

REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS OF WIMCO LIMITED

1. Your Directors submit their Report for the financial year ended 31st March, 2019.

2. COMPANY PERFORMANCE

The Company's business activities comprise fabrication and assembly of machinery for tube filling, cartoning, wrapping, material handling including conveyor solutions, and engineering services for the FMCG and Pharmaceutical industries.

Your Company's order book for machines, during the year, remained muted due to sluggish demand for capital investments arising out of excess capacity in FMCG and Pharmaceutical industries, coupled with stiff competition. Your Company's Revenue from Operations for the year stood at ₹ 967.92 lakhs (previous year: ₹ 877.03 lakhs). The Net Profit for the year was ₹ 3.73 lakhs as against Loss of ₹ 303.13 lakhs during the previous year and the Total Comprehensive Income was ₹ 5.98 lakhs (previous year: loss of ₹ 301.30 lakhs).

Your Company continues to focus on developing superior solutions towards addressing customer requirements.

3. DIVIDEND

In view of the accumulated losses, your Directors are unable to recommend any dividend for the year under review.

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL

(a) Changes in Directors and Key Managerial Personnel during the year

During the year, there was no change in the composition of the Board of Directors ('the Board') and Key Managerial Personnel of your Company.

(b) Declaration of Independence by Independent Directors

The Independent Directors of your Company have confirmed that they meet the criteria of Independence as prescribed under Section 149 of the Companies Act, 2013 ('the Act') read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

(c) Attributes, qualifications and appointment of Directors

As reported in earlier years, the attributes and qualifications of the Independent Directors provided in Section 149 of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 were adopted by the Nomination and Remuneration Committee. The said attributes and qualifications, as applicable, were also adopted in respect of the other Directors.

All the Directors of the Company are appointed by the Board based on the recommendation of the Nomination and Remuneration Committee; this Committee reviews the fit and proper status of the Directors. Two of the Non-Executive Directors, including the Chairman, are executives of ITC Limited, the Holding Company. All the Directors, other than the Independent Directors and the Managing Director, are liable to retire by rotation and one-third of them retire every year and are eligible for re-election.

(d) Retirement by Rotation

In accordance with the provisions of Section 152 of the Act read with Article 131 of the Articles of Association of the Company, Mr. Rajiv Tandon (DIN: 00042227), Director, will retire by rotation at the ensuing Annual General Meeting ('AGM') of the Company, and being eligible, offers himself for re-election. Your Board has recommended his re-election.

(e) Remuneration Policy

The Remuneration Policy of the Company for the Directors, Key Managerial Personnel and other employees, as approved by the Board, is enclosed as Annexure 1 to this Report.

5. BOARD AND BOARD COMMITTEES

The three Board Committees of the Company and their present composition is as follows:

<u>Audit Committee</u>	<u>Nomination and Remuneration Committee</u>
Mr. P. Chatterjee (Chairman)	Mr. P. Chatterjee (Chairman)
Mr. S. Banerjee	Mr. S. Banerjee
Mr. R. Senguttuvan	Mr. D. Dutta
	Mr. R. Tandon

Securityholders Relationship Committee

Mr. R. Poddar (Chairman)
Mr. D. Dutta
Mr. R. Senguttuvan

Four meetings of the Board were held during the year ended 31st March, 2019.

6. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Act, your Directors confirm having:

- followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

7. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company does not have any subsidiary, associate or joint venture.

8. PARTICULARS OF EMPLOYEES

The relations between your Company and its employees continued to remain cordial during the year under review. The details of top ten employees of the Company in terms of remuneration drawn, as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in Annexure 2 to this Report.

The Company seeks to enhance equal opportunities for men and women and is committed to a gender-friendly workplace. Your Company has constituted an Internal Complaints Committee in compliance with the applicable provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaint for sexual harassment was received.

9. RISK MANAGEMENT

The Company's risk management framework, designed to bring robustness to the risk management processes, addresses risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company.

Management of risks vests with the executive management which is responsible for the day-to-day conduct of the affairs of the Company, within the overall framework approved by the Board. The Internal Auditor of the Company, appointed by the Board, periodically carries out risk focused audits with the objective of identifying areas where risk management processes could be strengthened. The Audit Committee annually reviews the effectiveness of the Company's risk management systems and policies.

10. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with respect to the financial statements, commensurate with its size and scale of operations. The Internal Auditor of the Company periodically evaluates the adequacy and effectiveness of internal financial controls. The Audit Committee which provides guidance on internal controls, also reviews internal audit findings and implementation of internal audit recommendations.

During the year, the internal financial controls in the Company with respect to the financial statements were tested and no material weakness in the design or operation of such controls was observed. Nonetheless, your Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

11. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year ended 31st March, 2019, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Act.

12. RELATED PARTY TRANSACTIONS

The details of material related party transactions of the Company in the prescribed Form No. AOC-2 are enclosed under Annexure 3 to this Report.

13. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

During the year under review, no significant or material orders were passed by the Regulators / Courts / Tribunals impacting the going concern status of the Company and its future operations.

14. EXTRACT OF ANNUAL RETURN

The extract of Annual Return in the prescribed Form No. MGT-9 is enclosed as Annexure 4 to this Report.

15. COST RECORDS

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

16. STATUTORY AUDITORS

The Company's Auditors, Messrs. Deloitte Haskins & Sells, Chartered Accountants ('DHS'), were appointed with your approval at the 91st AGM to hold such office for a period of five years till the conclusion of the 96th AGM. DHS will complete their present term on conclusion of the ensuing 96th AGM of the Company.

On the recommendation of the Audit Committee, your Board has recommended for the approval of the Members, re-appointment of DHS as the Auditors of the Company for a period of five years from the conclusion of the ensuing 96th AGM till the conclusion of the 101st AGM. The Board, on the recommendation of the Audit Committee, has also recommended for the approval of the Members, remuneration of DHS for the financial year 2019-20. Appropriate resolution seeking your approval to the re-

appointment and remuneration of DHS as the Auditors is appearing in the Notice convening the 96th AGM of the Company.

17. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 of the Act.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's operations do not involve substantial consumption of power in comparison to the costs of production. However, the Company takes due care to efficiently utilise and manage energy resources resulting in cost savings for the Company. The Company continuously works on productivity improvements during fabrication and assembly of machinery for various customers.

There was no new technology adopted by the Company during the year.

During the year under review, the Company earned foreign exchange of ₹ 38.06 lakhs, while the total outflow of foreign exchange was ₹ 0.97 lakhs.

19. ACKNOWLEDGEMENT

The Board acknowledges the support of the Government, shareholders, banks, customers, suppliers and business associates and the dedication and hard work of its employees.

On behalf of the Board

R. Tandon
Chairman

R. Senguttuvan
Managing Director

Date: 23rd April, 2019

Annexure 1 to the Report of the Board of Directors for the financial year ended 31st March, 2019

Remuneration Policy

The Company's Remuneration Strategy is designed to attract and retain talent that gives its business a unique competitive advantage and enables the Company to achieve its objectives.

The Company's Remuneration Strategy, whilst focusing on remuneration and related aspects of performance management, is aligned with and reinforces the employee value proposition of a superior quality of work life, that includes an enabling work environment, an empowering and engaging work culture and opportunities to learn and grow.

The Compensation approach endeavours to align each employee with the Company's goals.

POLICY

It is the Company's policy:

1. To ensure that its Remuneration practices support and encourage meritocracy.
2. To ensure that Remuneration is market-led and takes into account the competitive context of the Company's business.
3. To leverage Remuneration as an effective instrument to enhance performance and therefore to link the remuneration to both individual and collective performance outcomes.
4. To adopt a comprehensive approach to Remuneration in order to support a superior quality of personal and work life, in a manner so as to judiciously balance short term with long term priorities.
5. To design Remuneration practices such that they reinforce the Company's values and culture and to implement them in a manner that complies with all relevant regulatory requirements.

Remuneration of Managing / Wholtime Directors, Key Managerial Personnel and Senior Management

1. Remuneration of Key Managerial Personnel and Senior Management is determined and recommended by the Nomination and Remuneration Committee and approved by the Board. Remuneration of Managing Director / Wholtime Director / Manager is also subject to the approval of the shareholders.
2. Remuneration is reviewed and revised periodically, when such a revision is warranted by the market.
3. Apart from fixed elements of remuneration and benefits, Key Managerial Personnel and Senior Management are also eligible for Variable Pay / Performance Bonus which is linked to their individual performance and the overall performance of the Company.
4. Remuneration of KMP on deputation from the Holding Company / subsidiary / fellow subsidiary / associate companies, is aligned to the Remuneration Policy of that company.

Remuneration of Non-Executive Directors

Non-Executive Directors are entitled to sitting fees for attending meetings of the Board and Board Committees, the quantum of which is determined by the Board, within the limits prescribed under the Companies Act, 2013 and the Rules thereunder. Non-Executive Directors are also entitled to reimbursement of expenses for attending meetings of the Board and Board Committees and General Meetings.

Remuneration of Management Staff

1. Remuneration of Management Staff is approved by the Board on the recommendation of the Executive Management Committee.
2. Remuneration is reviewed and revised periodically, when such a revision is warranted by the market. The quantum of revision is linked to market trends, the competitive context of the Company's business, as well as the track record of the individual employee.
3. Variable Pay cognises for the performance rating of the individual employee and the overall performance of the Company.

Remuneration of Non-Management Staff

1. Remuneration of non-management staff is market-led, leverages performance and is approved by the Executive Management Committee.
2. Remuneration of non-management unionised employees is determined through a process of negotiations with the recognised union/s or employee representatives, through a long-term agreement.
3. Remuneration, comprising fixed and variable components, is arrived at based on benchmarking with region-cum-industry practices and cognizing for market dynamics, competitiveness of the unit, overall performance of the Company's business, availability of skills, inflation/cost of living and the impact of cost escalation and productivity gains on present and future competitiveness.

Annexure 2 to the Report of the Board of Directors for the financial year ended 31st March, 2019

[Information pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Names of employees	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of commencement of employment / deputation	Previous Employment / Position held
1	2	3	4	5	6	7	8	9
S. Mundra *	33	Chief Financial Officer	36,07,407/-	23,42,942/-	B.Com., A.C.A.	9	01.07.2017	Assistant Manager (Finance) - ITC Limited
S. V. Limaye	53	Vice President	28,53,700/-	19,68,735/-	B.E. (Prodn.), P.G.P.M.	26	04.01.2006	Deputy General Manager – Cosmo Films Limited
P. P. Dakhole	44	Manager – Design	10,64,123/-	9,35,525/-	B. E. (Mechanical)	12	15.07.2016	Manager Design – ASB International Pvt. Ltd.
M. K. Singh	39	Manager – Sales	9,60,436/-	8,00,838/-	M.B.A. - Marketing & Finance, B.E. (Electronics)	10.5	02.01.2017	National Sales Manager – Technocraft Industries (India) Ltd.
V. S. Jadhav	45	Manager – Accounts	6,44,810/-	5,73,371/-	B.Com	23	05.02.2006	Accounts Assistant – Fudkor India Pvt. Ltd.
A. H. Mendon	55	Manager – IT	5,12,476/-	4,18,865/-	B. Sc., P.G.D.B.A	31	18.09.1995	System Analyst – Lateral Management Computer Consultants
G. S. Patil	32	Manager - Service	5,05,090/-	4,67,864/-	B.E. (Instruments)	10	17.07.2017	Service Engineer - Sipa India Pvt. Ltd.
Y. V. Potdar	42	Manager - Purchase	4,78,660/-	4,41,312/-	Diploma in Mechanical Engineering	20	13.08.2018	Factory Head - Wraptech Pvt. Ltd.
J. K. Singh	33	Asst. Manager - Service	4,34,874/-	3,89,421/-	B. E. (Electronics & Telecommunication)	10	01.12.2013	Engineer - Suzlon Energy Limited
L. G. Patil	43	Asst. Manager - Service	4,12,310/-	3,72,190/-	Higher Secondary Certificate, Industrial Training Institute	22	24.09.2007	Maintenance Foremen – Global Healthcare

* On deputation from ITC limited, the Holding Company (ITC)

Notes:

- Gross remuneration includes salary, variable pay, allowances & other benefits / applicable perquisites except provisions for gratuity and leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- Net remuneration comprises cash income less income tax, education cess deducted at source and employee's own contribution to provident fund.
- Certain employees of the Company have been granted Stock Options by ITC in previous year(s) under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]. ITC has also granted Employee Stock Appreciation Linked Reward Units (ESAR Units) to the Chief Financial Officer of the Company under its Stock Appreciation Linked Reward Plan. Since these Stock Options and ESAR Units are not tradeable, no perquisite or benefit is conferred upon the employee by grant of such Options / Units, and accordingly the said grant has not been considered as remuneration.
- All appointments (except deputed employees) are / were contractual in accordance with terms and conditions as per Company's rules.
- The aforesaid employees are neither relative of any Director of the Company nor hold any equity share in the Company.

Dated : 23rd April, 2019

On behalf of the Board
R. Tandon Chairman
R. Senguttuvan Managing Director

**Annexure 3 to the Report of the Board of Directors for the
financial year ended 31st March, 2019**

FORM NO. AOC-2

*[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and
Rule 8(2) of the Companies (Accounts) Rules, 2014]*

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

a)	Name(s) of the related party and nature of relationship	NIL
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

2. Details of material contracts or arrangements or transactions at arm's length basis

a)	Name(s) of the related party and nature of relationship	ITC Limited, the Holding Company
b)	Nature of contracts / arrangements / transactions	Sale of machineries and related spares / services related to machine maintenance, installation, repairs, etc.
c)	Duration of the contracts / arrangements / transactions	Ongoing
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Value of transaction during the year - ₹ 376.49 lakhs
e)	Date(s) of approval by the Board, if any	-
f)	Amount paid as advances, if any	Nil

Dated : 23rd April, 2019

On behalf of the Board
R. Tandon Chairman
R. Senguttuvan Managing Director

Annexure 4 to the Report of the Board of Directors

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN	:	U24291MH1923PLC001082
ii)	Registration Date	:	7th September, 1923
iii)	Name of the Company	:	Wimco Limited
iv)	Category / Sub-Category of the Company	:	Unlisted Public Company limited by shares
v)	Address of the Registered office and contact details	:	Indian Mercantile Chambers R. Kamani Marg, Ballard Estate Mumbai – 400001 Phone: 022- 4366 3333 Fax: 022- 2269 2228, E-mail ID : wimcolimited@gmail.com
vi)	Whether listed company	:	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	The Company provides share registration and related services in-house.

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.	Fabrication and assembly of machinery for tube filling, cartoning, wrapping, material handling, conveyor solutions and engineering services.	28199	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held in the Company	Applicable Section
1.	ITC Limited Virginia House, 37 Jawaharlal Nehru Road Kolkata – 700 071	L16005WB1910PLC001985	Holding company	98.21%	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	N.A.
b) Central Govt.	–	–	–	–	–	–	–	–	N.A.
c) State Govt.(s)	–	–	–	–	–	–	–	–	N.A.
d) Bodies Corp.	18,50,81,193	–	18,50,81,193	98.21	18,50,81,193	–	18,50,81,193	98.21	Nil
e) Banks / FI	–	–	–	–	–	–	–	–	N.A.
f) Any Other	–	–	–	–	–	–	–	–	N.A.
Sub-total (A)(1)	18,50,81,193	–	18,50,81,193	98.21	18,50,81,193	–	18,50,81,193	98.21	Nil
(2) Foreign									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	N.A.
b) Other – Individuals	–	–	–	–	–	–	–	–	N.A.
c) Bodies Corp.	–	–	–	–	–	–	–	–	N.A.
d) Banks / FI	–	–	–	–	–	–	–	–	N.A.
e) Any Other	–	–	–	–	–	–	–	–	N.A.
Sub-total (A)(2)	–	–	–	–	–	–	–	–	N.A.
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	18,50,81,193	–	18,50,81,193	98.21	18,50,81,193	–	18,50,81,193	98.21	Nil

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	4,844	4,844	0.00	-	4844	4844	0.00	Nil
b) Banks / FI	4,627	10,090	14,717	0.01	4,627	10,750	15,377	0.01	Nil
c) Central Govt.	-	-	-	-	-	-	-	-	N.A.
d) State Govt.(s)	-	-	-	-	-	-	-	-	N.A.
e) Venture Capital Funds	-	-	-	-	-	-	-	-	N.A.
f) Insurance Companies	-	-	-	-	-	-	-	-	N.A.
g) FIs	-	1,550	1,550	0.00	-	1,550	1,550	0.00	Nil
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	N.A.
i) Others (specify)	-	-	-	-	-	-	-	-	N.A.
Sub-total (B)(1)	4,627	16,484	21,111	0.01	4,627	17,144	21,771	0.01	Nil
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	65,889	22,731	88,620	0.05	63,690	21,671	85,361	0.05	0.00
ii) Overseas	-	-	-	-	-	-	-	-	N.A.
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	15,88,673	16,43,347	32,32,020	1.71	15,97,089	16,34,188	32,31,277	1.71	0.00
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	N.A.
c) Others (specify)									
- Non Resident Indians	26,196	10,860	37,056	0.02	29,538	10,860	40,398	0.02	0.00
Sub-total (B)(2)	16,80,758	16,76,938	33,57,696	1.78	16,90,317	16,66,719	33,57,036	1.78	Nil
Total Public Shareholding (B)=(B)(1)+ (B)(2)	16,85,385	16,93,442	33,78,807	1.79	16,94,944	16,83,863	33,78,807	1.79	Nil
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	N.A.
Grand Total (A+B+C)	18,67,66,578	16,93,442	18,84,60,000	100	18,67,76,137	16,83,863	18,84,60,000	100.00	Nil

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	
1.	ITC Limited	18,50,81,153	98.21	Nil	18,50,81,193	98.21	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year				
	At the end of the year				
		No change during the year			

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

Sl. No.	For each of the Top ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Rajdev Singh				
	At the beginning of the year		30,100		0.02
	Date wise Increase / Decrease in Shareholding during the year		-		N.A.
	At the end of the year			30,100	0.02
2.	Sardar Gur Bachan Singh				
	At the beginning of the year		13,710		0.01
	Date wise Increase / Decrease in Shareholding during the year		-		N.A.
	At the end of the year			13,710	0.01

Sl. No.	For each of the Top ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
3.	Biren Dolatrai Nayak				
	At the beginning of the year	13,300	0.01		
	Date wise Increase / Decrease in Shareholding during the year	--	N.A.	--	N.A.
	At the end of the year			13,300	0.01
4.	Prakash T. Tulsiani				
	At the beginning of the year	12,000	0.01		
	Date wise Increase / Decrease in Shareholding during the year	--	N.A.	--	N.A.
	At the end of the year			12,000	0.01
5.	MSPL Limited				
	At the beginning of the year	12,000	0.01		
	Date wise Increase / Decrease in Shareholding during the year	--	N.A.	--	N.A.
	At the end of the year			12,000	0.01
6.	Mathura Nath Banerjee				
	At the beginning of the year	11,250	0.01		
	Date wise Increase / Decrease in Shareholding during the year	--	N.A.	--	N.A.
	At the end of the year			11,250	0.01
7.	Sardar Paramjit Singh				
	At the beginning of the year	10,230	0.01		
	Date wise Increase / Decrease in Shareholding during the year	--	N.A.	--	N.A.
	At the end of the year			10,230	0.01
8.	Cawas Mistry				
	At the beginning of the year	10,000	0.01		
	Date wise Increase / Decrease in Shareholding during the year	--	N.A.	--	N.A.
	At the end of the year			10,000	0.01
9.	S. Rajdev Singh				
	At the beginning of the year	10,000	0.01		
	Date wise Increase / Decrease in Shareholding during the year	--	N.A.	--	N.A.
	At the end of the year			10,000	0.01
10.	Rishra Investments Limited				
	At the beginning of the year	10,000	0.01		
	Date wise Increase / Decrease in Shareholding during the year	--	N.A.	--	N.A.
	At the end of the year			10,000	0.01

(v) Shareholding of Directors and Key Managerial Personnel: None of the Directors and Key Managerial Personnel hold any share in the Company.

V. INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding deposits *	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	233.50	--	--	233.50
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	233.50	--	--	233.50
Change in Indebtedness during the financial year				
- Addition	--	--	--	--
- Reduction	(47.97)	--	--	(47.97)
Net Change	(47.97)	--	--	(47.97)
Indebtedness at the end of the financial year				
(i) Principal Amount	185.53	--	--	185.53
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	185.53	--	--	185.53

* Refer 'Note 10 – Borrowings' to the Financial Statements forming part of the Report and Accounts.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Wholtime Directors and/or Manager:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	R. Senguttuvan (Managing Director) (refer Note 1)
1.	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify	-
5.	Others, please specify	-
Total Amount (A)		-
Ceiling as per the Companies Act, 2013		₹ 60,00,000 per annum (refer Note 2)

Note 1: ITC Limited (ITC) has deputed the services of Mr. R. Senguttuvan to the Company without levy of any charge. Accordingly, Mr. Senguttuvan's remuneration for the financial year ended 31st March, 2019 has been borne by ITC.

Note 2: Ceiling as per Part II of Schedule V to the Companies Act, 2013 has been disclosed, considering that the profits of the Company for the financial year ended 31st March, 2019 are inadequate.

B. Remuneration to other Directors:

(₹ in Lakhs)

Sl. No.	Name of the Directors	Particulars of Remuneration			Total Amount
		Fee for attending Board and Board Committee meetings	Commission	Independent Directors' Meeting Fee	
1.	Independent Directors				
	S. Banerjee	1.40	Nil	0.10	1.50
	P. Chatterjee	1.10		0.10	1.20
	Total Amount (B)(1)	2.50		0.20	2.70
2.	Other Non-Executive Directors				
	C. R. Dua	0.20	Nil	Nil	0.20
	D. Dutta	1.00			1.00
	R. Poddar	Nil			Nil
	R. Tandon	Nil			Nil
	Total Amount (B)(2)	1.20	Nil	Nil	1.20
Total Amount (B) = (B)(1) + (B)(2)					3.90
Total Managerial Remuneration (A + B)					3.90
Overall ceiling as per the Companies Act, 2013					₹ 60 Lakhs per annum (refer Note)

Note: Ceiling as per Part II of Schedule V to the Companies Act, 2013 has been disclosed, considering that the profits of the Company for the financial year ended 31st March, 2019 are inadequate.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	S. K. Sipani (Company Secretary) (refer Note 1)	S. Mundra (Chief Financial Officer) (refer Note 2)
1.	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	34.34
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	6.35
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify	-	-
5.	Others, please specify	-	-
Total Amount		-	40.69

Note 1: ITC Limited (ITC) has deputed the services of Mr. S. K. Sipani to the Company without levy of any charge. Accordingly, Mr. Sipani's remuneration for the financial year ended 31st March, 2019 has been borne by ITC.

Note 2: Mr. S. Mundra is on deputation from ITC and has been granted Employee Stock Appreciation Linked Reward Units (ESAR Units) by ITC under its Stock Appreciation Linked Reward Plan. Since these ESAR Units are not tradeable, no perquisite or benefit is conferred upon the employee by grant of such Units, and accordingly the said grant has not been considered as remuneration.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES against the Company, Directors and other Officers in Default under the Companies Act, 2013 : None

Date: 23rd April, 2019

R. Tandon
ChairmanOn behalf of the Board
R. Senguttuvan
Managing Director

INDEPENDENT AUDITOR'S REPORT**To the Members of WIMCO Limited****Report on the Audit of the Financial Statements****Opinion**

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

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 31 March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, no remuneration was paid by the Company to its directors during the year 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, 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
Chartered Accountants
(Firm's Registration No.302009E)
Ananthi Amarnath

Place: Kolkata
Date : April 23, 2019

Partner
(Membership No. 209252)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' 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 **WIMCO Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 302009E)
Ananthi Amarnath
Partner
(Membership No. 209252)

Place: Kolkata
Date : April 23, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and equipment.
- (b) The Property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed during physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (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 during the year. There are no unclaimed deposits outstanding at any time during the year.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no 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 not paid / provided managerial remuneration prescribed under section 197 read with Schedule V to the Companies Act, 2013 and hence reporting under clause (xi) of the order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (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 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements 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 (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 them and hence provisions of section 192 of the Companies Act, 2013 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
Chartered Accountants
(Firm's Registration No. 302009E)
Ananthi Amarnath
Partner
(Membership No. 209252)

Place: Kolkata
Date : April 23, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

	Note	As at 31st March, 2019 (₹ in Lakhs)		As at 31st March, 2018 (₹ in Lakhs)	
ASSETS					
Non-current assets					
(a) Property, Plant and Equipment	1A	72.88		68.95	
(b) Intangible assets	1B	11.77		15.39	
(c) Deferred Tax Assets (net)	2	–		–	
(d) Other non-current assets	3	25.34		13.40	
Total Non-current assets		109.99		97.74	
Current assets					
(a) Inventories	4	235.01		273.01	
(b) Financial Assets					
(i) Trade receivables	5	102.78	139.59		
(ii) Cash and cash equivalents	6	2.61	1.65		
(iii) Other Bank Balance	7	4.49	4.05	145.29	
(c) Other current assets	3	234.53		280.24	
Total Current assets		579.42		698.54	
Total Assets		689.41		796.28	
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	8	1,884.60	1,884.60		
(b) Other Equity		(1,908.74)	(24.14)	(1,925.42)	(40.82)
Liabilities					
Non-current liabilities					
(a) Other financial liabilities	9	0.86		–	
(b) Provisions	10	9.88		12.30	
Total Non-current liabilities		10.74		12.30	
Current liabilities					
(a) Financial Liabilities					
(i) Borrowings	11	185.53	233.50		
(ii) Trade payables		–	–		
Total outstanding dues of Micro Enterprises and Small Enterprises		–	–		
Total outstanding other than dues of Micro Enterprises and Small Enterprises		404.63	419.73		
(iii) Other financial liabilities	9	19.56	609.72	21.03	674.26
(b) Other current liabilities	12	91.69		149.20	
(c) Provisions	10	1.40		1.34	
Total Current liabilities		702.81		824.80	
Total Equity and Liabilities		689.41		796.28	

The accompanying notes 1 to 25 are an integral part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

ANANTHI AMARNATH
Partner

RAJIV TANDON
Chairman

S K SIPANI
Company Secretary

For and on behalf of the Board

R SENGUTTUVAN
Managing Director

SHARAD MUNDRA
Chief Financial Officer

Place : Kolkata

Date : 23rd April, 2019

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

	Note	For the year ended March 31, 2019 (₹ in Lakhs)	For the year ended March 31, 2018 (₹ in Lakhs)
I Revenue From Operations	13	967.92	877.03
II Other Income	14	2.14	5.21
III Total Income (I+II)		970.06	882.24
IV EXPENSES			
Cost of materials consumed		400.63	584.26
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress		11.21	19.60
Excise duty		–	14.94
Employee benefits expense	15	241.25	267.17
Finance costs	16	22.36	20.62
Depreciation and amortization expense	1	9.74	8.58
Other expenses	17	269.05	270.20
Total expenses (IV)		954.24	1,185.37
V Profit/ (Loss) before tax (III- IV)		15.82	(303.13)
VI Tax expense	18	12.09	–
VII Profit/(loss) for the year (V-VI)		3.73	(303.13)
VIII Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss:			
– Remeasurements of defined benefit plans	23 (iv)	2.25	1.83
(ii) Income tax relating to items that will not be reclassified to profit or loss		–	–
IX Other Comprehensive Income		2.25	1.83
X Total Comprehensive Income for the year (VII+IX)		5.98	(301.30)
XI Earnings per equity share (Face Value ₹ 1.00 each)	19		
Basic (in ₹)		–	(0.16)
Diluted (in ₹)		–	(0.16)

The accompanying notes 1 to 25 are an integral part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

ANANTHI AMARNATH
Partner

RAJIV TANDON
Chairman

S K SIPANI
Company Secretary

For and on behalf of the Board

R SENGUTTUVAN
Managing Director

SHARAD MUNDRA
Chief Financial Officer

Place : Kolkata

Date : 23rd April, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	For the year ended March 31, 2019 (₹ in Lakhs)	For the year ended March 31, 2018 (₹ in Lakhs)
A. Cash flow from operating activities		
Profit / (Loss) before Tax	15.82	(303.13)
Adjustments for:		
Depreciation and amortisation Expense	9.74	8.58
Finance Cost	22.36	20.62
Interest Income	(0.44)	–
Doubtful and Bad debts	10.57	–
Remeasurement of Defined Benefit Plans	2.25	1.83
Share Based Payments	10.70	19.36
Operating Profit / (loss) before working capital changes	71.00	(252.74)
Adjustments for:		
Trade receivables	26.24	75.92
Other Current and Non Current Assets	21.68	(4.69)
Inventories	38.00	101.25
Trade Payables, Other Financial Liabilities & Provisions	(75.58)	(156.08)
Cash (used in) / generated from operations before taxation	81.34	(236.34)
Income tax paid (net of refunds)	–	24.53
Net cash (used in) / generated from operations	81.34	(211.81)
B. Cash flow from investing activities		
Purchase of Property Plant and Equipment	(10.05)	(20.91)
Interest Received	0.44	–
Investment in bank deposit (original maturity more than 3 months)	(0.44)	(4.05)
Net cash (used in) / generated from investing activities	(10.05)	(24.96)
C. Cash flow from financing activities		
Interest Paid	(22.36)	(20.62)
Net cash (used in) / generated from financing activities	(22.36)	(20.62)
D. Net increase / (decrease) in cash and cash equivalents (A+B+C)	48.93	(257.39)
E. Reconciliation		
Cash and cash equivalents at the beginning of the year	(231.85)	25.54
Cash and cash equivalents at the end of the year	(182.92)	(231.85)
Cash and cash equivalents		
Cash and cash equivalents as above	(182.92)	(231.85)
Cash Credit Facility (Note 11)	185.53	233.50
Cash and Cash Equivalent (Note 6)	2.61	1.65

Note : The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 - "Statement of Cash Flow"
The accompanying notes 1 to 25 are an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

ANANTHI AMARNATH
Partner

RAJIV TANDON
Chairman

S K SIPANI
Company Secretary

For and on behalf of the Board

R SENGUTTUVAN
Managing Director

SHARAD MUNDRA
Chief Financial Officer

Place : Kolkata

Date : 23rd April, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A. Equity Share Capital (₹ in Lakhs)

Balance at 1st April, 2017	1,884.60
Issue of equity shares	–
Balance at 31st March, 2018	1,884.60
Issue of equity shares	–
Balance at 31st March, 2019	1,884.60

B. Other Equity (₹ in Lakhs)

	Reserves and Surplus			Total
	Subsidy Reserve *	Capital Contribution for Share Based Payments	Retained Earnings	
Balance as at 1st April, 2017				
Profit for the year	14.93	43.11	(1,701.52)	(1,643.48)
Other Comprehensive Income (net of tax)	–	–	(303.13)	(303.13)
	–	–	1.83	1.83
Total Comprehensive Income	–	–	(301.30)	(301.30)
Recognition of share based payment	–	19.36	–	19.36
Balance as at 31st March, 2018	14.93	62.47	(2,002.82)	(1,925.42)
Profit for the year	–	–	3.73	3.73
Other Comprehensive Income (net of tax)	–	–	2.25	2.25
Total Comprehensive Income	–	–	5.98	5.98
Recognition of share based payment	–	10.70	–	10.70
Balance as at 31st March, 2019	14.93	73.17	(1,996.84)	(1,908.74)

* Represents receipt of subsidy from government

The accompanying notes 1 to 25 are an integral part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

ANANTHI AMARNATH

Partner

RAJIV TANDON

Chairman

S K SIPANI

Company Secretary

For and on behalf of the Board

R SENGUTTUVAN

Managing Director

SHARAD MUNDRA

Chief Financial Officer

Place : Kolkata

Date : 23rd April, 2019

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Gross Block					Depreciation and Amortisation					Net Book Value	
	As at 1st April, 2017	Additions	As at 31st March, 2018	Additions	As at 31st March, 2019	Upto 1st April, 2017	For the year	Upto 31st March, 2018	For the year	Upto 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
1A. Property, plant and equipment - owned												
Land Freehold	47.92	-	47.92	-	47.92	-	-	-	-	-	47.92	47.92
Buildings	3.74	-	3.74	6.89	10.63	1.41	0.37	1.78	0.09	1.87	8.76	1.96
Plant and Equipment	6.19	-	6.19	-	6.19	1.12	0.56	1.68	0.53	2.21	3.98	4.51
Computers	17.78	2.82	20.60	-	20.60	6.80	3.14	9.94	3.98	13.92	6.68	10.66
Office Equipment	2.49	-	2.49	3.16	5.65	1.15	0.50	1.65	0.52	2.17	3.48	0.84
Furniture and Fixtures	3.38	-	3.38	-	3.38	1.89	0.45	2.34	0.17	2.51	0.87	1.04
Vehicles	4.51	-	4.51	-	4.51	1.66	0.83	2.49	0.83	3.32	1.19	2.02
Total	86.01	2.82	88.83	10.05	98.88	14.03	5.85	19.88	6.12	26.00	72.88	68.95
1B. Intangible Assets												
Computer Software	0.03	18.09	18.12	-	18.12	-	2.73	2.73	3.62	6.35	11.77	15.39
Total	0.03	18.09	18.12	-	18.12	-	2.73	2.73	3.62	6.35	11.77	15.39
Grand Total	86.04	20.91	106.95	10.05	117.00	14.03	8.58	22.61	9.74	32.35	84.65	84.34

	As at 31st March, 2019 (₹ in Lakhs)	As at 31st March, 2018 (₹ in Lakhs)
2. Deferred tax Assets (Net)		
Deferred tax liabilities		
On difference between book balance and tax balance of Property, Plant & Equipment	1.18	1.28
Sub-Total	1.18	1.28
Deferred tax assets		
Unabsorbed depreciation carried forward	35.27	33.53
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	3.88	4.58
Provision for doubtful debts, advances and diminution in value of investments	2.75	-
Brought forward business losses	156.32	167.17
Sub-Total	198.22	205.28
Total	-	-

Deferred tax asset has been recognized only to the extent of the deferred tax liabilities as this amount is considered to be reasonably certain of realization.

The Company has tax losses of ₹ 601.24 Lakhs (2018 - ₹ 642.97 lakhs) for which no deferred tax assets have been recognised. These losses will expire between financial year 2019-20 to 2026-27.

	As at 31st March, 2019 (₹ in Lakhs)		As at 31st March, 2018 (₹ in Lakhs)	
	Current	Non-Current	Current	Non-Current
3. Other Assets				
Advances other than capital advances				
(i) Advance Tax (net of provisions)	-	25.34	-	13.40
(ii) Other Advances (including advances with statutory authorities, prepaid expenses, suppliers, employees etc.)				
Unsecured - considered good	234.53	-	280.24	-
TOTAL	234.53	25.34	280.24	13.40

	As at 31st March, 2019 (₹ in Lakhs)	As at 31st March, 2018 (₹ in Lakhs)
4. Inventories		
(At lower of cost and net realisable value)		
Raw materials (including packing materials)	141.79	168.58
Work-in-progress	93.22	104.43
Finished goods (manufactured)	-	-
TOTAL	235.01	273.01

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2019 (₹ in Lakhs)	As at 31st March, 2018 (₹ in Lakhs)
5. Trade Receivables (Current)		
Trade Receivables considered good - Secured	–	–
Trade Receivables considered good - Unsecured	102.78	139.59
Trade Receivables - Credit impaired	10.57	–
Less: Allowance for doubtful receivables	10.57	–
TOTAL	102.78	139.59

6. Cash and cash equivalents		
Balances with Banks		
Current Accounts	2.45	1.60
Cash on hand	0.16	0.05
TOTAL	2.61	1.65

	As at 31st March, 2019 (₹ in Lakhs)	As at 31st March, 2018 (₹ in Lakhs)
7. Other Bank Balances		
In deposit Accounts*	4.49	4.05
TOTAL	4.49	4.05

* Represents deposits with original maturity of more than 3 month having remaining maturity of less than 12 months from the Balance Sheet date

	As at 31st March, 2019 (No. of Shares)	As at 31st March, 2019 (₹ in Lakhs)	As at 31st March, 2018 (No. of Shares)	As at 31st March, 2018 (₹ in Lakhs)
8. Share capital				
Authorised				
35,00,00,000 (2018: 35,00,00,000) Equity shares of ₹ 1 (2018: ₹ 1) each [see note (D)below]	350,000,000	3,500.00	350,000,000	3,500.00
1,13,00,000 (2018: 1,13,00,000) Redeemable preference shares of ₹ 100 each	11,300,000	11,300.00	11,300,000	11,300.00
Total	<u>361,300,000</u>	<u>14,800.00</u>	<u>361,300,000</u>	<u>14,800.00</u>
Issued, Subscribed & Paid up				
18,84,60,000 (2018: 18,84,60,000) Equity shares of ₹ 1 (2018: ₹ 1) each [see note (D)below]	188,460,000	1,884.60	188,460,000	1,884.60
A) Reconciliation of number of Ordinary Shares outstanding				
As at beginning of the year	188,460,000	1,884.60	188,460,000	1,884.60
Add: Issue of Shares	–	–	–	–
As at end of the year	<u>188,460,000</u>	<u>1,884.60</u>	<u>188,460,000</u>	<u>1,884.60</u>
B) Shares held by Holding Company				
Equity Shares	As at 31st March, 2019 (No. of Shares)	As at 31st March, 2019 %	As at 31st March, 2018 (No. of Shares)	As at 31st March, 2018 %
18,50,81,193 (2018: 18,50,81,193) Equity shares of ₹ 1 each, fully paid up are held by ITC Limited (Holding Company)	<u>185,081,193</u>	<u>98.21</u>	<u>185,081,193</u>	<u>98.21</u>
C) Name of shareholders holding more than 5% of the shares of the Company				
Equity Shares	As at 31st March, 2019 (No. of Shares)	As at 31st March, 2019 %	As at 31st March, 2018 (No. of Shares)	As at 31st March, 2018 %
ITC Limited (Holding Company)	<u>185,081,193</u>	<u>98.21</u>	<u>185,081,193</u>	<u>98.21</u>

D) Rights, preferences and restrictions attached to the Shares

(a) The Ordinary Shares of the Company, having par value of ₹ 1/- per share, rank pari passu in all respects including entitlement to dividend. Repayment of capital in the event of winding up of the Company will inter alia be subject to the provisions of the Articles of Association of the Company and as may be determined by the Company in General Meeting prior to such winding up.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2019 (₹ in Lakhs)		As at 31st March, 2018 (₹) in Lakhs)	
	Current	Non-Current	Current	Non-Current
9. Other Financial liabilities				
Employee Benefits Payable	17.03	–	18.90	–
Payable to the Holding Company (Refer Note 21)	2.53	0.86	2.13	–
TOTAL	19.56	0.86	21.03	–
	As at 31st March, 2019 (₹ in Lakhs)		As at 31st March, 2018 (₹) in Lakhs)	
	Current	Non-Current	Current	Non-Current
10. Provisions				
Provision for employee benefits Retirement benefits (Refer Note 23(iv))	1.40	9.88	1.34	12.30
TOTAL	1.40	9.88	1.34	12.30
	As at 31st March, 2019 (₹ in Lakhs)		As at 31st March, 2018 (₹ in Lakhs)	
	Current	Non-Current	Current	Non-Current
11. Current Borrowings				
Secured				
Loan from Bank				
Cash credit facility*		185.53		233.50
TOTAL		185.53		233.50
* Secured by hypothecation of all stock in trade present and future of the Company including raw materials, finished goods, stock-in-process and present and future book debts, outstanding receivables.				
12. Other Current Liabilities				
Statutory Liabilities		28.86		2.59
Advances received from customers		57.74		146.61
Others		5.09		–
TOTAL		91.69		149.20
	For the year ended 31st March, 2019 (₹ in Lakhs)		For the year ended 31st March, 2018 (₹ in Lakhs)	
13. Revenue from operations				
Sale of Products (including excise duty for the year ended 31st March 2019 : Nil, for the year ended 31st March, 2018 ₹14.94 lakhs)		664.53		860.99
Sale of Services		303.02		15.68
Gross Revenue from sale of products and services		967.55		876.67
Other Operating Revenues		0.37		0.36
TOTAL		967.92		877.03
14. Other income				
Other non-operating income		0.44		3.95
Net Foreign Exchange Gain / (Loss)		1.70		1.26
TOTAL		2.14		5.21
15. Employee benefits expense				
Salaries and wages		200.38		216.91
Contribution to Provident and other funds		12.74		14.84
Share based payment (Refer Note 21)		11.56		19.36
Staff welfare expenses		16.57		16.06
TOTAL		241.25		267.17
16. Finance costs				
Interest expenses		22.36		20.62
TOTAL		22.36		20.62

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	For the year ended 31st March, 2019 (₹ in Lakhs)	For the year ended 31st March, 2018 (₹ in Lakhs)
17. Other Expenses		
Consumption of stores and spare parts	0.08	0.36
Sub-Contracting Expenses	46.34	70.68
Power and fuel	11.75	14.15
Repairs and Maintenance		
– Buildings	8.06	2.51
– Machinery	–	0.53
– Others	2.13	13.89
Rates and taxes	2.50	2.06
Insurance	1.88	1.96
Maintenance and upkeep	17.56	16.57
Travelling and conveyance	54.31	69.51
Printing and stationery	6.65	6.83
Freight and forwarding	10.00	19.36
Advertising and sales promotion charges	20.96	8.53
Bank charges	0.22	0.67
Information technology services	1.13	1.44
Training and development	–	0.12
Professional fees	37.31	17.91
Postage and telephone charges	5.58	6.46
Directors' sitting fees (Refer Note 21)	3.90	3.70
Doubtful and Bad debts	10.57	–
Miscellaneous expenses	28.12	12.96
TOTAL	269.05	270.20
Miscellaneous expenses include :		
1) Auditors' remuneration and expenses		
Audit fees	1.50	1.50
Tax audit fees	1.00	1.00
18. Tax Expenses		
Current Tax		
Adjustments related to previous years	12.09	–
TOTAL	12.09	–
19. Earnings per share		
Profit/ (Loss) after tax, attributable to equity shareholders (A)	3.73	(303.13)
Weighted average number of Equity Shares (B)	188,460,000	188,460,000
Earnings per share - Basic & Diluted (in ₹) (A / B)	–	(0.16)
Nominal value of an equity share (in ₹)	1.00	1.00
20 Segment Reporting		
A. Information about primary business segments :		
The company's operations comprise of only one segment i.e. Fabrication/Assembly of Machines and is consistent with the internal reporting provided to the Executive Committee, which is the Chief Operating Decision Maker. Hence, separate segmental information is not required to be given as per the requirements of Indian Accounting Standard 108.		
B. Information about secondary business segments		(₹ in Lakhs)
	2019	2018
1. Segment Revenue		
– Within India	929.99	698.29
– Outside India	37.56	178.38
Total	967.55	876.67
2. Non Current Assets		
– Within India	109.99	97.74
– Outside India	–	–
TOTAL	109.99	97.74

Note : Revenue of ₹ 376.49 lakhs (2018 : ₹ 95.25 lakhs) arose from a single external customer which is more than 10% of the Company's total revenue during the reported period.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

21. Related Party Disclosures

1. PARTIES EXERCISING CONTROL OVER THE COMPANY

i) Holding Company:

a) ITC Limited

2. RELATED PARTIES WITH WHOM THE COMPANY HAD TRANSACTIONS

a) ITC Limited

b) Surya Nepal Pvt. Limited (SNPL) – Fellow Subsidiary

ii) Key Management Personnel:

R. Tandon Non-Executive Director

D. Dutta Non-Executive Director

C.R. Dua Non-Executive Director

S. Banerjee Independent Director

P. Chatterjee Independent Director

R. Poddar Non-Executive Director

R. Senguttuvan * Managing Director

S.K. Sipani * Company Secretary

S. Mundra Chief Financial Officer

* No remuneration is paid by the Company to the Managing Director and Company Secretary in accordance with the terms of their appointment.

DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT 31.03.2019

(₹ in Lakhs)

	RELATED PARTY TRANSACTIONS SUMMARY	Holding Company		Fellow Subsidiary		Key Management Personnel		Total	
		ITC Limited		SNPL					
		2019	2018	2019	2018	2019	2018	2019	2018
1.	Sale of Goods/ Services	444.26	0.10	–	3.36	–	–	444.26	3.46
2.	Purchase of Goods/ Services	0.15	–	–	–	–	–	0.15	–
3	Expenses Recovered	231.36	200.03	–	–	–	–	231.36	200.03
4.	Share Based Payments								
	Equity Settled Share Based Payments - Capital Contribution	10.70	19.36	–	–	–	–	10.70	19.36
	Cash Settled Share Based Payments - Other Payables	0.86	–	–	–	–	–	0.86	–
5.	Remuneration of Key Management Personnel on Deputation reimbursed *								
	Other Remuneration	36.07	27.78	–	–	–	–	36.07	27.78
6.	Director's Sitting Fees	–	–	–	–	3.90	3.70	3.90	3.70
7	Outstanding payables	3.39	2.13	–	–	–	–	3.39	2.13
8	Advance Outstanding	2.89	–	–	–	–	–	2.89	–

* Post employment benefits are actuarially determined on overall basis and hence not separately provided. Further, for share based payments, Refer Note 15.

22. Financial Instruments and Related Disclosures

1. Capital Management

For the purpose of capital management, capital includes issued equity share capital and other equity reserves attributable to the equity shareholders of the company. The primary objective of the company's capital management strategy is to provide adequate capital for sustaining operational activities, meeting its growth plans and maximizing shareholder value. The Company funds its operations through efficient working capital management, internal accruals and capital contribution from holding company (as and when sought).

No changes were made in the objectives and processes for capital management during the years ended 31st March 2019 and 31st March 2018

2. Categories of Financial Instruments

Particulars		Note	As at 31st March, 2019		As at 31st March, 2018	
			Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial assets						
a)	Measured at amortised cost					
i)	Cash and Cash Equivalents	6	2.61	2.61	1.65	1.65
ii)	Other Bank Balances	7	4.49	4.49	4.05	4.05
iii)	Trade Receivables	5	102.78	102.78	139.59	139.59
	Total financial assets		109.88	109.88	145.29	145.29
B. Financial liabilities						
b)	Measured at amortised cost					
i)	Cash credit Facility	11	185.53	185.53	233.50	233.50
ii)	Trade Payables		404.63	404.63	419.73	419.73
iii)	Other financial liabilities	9	20.42	20.27	21.03	21.03
	Total financial liabilities		610.58	610.43	674.26	674.26

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

3. Financial risk management objectives

The Company's exposure to financial risks such as foreign currency risk, liquidity risk and credit risk is limited. The Company has designed its Risk Management System in line with the nature and scale of its operations to address risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company.

a) Foreign currency risk

The Company undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognised assets & liabilities. Such transactions are primarily undertaken in US Dollar. Considering the insignificant value, foreign currency risks is assessed to be immaterial. As the transactions undertaken by the company are in smaller denominations taking forward cover for each transaction is not economically feasible.

The carrying amount of foreign currency denominated financial asset is as follows:

₹ Lakhs

Financial Asset	As at 31st March 2019	As at 31st March 2018
USD	5.35	29.55

As there are no large exposures, sensitivity analysis has not been provided.

b) Liquidity risk

The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. The company maintains adequate committed credit lines with the banks.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

₹ Lakhs

Particulars	As at 31st March, 2019						
	Contractual Cashflows*						
	Carrying value	Less than 3 months	More than 3 months upto 6 months	More than 6 months upto 1 year	More than 1 year upto 3 years	Beyond 3 year	Total
Trade Payables	404.63	283.03	62.85	58.75	–	–	404.63
Other Financial Liabilities	20.42	19.56	–	–	0.39	0.47	20.42
	425.05	302.59	62.85	58.75	0.39	0.47	425.05

Particulars	As at 31st March, 2018						
	Contractual Cashflows*						
	Carrying value	Less than 3 months	More than 3 months upto 6 months	More than 6 months upto 1 year	More than 1 year upto 3 years	Beyond 3 year	Total
Trade Payables	419.73	289.49	54.19	76.05	–	–	419.73
Other Financial Liabilities	21.03	21.03	–	–	–	–	21.03
	440.76	310.52	54.19	76.05	–	–	440.76

* The table has been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The Cash credit facility is not included in the above as the same is revolving in nature.

c) Credit risk

Credit risk is the risk that counterparty will not meet its obligations.

Trade receivables are initially recognized at fair value plus any directly attributable transaction costs. The net carrying value of trade receivables is not significantly different from their carrying values due to the short - term duration of trade receivables.

Generally, terms of trade are 75% to 90% advance and balance 10% to 25% is paid by customers post installation of machine. Wherever required credit terms for customers are determined based on the terms of the trade, market scenario, general economic scenario and industry practice, which can be for a specific credit requirement. Concentrations of credit risk with respect to trade receivables are limited to period end sales against post-dated cheques, where extended. Credit limits extension are monitored by the Executive Committee and necessary steps are taken for monitoring, as required.

Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low and so trade receivables are considered to be a single class of financial assets.

All Customer balances which are overdue for more than 180 days are evaluated for provision and considered for impairment on an individual basis. The Company has used practical expedient in computing allowance for doubtful receivables based on the ageing of the customer's balances, specific credit circumstances and Company's historical bad receivable experience and forward looking information. Write offs are made with the approval of the Board of Directors.

The movement of expected loss provision (allowance for bad and doubtful receivable) made by the company are as under

₹ Lakhs

Particulars	Expected Loss Provision	
	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	–	–
Add: Provision made	10.57	–
Less: Utilisation for impairment/de recognition	–	–
Closing Balance	10.57	–

4. Fair value measurement

Fair value hierarchy

The fair value of trade receivables and payables and other financial liabilities is considered to be equal to the carrying amounts of these items due to their short - term nature. Non-Current liabilities are not material.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

23. Additional Notes to the Financial Statements

- (i) Micro, Small and Medium scale business entities:

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and as at March 31, 2019 and March 31, 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

- (ii) The eligible employee(s) of the Company, including employee(s) deputed from ITC Limited, the Holding Company (ITC), have been granted stock options by ITC under the ITC Employee Stock Option Schemes (ITC ESOS) and the ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESAR Plan) in accordance with the terms and conditions of such schemes, details of which are as under:

ITC ESOS: Each Option entitles the holder thereof to apply for and be allotted ten ordinary shares of Rs. 1.00 each of ITC upon payment of the exercise price during the exercise period. These options vest over a period of three years from the date of grant and are exercisable within a period of five years from the date of vesting.

ITC ESAR: Under the ITC ESAR Plan, eligible employees would receive cash linked to appreciation in the value of the shares of ITC in accordance with the terms and conditions of this Plan. The stock appreciation units (SARs) vest over a period of five years from the date of grant and entitles each ESAR grantee to the appreciation for the total number of ESAR Units vested.

The cost of stock options granted under ITC ESOS / SARs granted under ITC ESAR have been recognized as equity settled / cash settled share based payments respectively in accordance with Ind AS 102 – Share Based Payment. In terms of said deputation arrangement, the Company has accounted for the cost of the fair value of options / stock appreciation units granted to the deputed employees on-charge by ITC. The fair value of the options / SARs granted is determined, using the Black Scholes Option Pricing model, by ITC for all the grantees covered under ITC ESOS / ITC ESAR as a whole

The summary of movement of such options granted by ITC and status of the outstanding options is as under:

Particulars	As at 31st March, 2019	As at 31st March, 2018
	No. of Options	No. of Options
Outstanding at the beginning of the year	13,200	16,746
Add: Corporate Action: Bonus Issue by ITC	–	–
Add: Granted during the year	–	2,475
Less: Lapsed during the year	–	–
Add / (Less): Movement due to transfer of employees within group	–	(2,475)
Less: Exercised during the year	–	3,546
Outstanding at the end of the year	13,200	13,200
Options exercisable at the end of the year	10,476	7,342

Note :

The weighted average exercise price of the options granted to all Optionees under the ITC ESOS is computed by ITC as a whole.

In accordance with Ind AS 102, an amount of ₹ 10.70 lakhs (2018 : ₹19.36 lakhs) towards ITC ESOS and ₹ 0.86 lakhs (2018 : Nil) towards ITC ESAR has been recognized as employee benefits expense (Refer Note 15). Such charge has been recognised as employee benefits expense and has been considered as capital contribution by ITC Limited, net of reimbursements, if any. Liability recognised for payments towards ITC ESAR is presented under note 9 of the financial statements. Out of the above, ₹ 0.86 Lakhs (2018- ₹ Nil) is attributable to the Chief Financial Officer of the Company.

- (iii) Cost of inventory recognized as expense during the year amount to ₹ 426.85 Lakhs (2018 - ₹ 620.24 Lakhs).

- (iv) Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuations as on March 31, 2019 and recognized in the financial statements in respect of Employee Benefit Schemes:

Description of Plans :

In respect of Gratuity, the Company makes contributions to defined benefit scheme for qualifying employees, in a group-cum-life assurance cash accumulation policy offered by LIC. The liabilities arising in the defined benefit scheme are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method. Additional funding requirements are based on actuarial measurement.

The employees of the Company are also entitled to compensated leave for which the Company records the liability based on actuarial valuation computed under projected unit credit method. These benefits are unfunded.

Risk Management :

The defined benefit plans expose the Company to actuarial deficit arising out of investment risk, interest rate risk, salary cost inflation risk. These plans are not exposed to any unusual, entity specific or scheme specific risks but there are general risks. The Scheme's accounting liabilities are calculated using a discount rate set with reference to the Government security yields. A decrease in yields will increase the fund liabilities, leading to accounting deficit in the funds. However, this may be partially offset by an increase in capital value of the Scheme assets that have similar characteristics. Increase in salary due to adverse inflationary pressures might lead to higher liabilities. To manage the risk, gratuity scheme has been funded by a policy offered by Life Insurance Corporation of India.

We understand that LICs overall portfolio of assets is well diversified and as such the long term return on the policy is expected to be higher than the rate of return on Central Government Bonds

(₹ Lakhs)

		For the year ended 31st March, 2019		For the year ended 31st March, 2018	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I	–	Recognised in Profit or Loss			
1	Current Service Cost	2.69	0.85	3.18	2.31
2	Past Service Cost	–	–	–	–
3	Net Interest Cost	(2.09)	0.95	(2.42)	0.99
4	Total expense recognised in the Statement of Profit and Loss	0.60	1.80	0.76	3.31
–	Re-measurements recognised in Other Comprehensive Income				
5	(Return) on plan assets (excluding amounts included in Net interest cost)	0.50	–	(0.25)	–
6	Effect of changes in demographic assumptions	–	–	–	–
7	Effect of changes in financial assumptions	–	–	(2.40)	(0.62)
8	Changes in asset ceiling (excluding interest income)	–	–	–	–
9	Effect of experience adjustments	(1.65)	(2.25)	0.82	(1.20)
10	Total re-measurements included in OCI	(1.15)	(2.25)	(1.83)	(1.83)
11	Total defined benefit cost recognised in Profit and Loss and Other Comprehensive Income (4+10)	(0.55)	(0.45)	(1.07)	1.48

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

II		For the year ended 31st March, 2019		For the year ended 31st March, 2018	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Present Value of Defined Benefit Obligation	51.13	11.28	52.50	13.64
2	Fair Value of Plan Assets	79.60	–	80.41	–
3	Status [Surplus/(Deficit)] *	28.47	(11.28)	27.91	(13.64)
4	Net Asset/(Liability) recognised in Balance Sheet	As at 31st March, 2019		As at 31st March, 2018	
		Current	Non Current	Current	Non Current
	- Gratuity				
	- Leave Encashment	1.40	9.88	1.34	12.30
	* The excess of plan assets over present value of defined benefit obligation has not been recognized since the Company does not have an unconditional right of refund over the excess plan assets.				

III	Change in Defined Benefit Obligations (DBO)	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Present Value of DBO at the beginning of the year	52.50	13.64	60.57	17.31
2	Current Service Cost	2.69	0.85	3.18	2.31
3	Interest Cost	3.71	0.95	3.64	0.99
4	Remeasurement gains / (losses):				
	Effect of changes in demographic assumptions	–	–	–	–
	Effect of changes in financial assumptions	–	–	(2.40)	(0.62)
	Changes in asset ceiling (excluding interest income)	–	–	–	–
	Effect of experience adjustments	(1.65)	(2.25)	0.82	(1.20)
5	Curtailment Cost / (Credit)	–	–	–	–
6	Settlement Cost / (Credit)	–	–	–	–
7	Liabilities assumed in business combination	–	–	–	–
8	Exchange difference on foreign plans	–	–	–	–
9	Benefits Paid	(6.11)	(1.91)	(13.32)	(5.14)
10	Present Value of DBO at the end of the year	51.13	11.28	52.50	13.64

IV	Best Estimate of Employer's Expected Contribution for the next year	As at 31st March, 2019	As at 31st March, 2018
	- Gratuity	Nil	Nil
	- Leave Encashment	NA	NA

V	Change in Fair Value of Assets	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Plan Assets at the beginning of the year	80.41	–	87.43	–
2	Asset acquired in Business Combination	–	–	–	–
3	Expected Return on Plan Assets	5.80	–	6.05	–
4	Remeasurement Gains/(Losses) on plan assets	(0.50)	–	0.25	–
5	Actual Company Contributions	–	–	–	–
6	Benefits Paid	(6.11)	–	(13.32)	–
	Others	–	–	–	–
7	Plan Assets at the end of the year	79.60	–	80.41	–

VI	Actuarial Assumptions	As at 31st March, 2019		As at 31st March, 2018	
		Expected Return on Plan Assets (%)	Discount Rate (%)	Expected Return on Plan Assets (%)	Discount Rate (%)
1	Gratuity	6.80%	7.50%	6.50%	7.50%
2	Leave Encashment	NA	7.50%	NA	7.50%
	The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.				

VII	In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.
-----	---

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

VIII	Net Asset / (Liability) recognised in Balance Sheet (including experience adjustment impact)	As at 31st March, 2019		As at 31st March, 2018	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Present Value of Defined Benefit Obligation	51.13	11.28	52.50	13.64
2	Fair Value of Plan Assets	79.60	–	80.41	–
3	Status [Surplus/(Deficit)]	28.47	11.28	27.91	(13.64)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	(0.50)	–	0.25	–
5	Experience Adjustment of obligation [(Gain)/Loss]	(1.65)	(2.25)	0.82	(1.20)

IX	Sensitivity Analysis				
	The Sensitivity Analysis below has been determined based on reasonable possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above.				
					₹ Lakhs
			DBO as at 31 March 2019		DBO as at 31 March 2018
1	Discount Rate + 100 basis points		59.23		62.48
2	Discount Rate - 100 basis points		65.95		70.23
3	Salary Increase Rate + 1%		66.31		70.62
4	Salary Increase Rate – 1%		58.85		62.07

(v) Other Disclosures in respect of Gross Revenue from sale of products and services:

- In terms of the nature of goods and services offered by the Company, the duration between rendering performance obligation and receipt of consideration is, generally, short term in nature.
- Advances received from customers which are outstanding on the reporting date are expected to be recognised as revenue within a period of one year.

(vi) Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2019 on 30th March, 2019 notifying Ind AS 116, 'Leases' and amending Ind AS 12 'Income Taxes'. The same are applicable for financial statements pertaining to annual periods beginning on or after 1st April, 2019. The Company expects that the said changes will not have any impact on the company.

24. Use of Estimates and Judgements

The key estimates and assumptions used in the preparation of financial statements are set out below:

- The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the income statement and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

25. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2016 and the date of transition to Ind AS is 1st April, 2015.

b) Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies below. The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. The financial statements are presented in Rupees Lakhs.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

c) **Going Concern Assumption**

As at 31 March 2019, the net worth of the Company has been eroded due to accumulated losses / restructuring. The financial statements have been prepared on a going concern basis as the holding company is committed to provide financial support, as approved by the shareholders of the Company, as and when sought.

d) **Property, Plant & Equipment and Intangible Assets**

Property, plant & equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will be realized. The carrying amount of a replaced part is derecognized. All other repairs and maintenance are charged to the statement of Profit & Loss.

Software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and costs of implementation/system integration services. The costs are capitalised in the year in which the relevant software is implemented for use.

Depreciation or amortization of these assets commences when the assets are ready for their intended use. Depreciation or amortization is calculated in a manner that amortises the cost of the assets less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Land is not depreciated.

Residual values and useful lives are reviewed, and are treated as changes in accounting estimates, at each balance sheet date.

e) **Impairment of Assets**

Impairment loss is provided, if any, to the extent, the carrying amount of assets exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amount of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in previous years.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

f) **Inventories**

Inventories including work-in-progress are stated at lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

g) **Revenue from sale of products and services**

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers. Revenue from the sale of goods excludes Goods and Services Tax. Revenue from the sale of goods and services is recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of goods is when the control over the same is transferred to the customer, which is mainly upon delivery and in case of services, in the periods in which such services are rendered.

h) **Trade Receivables**

Trade receivables are initially measured at transaction value, which is the fair value and subsequently retained at cost less appropriate allowance for credit losses as all receivables of the Company are current in nature. Where significant, non – current receivables are accounted for at amortised cost using effective interest rate method less appropriate allowance for credit losses. Interest is accounted for on the basis of contractual terms, where applicable and is included in interest income. Impairment losses are recognized in the profit or loss where there is an objective evidence that the Company will not be able to collect all the due amounts.

i) **Employee Benefits**

The contributions in respect of defined benefit gratuity fund are made to Life Insurance Corporation (LIC) under its Group Gratuity Scheme. The accounting charge for benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the statement of profit and loss. Gain or Loss on account of re measurements are recognized immediately through Other Comprehensive Income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed under projected unit credit method. These benefits are unfunded. Service costs and net interest expense or income is reflected in the statement of profit and loss. Gain or Loss on account of re measurements are recognized immediately through Other Comprehensive Income in the period in which they occur.

j) **Employee Share Based Compensation**

The cost of stock options and stock appreciation units granted by ITC Limited, the Holding Company, to its eligible employees including employees deputed by holding company is recognized at fair value. These Schemes are in the nature of equity settled / cash settled share based compensation and are assessed, managed / administered by the Holding Company.

In case of stock options, the fair value of stock options at the grant date is amortised on a straight line basis over the vesting period and cost recognised as an employee benefit expenses in the Statement of Profit and Loss with corresponding credit in equity.

In case of stock appreciation units, the fair value of stock appreciation units at the grant date is initially recognised and remeasured at each reporting date, until settled, and cost recognized as an employee benefit expenses in the Statement of Profit and Loss with a corresponding increase in other Financial Liabilities.

k) **Foreign Currency Transactions**

The Company accounts for transactions in foreign currency at the exchange rate prevailing on the date of transactions. Gains/Losses arising on settlement of such transactions as also the translation of monetary items at period ends due to fluctuations in the exchange rates are recognized in the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

l) **Financial instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument. Financial assets are derecognized when the rights to receive benefits have expired or been transferred, and the Company has transferred substantially all risks and rewards of ownership of such financial asset. Financial liabilities are derecognized when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

m) **Earnings per Share (EPS)**

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity and equivalent dilutive equity shares outstanding during the period, except where the results would be anti-dilutive.

n) **Taxes on Income**

To provide current tax in the statement of profit and loss as the amount of tax payable in respect of taxable income for the period using tax rates enacted or substantively enacted during the period, together with any adjustment to tax payable in respect of previous years. Income tax, in so far as it relates to items disclosed under Other Comprehensive Income are disclosed separately under Other Comprehensive Income.

Deferred tax is provided using the balance sheet approach, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognizes, unrecognised deferred tax assets to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

For and on behalf of the Board

RAJIV TANDON
Chairman

R SENGUTTUVAN
Managing Director

S. K. SIPANI
Company Secretary

SHARAD MUNDRA
Chief Financial Officer

Place: Kolkata
Date: 23rd April, 2019