,929.89	11,167.86
Other	4,605.96	4,629.01
(c) Type of contract		
Fixed price	13,535.84	15,796.87
B. Contract balances	-	-
C. Transaction price		
Amount of transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied)	18.37	30.30
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.		

Note 19 - Other income

Rs. in Million

Particulars	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**
Dividend income from current investment	74.90	38.55
Other non operating income		
Net gain on foreign currency transactions and translation	34.10	-
Profit on sale of property, plant & equipment	16.31	-
Miscellaneous income	60.02	47.71
Total	**185.33**	**86.26**

Note 20 - Cost of material consumed

Rs. in Million

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Opening stock	1,266.03	1,240.42
Add: Purchases	4,291.90	5,271.38
Less: Closing stock	(1,280.66)	(1,266.03)
Total	**4,277.27**	**5,245.77**

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

Purchases of stock in trade	3,022.74	4,212.11
Total	**3,022.74**	**4,212.11**

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

Opening balance		
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
Inventory as at 31st March, 2020		
Finished goods	(141.48)	(218.90)
Stock-in-Trade	(945.21)	(940.86)
Work-in-progress	(88.20)	(119.35)
Manufactured components	(112.13)	(121.67)
Net (Increase)/Decrease	**113.76**	**249.14**

Note 23 - Employee benefit expenses

Rs. in Million

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries, wages and bonus	1,106.81	1,089.45
Contribution to provident and other funds	134.07	118.26
Workmen and staff welfare expenses	129.46	122.97
Share based payments	8.63	22.82
Total	**1,378.97**	**1,353.50**

Note 24 - Finance cost

Rs. in Million

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Bank charges	10.88	14.58
Interest expense on lease	30.77	-
Interest & Penalty	3.91	-
Guarantee Fees expenditure (Refer note 30(C))	11.06	-
Total	**56.62**	**14.58**

Note 25 - Other expenses

Rs. in Million

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Stores and tools consumed	114.60	122.31
Power and fuel	70.89	76.83
Rent (including cleaning and maintenance charges)	9.23	76.12
Rent (Laptops)	36.05	31.29
Repairs and maintenance -rented premises	11.14	12.41
Repairs and maintenance -buildings	5.97	6.06
Repairs and maintenance -machinery	34.55	27.72
Repairs and maintenance -others	5.06	5.53
Insurance	9.18	11.33
Rates and taxes	1.62	0.79
Traveling and conveyance expenses	167.15	197.89
Freight, transport and packing	137.50	143.19
Commission	76.64	64.31
Corporate social responsibility expenses (Refer note 44)	4.04	0.87
Legal and professional fees	139.40	158.67
Audit fees (Refer note 26)	3.27	3.13
Bad trade receivables/advances	27.93	40.17
Provision for sales tax liability	47.69	104.49
Royalty (Refer note 30(b)	258.48	260.14
Software development expenses	123.40	119.04
Security services	15.74	15.26
Expenses on service jobs	47.42	51.36
Conference and training costs	54.69	51.32
External workforce and sundry services	407.37	403.36
Miscellaneous expenses	107.12	133.55
Total	**1,916.13**	**2,117.14**

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

Rs. in Million

Particulars	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**
To Statutory Auditors		
Audit fees	1.78	1.70
Audit fees for group reporting	0.95	0.90
Tax audit fees	0.40	0.38
Other taxation services	0.15	0.15
Total	**3.28**	**3.13**

Note 27- The net exchange differences arising during the period

Recognised appropriately in the Statement of Profit and Loss	(34.10)	10.80
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

Particulars	**As at 31st March, 2020**	**As at 31st March, 2019**
Contribution to Employees' Superannuation Fund	22.76	23.02
Contribution to Provident Fund	52.10	50.24

(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, 2020	As at 31st March, 2019
Opening balance	319.60	302.71
Current service cost	25.10	30.17
Past Service Cost	-	-
Employer Contributions	-	-
Interest expense/(income)	22.84	22.47
Benefit payments from plan assets	(20.13)	-
Benefit payments from employer	(17.12)	(25.44)
Settlement payments from plan assets	-	-
Increase (decrease) due to effect of any business combination, divestures, transfers*	-	-
Remeasurement	-	(9.34)
(Gain)/loss from change in demographic assumptions	0.51	(1.19)
(Gain)/loss from change in financial assumptions	(7.96)	(6.32)
(Gain)/loss from change in experience adjustments	7.70	6.54
Present Value of Defined Benefit Obligations as on March 31, 2020	**330.54**	**319.60**

*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	295.38	242.46
Interest income	22.31	21.05
Employer contribution	1.41	41.30
Employer direct benefit payments	17.12	25.44
Benefit payments from plan assets	(20.13)	-
Benefit payments from employer	(17.12)	(25.44)
Settlement payments from plan assets	-	-
Increase (decrease) due to effect of any business combination, divestures, transfers*	-	-
Return on assets (excluding interest income)	(6.40)	(9.43)
Fair Value of Plan Assets as on March 31, 2020	**292.57**	**295.38**

iia) Composition of Plan Assets*

Rs. in Million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Group Gratuity Cash Accumulation Policy No 11484 in Life Insurance Company of India	-	-
Group Gratuity Cash Accumulation Policy No 709003225 in Life Insurance Company of India	292.57	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)		
Funds Investment for application to new policy in Life Insurance Company of India	-	-
Fair Value of Plan Assets as on March 31, 2020	**292.57**	**295.38**

* 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	330.55	319.60
Fair value of plan assets	292.57	295.38
Amount to be recognized in Balance Sheet	**37.98**	**24.22**

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, 2020	For the year ended 31st March, 2019
Current Service Cost	25.10	30.17
Interest Cost	22.84	22.47
Interest Income	(22.31)	(21.05)
Expenses recognized in statement of profit and loss	**25.63**	**31.59**

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

Rs. in Million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(Gain)/loss from change in Demographic adjustments	0.51	(1.19)
(Gain)/loss from change in Financial assumptions	(7.96)	(6.32)
(Gain)/loss from change in experience assumptions	7.70	6.54
Return on assets (excluding interest income)	6.40	9.43
Expenses recognized in statement of profit and loss	**6.65**	**8.46**

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

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Discount rate	6.70%	7.80%
Salary escalation	8.00%	9.50%
Rate of return on plan assets	6.70%	7.80%

(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, 2020
31st March 2020	-
31st March 2021	36.74
31st March 2022	25.90
31st March 2023	28.66
31st March 2024	37.48
31st March 2025	38.03
31st March 2026 to 2029	247.72

Sensitivity analysis for significant assumptions are as follows:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Increase/(decrease) in present value of defined benefit obligation as at the end of the period		
(i) 0.5% increase in discount rate	317.70	308.11
(ii) 0.5% decrease in discount rate	344.34	331.92
(iii) 0.5% increase in rate of salary escalation	343.31	330.91
(iv) 0.5% decrease in rate of salary escalation	318.53	308.94

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 is Rs. 36.74 Million (For FY 2018-19 Rs. 53.63 Million)

(C) Compensated Absences

Compensated Absences charged to Statement of Profit and Loss Rs. 24.65 Million (FY 2018-19 Rs 5.42 million) for the year ended 31 March 2020 and liability as at 31 March, 2020 was Rs. 71.82 Million (Rs 66.33 Million as at 31 March, 2019)

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 2019-20	8,929.88	4,605.96	13,535.84
For the period 2018-19	11,167.86	4,629.01	15,796.87

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, 2020	For the year ended 31st March, 2019
Sweden	1,098.96	1,001.33
South Africa	745.13	681.49
Russia	456.56	189.30
United state of America	453.14	466.60
Mexico	262.47	279.92
Garland	241.62	209.24
China	212.45	139.14
Indonesia	161.82	104.62
Ukraine	145.40	111.77
Switzerland	104.58	21.85
Australia	99.78	72.19
Thailand	44.20	170.91
South Korea	30.32	150.42
Hongkong	72.43	113.83
Others	477.10	916.41
Total	**4,605.96**	**4,629.02**

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 Rockdrills 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	Construction Tools GmbH	Germany
3	Construction Tools PC AB	Sweden
4	Epiroc Argentina SA	Argentina
5	Epiroc Armenia LLC	Armenia
6	Epiroc Australia Pty Ltd	Australia
7	Epiroc BH DOO	Bosnia and Herzegovina
8	Epiroc Bolivia S.A	Bolivia
9	Epiroc Brasil	Brazil
10	Epiroc Bulgaria Eood	Bulgaria
11	Epiroc Burkina Faso SARL	Burkina Faso
12	Epiroc Canada Inc.	Canada
13	Epiroc Central America Sa	Panama
14	Epiroc Central Asia Llp	Kazakhstan
15	Epiroc Central Asia Llp - Armenia Branch	Armenia
16	Epiroc Chile SAC	Chile
17	Epiroc Croatia D.O.O.	Croatia
18	Epiroc Customer Center	Canada
19	Epiroc Czech Republic SRO	Czech Republic
20	Epiroc Deutschland Gmbh	Germany
21	Epiroc Drc SPRL	Democratic Republic of the Congo
22	Epiroc Drilling Solutions LLC	USA
23	Epiroc Drilling Tools AB	Sweden
24	Epiroc Drilling Tools LLC	USA
25	Epiroc Eastern Africa Limited	Kenya
26	Epiroc Ecuador S.A.	Ecuador
27	Epiroc Finland Oy Ab	Finland

Sr. No.	Entity Name	Country
28	Epiroc France Sas	France
29	Epiroc Hellas SA	Greece
30	Epiroc Hong Kong Limited	Hong Kong
31	Epiroc Italia Srl	Italy
32	Epiroc Japan KK	Japan
33	Epiroc Korea Ltd	Korea
34	Epiroc Makina AS	Turkey
35	Epiroc Mali Sarl	Mali
36	Epiroc Maroc SARL	Morocco
37	Epiroc Mexico SA De Cv	Mexico
38	Epiroc Meyco AG	Switzerland
39	Epiroc Middle East FZE	United Arab Emirates
40	Epiroc Mineria e Ingenieria Civil Espana S.L	Spain
41	Epiroc Mining and Construction Technique FE LLP	Uzbekistan
42	Epiroc Mining Namibia (Pty) Ltd	Namibia
43	Epiroc Mongolia Llc	Mongolia
44	Epiroc Nanjing Construction and Mining Equipment Co Ltd	China
45	Epiroc Norge AS	Norway
46	Epiroc Peru Sociedad Anonima	PERU
47	EPIROC PHILIPPINES INC.	Philippines
48	Epiroc Polska SP. z.o.o.	Poland
49	Epiroc Portugal Unipessoal Lda	Portugal
50	Epiroc Rock Drills AB	Sweden
51	Epiroc Rus LLC	Russia
52	Epiroc Srbija AD	Serbia
53	Epiroc Stonetec Srl	Italy
54	Epiroc Sweden AB	Sweden
55	Epiroc Tanzania	Tanzania
56	Epiroc Thailand Ltd	Thailand
57	Epiroc Trading Co Ltd	China
58	Epiroc Treasury AB	Sweden
59	Epiroc Uk And Ireland Limited	United Kingdom
60	Epiroc Ukraine LLC	Ukraine
61	Epiroc Usa LLC	USA
62	Epiroc Zambia Limited	Zambia
63	Epiroc Zhangjiakou Construction and Mining Equipment Ltd	China

Sr. No.	Entity Name	Country
64	Epiroc Zimbabwe (Private) Ltd	Zimbabwe
65	Fordia Group Inc.	Canada
66	PT Epiroc Southern Asia	Indonesia
67	Sautec AS	Estonia
68	Shandong Rock Drilling Tools Co Ltd	China

(iii) Key Management Personnel

Sr. No.	Name	Designation
1	Jerry Andersson	Managing Director
2	Suresh Ghotage (upto 31 December, 2019)	Chief Financial Officer
3	Shrikant Jog (from 01 January, 2020)	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	**-**	**1,740.85**	**1,236.42**	**-**	**2,977.27**
	(-)	(1663.65)	(1403.9)	(-)	(3067.55)
Sale of Goods	**-**	**413.41**	**2,913.79**	**-**	**3,327.20**
	(-)	(418.47)	(3073.7)	(-)	(3492.17)
Income from rendering of services	**-**	**389.09**	**326.03**	**-**	**715.12**
	(-)	(343.29)	(293.6)	(-)	(636.89)
Commission Income	**-**	**69.78**	**28.91**	**-**	**98.69**
	(-)	(73.66)	(47.23)	(-)	(120.89)
Commission Paid	**-**	**-**	**15.82**	**-**	**15.82**
	(-)	(-)	(35.32)	(-)	(35.32)
Royalty Paid	**-**	**118.73**	**127.81**	**-**	**246.54**
	(-)	(116.59)	(137.43)	(-)	(254.02)
Warranty charges	**-**	**-**	**2.88**	**-**	**2.88**
	(-)	(-)	(2.18)	(-)	(2.18)
Warranty Recovery	**-**	**5.19**	**0.46**	**-**	**5.65**
	(-)	(2.84)	(3.14)	(-)	(5.98)
Recovery of freight	**-**	**9.02**	**80.14**	**-**	**89.16**
	(-)	(2.3)	(85.92)	(-)	(88.22)
Travelling Expenses	**0.07**	**0.27**	**0.76**	**-**	**1.10**
	(-)	(16.33)	(1.86)	(-)	(18.19)
Charges paid for Technical / Professional Services	**(0.39)**	**167.43**	**23.13**	**-**	**190.17**
	(3.28)	(165.6)	(3.13)	(-)	(172.01)
Capital Goods Purchase	**-**	**133.71**	**-**	**-**	**133.71**
	(-)	(41.52)	(31.77)	(-)	(73.29)
Managerial Remuneration	**-**	**-**	**-**	**51.30**	**51.30**
	(-)	(-)	(-)	(12.90)	(12.90)
Payment of Management Fees	**36.83**	**-**	**-**	**-**	**36.83**
	(17.54)	(-)	(-)	(-)	(17.54)
Reimbursement of Expenses	**-**	**25.96**	**0.19**	**-**	**26.15**
	(-)	(7.33)	(9.66)	(-)	(16.99)

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
Recovery of Expenses	**0.78**	**51.50**	**35.81**	**-**	**88.09**
	(0.33)	(23.15)	(23.02)	(-)	(46.5)
Global Guarantee Fees	**-**	**-**	**11.06**	**-**	**11.06**
	(-)	(-)	(-)	(-)	(-)
Amounts outstanding at year end					
Amount Receivable	**-**	**188.39**	**618.16**	**-**	**806.55**
	(-)	(109.47)	(756.92)	(-)	(866.39)
Amount Payable	**-**	**300.17**	**262.89**	**-**	**563.06**
	(3.12)	(365.47)	(280.72)	(-)	(649.31)

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

2) The related parties included in the various categories above, where material transactions have taken place are given below:

Name of the Related Party	Purchase of Goods	Sale of Goods	Income from rendering of services	Commision Income	Commission Paid	Royalty Paid	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	Recovery of Expenses	Global Guarantee Fees	Amount Receivable	Amount Payable
Epiroc South Africa Pty Ltd	**0.12**	**743.53**	-	-	-	-	-	-	**2.25**	-	-	**0.03**	-	-	-	-	**156.11**	-
	(0.06)	(681.49)	(-)	(0.09)	(-)	(-)	(-)	(-)	(1.36)	(0.40)	(-)	(-)	(-)	(-)	(-)	(-)	(60.75)	(-)
Epiroc Zimbabwe (Private) Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**67.73**	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(62.17)	(-)
Epiroc Drilling Solutions LLC	**119.34**	**68.83**	**241.62**	**11.47**	-	**27.14**	-	-	**3.52**	**17.09**	-	-	-	-	**30.72**	-	**48.69**	**16.21**
	(100.65)	(15.05)	(209.24)	(5.90)	(-)	(33.61)	(2.11)	(-)	(0.46)	(-)	(-)	(0.07)	(-)	(-)	(22.59)	(-)	(52.49)	(3.38)
Epiroc Drilling Tools AB	**487.64**	**0.87**	**6.31**	**3.21**	-	**82.46**	**2.87**	**0.02**	**0.24**	**0.06**	-	-	-	-	**0.41**	-	**3.69**	**77.09**
	(487.35)	(2.98)	(11.12)	(3.03)	(-)	(74.47)	(0.07)	(1.28)	(0.37)	(0.12)	(-)	(-)	(-)	(-)	(-)	(-)	(2.45)	(131.01)
Epiroc Rock Drills AB	**1,740.85**	**413.41**	**389.09**	**69.78**	-	**118.73**	-	**5.19**	**9.02**	**167.43**	**133.71**	**0.27**	-	**25.96**	**51.50**	-	**188.39**	**300.17**
	(1,663.65)	(418.47)	(343.29)	(73.66)	(-)	(116.59)	(-)	(2.84)	(2.30)	(165.60)	(41.52)	(16.33)	(-)	(7.33)	(23.15)	(-)	(109.47)	(365.47)
Construction Tools GmbH	**367.44**	**0.03**	**0.72**	-	-	**17.04**	-	-	**0.01**	**0.71**	-	-	-	-	**0.06**	-	-	**103.63**
	(486.71)	(3.27)	(1.13)	(-)	(-)	(6.86)	(-)	(1.62)	(0.32)	(1.38)	(-)	(-)	(-)	(-)	(-)	(-)	(5.40)	(88.26)
Construction Tools PC AB	-	-	-	-	-	**1.17**	-	-	-	-	-	-	-	-	**0.12**	-	-	-
	(-)	(-)	(-)	(-)	(-)	(22.49)	(-)	(0.38)	(-)	(0.03)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Epiroc AB	-	-	-	-	-	-	-	-	-	**(0.39)**	-	-	**36.83**	-	**0.78**	-	**0.00**	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(3.28)	(-)	(-)	(17.54)	(-)	(0.33)	(-)	(-)	(3.12)
Epiroc Mexico SA De Cv	-	**255.29**	-	-	**2.14**	-	-	-	**9.89**	-	-	-	-	-	-	-	**39.98**	**2.24**
	(-)	(279.92)	(-)	(-)	(-)	(-)	(-)	(-)	(11.44)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(143.80)	(-)
Epiroc Nanjing Construction and Mining Equipment Co Ltd	**14.35**	**2.25**	**29.87**	**1.29**	-	-	-	-	**0.43**	**0.48**	-	-	-	-	**0.12**	-	**4.09**	-
	(103.59)	(6.65)	(26.38)	(-)	(-)	(-)	(-)	(-)	(0.65)	(1.19)	(28.40)	(0.13)	(-)	(-)	(0.32)	(-)	(2.62)	(14.96)
Epiroc Rus LLC	**0.26**	**456.56**	-	-	-	-	-	-	**11.04**	-	-	-	-	-	-	-	**97.65**	-
	(-)	(189.30)	(-)	(-)	(-)	(-)	(-)	(-)	(5.33)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(115.46)	(-)
Epiroc Mining and Construction Technique FE LLP	-	**2.51**	-	-	**12.77**	-	-	-	**0.03**	-	-	-	-	-	-	-	**(4.29)**	-
	(-)	(-)	(-)	(-)	(5.16)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Epiroc Thailand Ltd	-	**4.30**	**0.68**	-	**2.69**	-	-	-	**0.23**	-	-	-	-	-	-	-	-	-
	(-)	(3.18)	(-)	(-)	(23.16)	(-)	(-)	(-)	(0.13)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.79)	(-)
Epiroc USA LLC	**2.57**	**324.10**	-	-	-	-	-	-	**17.90**	-	-	-	-	-	-	-	**15.24**	**0.63**
	(-)	(332.38)	(-)	(-)	(-)	(-)	(-)	(-)	(20.11)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(77.43)	(0.02)
Epiroc Stonetec Srl	**82.75**	-	**4.64**	**2.65**	-	-	-	-	-	**0.86**	-	-	-	**0.23**	**0.58**	-	-	**22.91**
	(64.88)	(-)	(0.22)	(26.33)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.07)	(-)	(-)	(-)	(-)	(0.21)	(-)
Epiroc Drilling Tools LLC	-	-	-	-	-	-	-	-	-	-	-	**0.32**	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Epiroc Treasury AB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**11.06**	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Epiroc Zambia Limited	-	-	-	-	-	-	-	-	-	-	-	**0.30**	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	**2,815.31**	**2,271.67**	**672.92**	**88.40**	**17.60**	**246.54**	**2.87**	**5.21**	**54.56**	**186.23**	**133.71**	**0.92**	**36.83**	**26.19**	**84.29**	**11.06**	**617.30**	**522.87**
	(2,906.89)	(1,932.69)	(591.38)	(109.00)	(28.32)	(254.02)	(2.18)	(6.12)	(42.47)	(172.01)	(69.92)	(16.59)	(17.54)	(7.33)	(46.40)	(-)	(634.04)	(606.24)

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, 2020	For the year ended 31st March, 2019
i) Not later than one year	30.37	82.46
II) Later than one year and not later than five years	36.46	150.66
Total	**66.83**	**233.12**

b) Lease payments recognised in the Statement of Profit and Loss for the year from 1st April 2019 to 31st March 2020 is Rs. 35.43 Million. (FY 2018-19 Rs. 107.41 Million)

c) The aforesaid leasing arrangements are in respect of Laptops/ Computers with lease period of four year and with lease period of not more than 3 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	99.44	16.50
ii) Accumulated Depreciation	13.01	10.38
iii) Depreciation for the period	2.48	2.64

Note 32 - Earnings per share

Net Profit After Tax (Rs. in Million)	1,980.16	1,644.59
Weighted Average Number of Equity Shares (In numbers) (Basic and Diluted)	22,561,564	22,561,564
Nominal Value of Equity Shares (in Rs)	10.00	10.00
Earnings per share		
Basic and Diluted	87.77	72.89

Note 33 - Contingent liability

Sales Tax matters*	216.03	106.84
Excise Duty / Service Tax*	14.45	14.45
Total	**230.48**	**121.29**

* 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 as follows :

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 (including other liabilities which may accrue or arise after the Appointed Date) 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.

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, 2020**	**For the year ended 31st March, 2019**
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Property, Plant and Equipment	28.74	39.35
Total	**28.74**	**39.35**

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, 2020**	**For the year ended 31st March, 2019**
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting period -		
- Principal amount outstanding	20.42	43.13
- Interest thereon	0.28	0.86
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	2.02	2.67
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	2.30	3.52
- Total Interest remaining unpaid out of the above as at the balance sheet date	2.30	3.52
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.		
- Outstanding interest at the end of previous year	4.01	0.49
- Outstanding interest at the end of current year	6.31	4.01

Note 36 - Effective tax rate reconciliation

(i) Profit or Loss section

Rs. in Million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Current tax expenses	657.28	880.71
Deferred tax	72.70	(6.04)
Total Income tax expense recognised in the statement of profit and loss	**729.98**	**874.67**

(ii) OCI Section

Net gain/ (loss) on remeasurement of defined benefit plans	(6.66)	(8.46)
Income tax charged to OCI	1.68	2.96

(b) Reconciliation of effective tax rate

(A) Profit before tax	2,679.14	2,510.85
(B) Enacted tax rate in India	25.168%	34.944%
(C) Expected tax expenses	674.29	877.39
(D) Other than temporary difference		
Share Based Payment	8.63	22.82
Dividend on Mutual Funds	(74.90)	(38.55)
Interest payable to Micro, Small and Medium Enterprises	2.30	3.52
Interest on TDS	0.36	-
Difference on account of allowance adjusted under section 43B	109.12	-
Corporate Social Responsibility Expenses	4.04	0.87
Difference on account of allowance adjusted under section 40a(ia)	(22.24)	-
Change in tax rate	191.88	(4.90)
Others	(4.54)	-
(E) Effect of income exempt and disallowed from tax	214.64	(16.23)
(F) Net Adjustment in Tax Expenses (B*E)	54.02	(5.67)
(G) Current tax expenses to be recognised in statement of profit and loss (F+C)	728.31	871.72
(H) Income tax adjustment on income tax charged to other comprehensive income on remeasurement of defined benefit plans	(1.68)	(2.96)
(I) Net Current tax expenses recognised in statement of profit & Loss	729.98	874.68

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									
2016	145,580	30-Jun-16	30-Apr-23	SEK 313.00	SEK 66.70	520.28	47.43	16.53	123.64
2017	59,506	26-May-17	30-Apr-24	SEK 390.00	SEK 64.20	500.78	75.75	15.90	118.92
2018	69,426	28-May-18	30-Apr-25				96.83	15.63	116.90
2019	16,080	01-Jun-19	30-Apr-26				117.98	6.48	48.47

* converted into INR using exchange rate 7.4794/SEK

Movements in Stock Option Units during the year	**SAR 2019-2020**
Balance at beginning of year (No of Units)	274,512
Granted during the year (No of Units)	16,080
Vested and exercised during the year (No of Units)	(145, 580)
Balance at end of year (No. of Units)	**145,012**

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	1-Jun-19	28-May-18	26-May-17	30-Jun-16
Exercise price in Atlas Copco AB	N/A	N/A	SEK 390	SEK 313
Exercise price in Epiroc AB	SEK 117.98	SEK 96.83	SEK 75.75	SEK 47.43
*Exercise price in equivalent INR	INR 882	INR 724	INR 567	INR 355
Expected volatility	30%	30.00%	30.00%	30.00%
Option life	4.64	4.64	4.64	4.40
Dividend yield	6.00%	6.00%	6.00%	6.00%
Risk-free interest rate	1.00%	1.00%	1.00%	1.00%
Fair value per share in Atlas Copco AB	N/A	N/A	SEK 57.00	SEK 76.40
Fair value per share in Epiroc AB	SEK 13.83	SEK 16.79	SEK 17.27	SEK 23.64
* Fair value per share in equivalent INR	INR 103	INR 126	INR 129	INR 177
* converted into INR using exchange rate on 31st March, 2020				

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	72.83	1.80	277.23
	(77.61)	(1.80)	(203.91)
Additional Provision made during the year	112.73	-	47.70
	(103.77)	(-)	(81.96)
Amounts Used/Paid during the year	95.14	-	98.91
	(108.55)	(-)	(-)
Unused amounts reversed during the year	21.67	0.69	3.79
	(-)	(-)	(6.84)
Carrying Amounts at the end of the year	68.75	1.11	222.23
	(72.83)	(1.80)	(279.03)

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, 2020

Particulars	As at 31st March 2020 Rs. in Million	As at 31st March 2019 Rs. in Million
Investments	2,790.54	2,019.50

Current Ratio

Particulars	As at 31st March 2020 Rs. in Million	As at 31st March 2019 Rs. in Million
Total Current Assets	9,163.97	8,958.67
Total Current Liabilities	1,938.67	2,354.58
Current ratio	**4.73**	**3.80**

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.2,864.42 (Rs. Million) as of 31 March 2020 (FY 2019-20 Rs 3,170.89 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. 27.93 Million of trade receivable (FY 2018-19 Rs 40.17 Million). Further, the Company has made a provision for expected credit loss/loss allowance of Rs. 16.70 Million (FY 2018-19 provision made of Rs. 13.15 Million)

Movement in the allowance for expected credit loss	**As at 31st March 2020 Rs. in Million**	**As at 31st March 2019 Rs. in Million**
Opening balance	124.28	128.15
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	16.70	13.15
Amounts recovered during the period	(34.73)	(17.02)
Balance at the end of the period	**106.25**	**124.28**

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

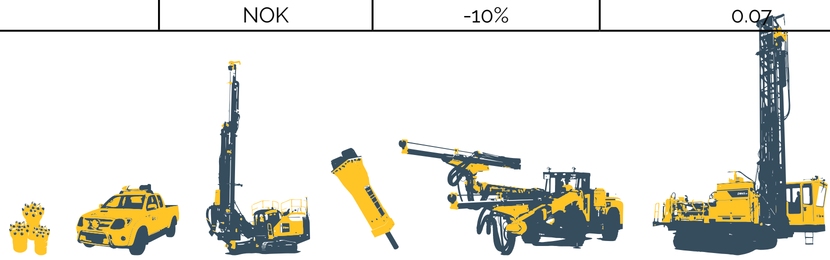
Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise

Particulars	Currency	Amount in Foreign Currency	Equivalent amount	Amount in Foreign Currency	Equivalent amount
		As at 31st March 2020 in Million	As at 31st March 2020 Rs. in Million	As at 31st March 2019 in Million	As at 31st March 2019 Rs. in Million
Trade Payables	EURO	3.01	249.66	2.44	189.47
	GBP	(-)	(0.06)	0.01	0.99
	SEK	42.18	315.50	65.57	488.92
	JPY	30.29	21.05	26.52	17.01
	USD	0.74	56.63	1.23	84.87
	CAD	0.01	0.62	0.04	2.15
	NOK	-	-	0.08	0.65
	AUD	-	0.04	-	0.09
	CHF	-	0.30	-	-
Trade Receivables	AUD	0.94	43.76	0.13	6.64
	CAD	0.01	0.59	-	0.11
	EURO	3.45	286.38	5.47	443.20
	GBP	0.06	5.22	-	-
	JPY	-	-	0.18	0.11
	SEK	9.06	67.74	9.48	72.89
	USD	16.82	270.22	5.21	370.95
	ZAR	16.44	68.83	11.90	60.75
	SGD	-	-	0.13	6.72
	CNY	0.74	7.87	-	-
	NOK	0.40	2.86	-	-
Bank balances	EURO	0.46	36.66	0.08	6.36
	USD	1.25	89.66	0.26	18.74
	SEK	41.43	308.04	0.99	7.59

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, 2020	EUR	+10%	7.34
	EUR	-10%	(7.34)
	USD	+10%	30.32
	USD	-10%	(30.32)
	SEK	+10%	6.03
	SEK	-10%	(6.03)
	AUD	+10%	4.37
	AUD	-10%	(4.37)
	CAD	+10%	0.00
	CAD	-10%	0.00
	GBP	+10%	0.53
	GBP	-10%	(0.53)
	JPY	+10%	(2.10)
	JPY	-10%	2.10
	ZAR	+10%	6.88
	ZAR	-10%	(6.88)
	NOK	+10%	0.29
	NOK	-10%	(0.29)
	CNY	+10%	0.79
	CNY	-10%	(0.79)
March 31, 2019	EURO	+10%	26.01
	EURO	-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



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 2020 Rs. in Million	Fair Value For the year ended 31st March 2020 Rs. in Million	Carrying Amount For the year ended 31st March 2019 Rs. in Million	Fair Value For the year ended 31st March 2019 Rs. in Million
FINANCIAL ASSETS				
Measured at Amortized Cost				
Non Current Financial Assets				
Security Deposits	110.02	110.02	93.61	93.61
(-) Provision for doubtful deposits	(21.50)	(21.50)	(14.79)	(14.79)
	88.52	88.52	78.82	78.82
Current Financial Assets				
Measured at Fair value through Statement of Profit and Loss				
Investments	2,790.54	2,790.54	2,019.50	2,019.50
Trade Receivables	2,970.68	2,970.68	3,295.17	3,295.17
(-) Expected credit loss /loss allowance	(106.26)	(106.26)	(124.28)	(124.28)
	2,864.42	2,864.42	3,170.89	3,170.89
Cash & Cash Equivalent				
Cash on hand	0.02	0.02	-	-
Balance with banks in -				
Current Accounts	118.24	118.24	197.50	197.50
EEFC Accounts	43.45	43.45	32.68	32.68
Measured at Amortized Cost				
Security Deposits	2.17	2.17	0.44	0.44
Loans and advances to employees	23.61	23.61	26.00	26.00
FINANCIAL LIABILITIES				
Measured at Amortized Cost				
Trade Payables	1,552.23	1,552.23	1,762.91	1,762.91
Other current liabilities				
Payables on purchase of property plant and equipment	2.09	2.09	3.20	3.20
Security Deposit Received	0.06	0.06	0.62	0.62

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, 2020

Rs. in Million

Particulars	Level 1	Level 2	Level 3
31st March 2020			
Investments	2,790.54	-	-

During the period ended 31st March, 2020, 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 :

The appearance of the Coronavirus (COVID-19) in January 2020 and its recent global expansion to a large number of countries caused the viral outbreak to be classified as a pandemic by the World Health Organization on 11 March 2020.

Since then, the measures that are being adopted to combat the virus are having a significant effect, not only on people but also on economic activity in general. In view of the course that events have taken, at the date of the preparation of these financial statements it is difficult to make a detailed evaluation or quantification of the possible impacts that COVID-19 may have on the Company, due to the uncertainty of its consequences in the short and medium term. We have assessed the impact on financial statements and account balances level which we believe is not material. Further, there is no change in the internal controls during the lockdown period.

The directors of the Company have conducted a preliminary assessment of the current situation based on the best available information at the date of preparation of the financial statements. In this regard, although the Company closed all its plants and warehouse following the restrictions imposed by the authorities, these restrictions were lifted considering the products qualifying as essential commodity and as per Ministry of Home Affairs guidelines to operate the plants, and, therefore, the Company is able to commence its operations gradually. Based on our financial position as of year end date, we can ensure on continuing to meet our financial obligations.

Additionally, the Company is analysing several measures to minimise its impacts through various cost control initiatives and the Company has sufficient liquidity, as well as the ability, if it were to become necessary, to obtain funding through the mechanisms established by the Group to which it belongs.

Although there is significant uncertainty surrounding future events, the Company's directors are constantly monitoring the evolution of the situation in order to successfully address any possible impacts, both financial and non-financial, that may arise.

Note 42 : Adoption of Ind AS 116 Leases

The Ministry of Corporate Affairs has notified Indian Accounting Standard 116 ('Ind AS 116'), Leases, with effect from 1 April 2019. The Standard primarily requires the Company, as a lessee, to recognize, at the commencement of the lease a right-to-use asset and a lease liability (representing present value of unpaid lease payments). Such right-to-use assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability being recognized as finance costs, subject to certain remeasurement adjustments.

The Company has adopted the modified retrospective transition method recognising the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application and recognised the Right of Use Asset (ROU) at carrying amount as if the standard had been applied since the commencement date but discounted using the incremental borrowing rate at the date of initial application. Accordingly, an impact of Rs. 14.04 Million is been adjusted under equity as at 1 April 2019 and no impact on the comparatives for the year ended 31 March 2019.

Impact on Financial Statements :

Balance Sheet :

Right-of-Use Asset (ROU) of Rs. 245.96 Million and a Lease Liability of Rs. 273.16 Million has been recognised as at 31 March 2020.

Profit and loss statement :

In the Statement of Profit & Loss, the nature of expense for operating leases has changed from lease rent in the previous year to depreciation cost for the ROU assets and finance cost for interest accrued on lease liabilities. The net effect of Ind AS 116 is a reduction of profit before tax by Rs. 13.16 Million

Cash flow statement:

In the cash flow statement instead of fixed operating lease expenses of Rs. 101.40 Million from operating activities, interest on lease liabilities of Rs. 30.77 Million and principal payment of lease liabilities of Rs. 70.63 Million has been included in the cash flow from financing activities. Consequently, Cash flow from operating activities and financing activities have shown offsetting increase and decrease while the actual outflow remains the same.

Lease liability:

The lease liability breakdown is the following:

Particulars	**Rs. in Million**
Less than one year	67.52
Between one and five years	186.79
More than five years	18.85
	273.16

Change in Liability arising form financing activities

(Rs. in Million)

Particulars	**As at 1st April 2019**	**Addition**	**Interest Expense**	**Repayment**	**As at 31 March 2020**
Lease Liability	338.42	5.37	30.77	(101.40)	273.16

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2020:

Particulars	**Rs. in Million** **Year ended 31 March 2020**
Balance as at 1 April 2019	324.38
Additions	5.37
Deletions	-
Depreciation	(83.79)
Balance as at 31 March 2020	**245.96**

Note 43 : The Board of Directors in their meeting held on 6th July, 2020 have recommended and paid dividend of Rs. 75/- per equity share of Rs. 10/- each fully paid-up resulting in total outflow of Rs. 1,692.12 Million.

Note 44 : Expenditure to be incurred for Corporate Social Responsibility as per Companies Act, 2013:

Rs. in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Gross Amount required to be spent by the company during the year	32.38	14.37
Amount spent during the year; (other than construction/acquisition of any asset)		
In cash	4.04	0.87
Yet to be paid in cash		
Amount unspent	28.34	13.50

Note 45 : The financial statements for the year ended 31st March 2020 are approved by the Board of Directors and authorised for issue on 27th July 2020.

Signature to Notes 1 to 45

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

Kunal Thakore
Chairman
(DIN 06462999)

Date : 27th July, 2020
Place : Mumbai

Vinayak Padwal
Director
(DIN 00198772)

Date : 27th July, 2020
Place : Mumbai

Jerry Andersson
Managing Director
(DIN 08015237)

Date : 27th July, 2020
Place : UAE

Shrikant Jog
Chief Financial Officer

Date: 27th July 2020
Place: Pune

Ashish Jain
Company Secretary & Manager Finance

Date: 27th July 2020
Place: Pune

Notes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