

RPL/CORP/BSE September 07, 2020

BSE Ltd.
Listing Compliance Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI – 400 001

Dear Sir/Mam,

Sub: Notice of AGM and Annual Report under Regulation 34 of SEBI (Listing

Obligation and Disclosure Requirements) Regulations, 2015

Ref.: Scrip no. 517500

In terms of the requirements of Regulation 34 of SEBI (Listing .Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit a copy of Notice of 45th Annual General Meeting to be held on Tuesday, the 29th September, 2020 at 11.30 A.M. through Video Conferencing/ Other Audio Visual Means and Annual Report for the financial year ended 31st March, 2020

This is for your kind information and records please.

Thanking You,

Yours faithfully,

For ROTO PUMPS LTD.

ASHWANI K. VERMA . COMPANY SECRETARY

Encl.: Notice 45th AGM and Annual Report 2019-20



since 1968 >>>

#### ROTO PUMPS LTD.

Regd. Office: Roto House, Noida Special Economic Zone Noida - 201 305(U.P.) Ph: +91 120 2567902-05 | Fax: +91 120 2567911

Website: www.rotopumps.com | email: investors@rotopumps.com

#### CIN: L28991UP1975PLC004152

#### NOTICE OF ANNUAL GENERAL MEETING

To

The Member(s)

#### **Roto Pumps Limited**

Notice is hereby given that the Forty Fifth Annual General Meeting of the Members of ROTO PUMPS LIMITED will be held on Tuesday, the 29th September, 2020 at 11.30 A.M. IST through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following business:

#### **ORDINARY BUSINESS**

- 1. To receive, consider and adopt the audited financial statements (including consolidated audited financial statements) of the Company for the financial year ended 31st March, 2020 together with the Reports of the Board of Directors and Auditors
- 2. To confirm the interim dividend of ₹ 0.30/- per equity share of face value of ₹ 2/- as final dividend for the financial year ended 31 March 2020.
- 3. To appoint a Director in place of Mr. Anurag Gupta (DIN: 00334160), who retires by rotation at this Annual General Meeting and being eligible, offered himself for re-appointment.

#### **SPECIAL BUSINESS**

#### 4. Appointment of Branch Auditors

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary **Resolution:** 

"Resolved that pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules made thereunder, the Board of Directors of the Company be and is hereby authorized to appoint the Branch Auditors of Warehouse & Marketing Branch Offices in Australia and United Kingdom and the Overseas Branches which may be opened / acquired hereafter, for the financial year ending 31st March, 2021 in consultation with the Company's Auditors, any person(s) qualified to act as Branch Auditor within the provisions of Section 143(8) of the Act and to fix their remuneration."

#### 5. Ratification of the remuneration of the Cost Auditor

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary **Resolution:** 

"Resolved that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, a remuneration of ₹ 80,000/- plus applicable Goods and Services Tax thereon payable to M/s Chandra Wadhwa & Co., Cost Accountants (Firm Registration No.00239), appointed by the Board of Directors of the Company as the Cost Auditor to conduct audit of cost accounts and records of the Company for the financial year ending 31st March, 2021 be and is hereby ratified."

"Resolved further that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the above said resolution."

#### 6. Security for the borrowings

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"Resolved that pursuant to Section 180(1)(a) of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws and provisions of Articles of Associations of the Company, consent of the Company be and is hereby accorded to the Board of the Directors of the Company (the Board) to pledge, mortgage, lien, hypothecate and / or charge, whether fixed or floating on all or any part of the movable or immovable properties of the Company and the whole of the undertaking of the Company and / or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions and any other lenders to secure the amount borrowed by the Company from time to time for the due payment of the principal and / or together with interest, charges, costs, expenses and all other monies payable by the Company in respect of such borrowings provided that the aggregates borrowings secured are within the limits a prescribed under section 180 (1) (c) of the Act;

"Resolved further that the pledge, mortgage, lien, hypothecation and/or charge created or to be created and all agreements, deeds, instruments or documents executed or to be executed and all acts necessary in terms of this resolution required to be done by the Company or the Board are hereby approved, confirmed and ratified."

"Resolved further that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the above said resolution."

**Registered Office:** 

Roto House, Noida Special Economic Zone. Noida-201305 CIN: L28991UP1975PLC004152

E-mail: corp@rotopumps.com Website: www.rotopumps.com

Dated: 13.08.2020

By Order of the Board

Ashwani K. Verma Company Secretary

#### **NOTES:**

- 1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 (collectively "MCA Circulars"), permitted companies to conduct Annual General Meeting (AGM) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), subject to compliance of various conditions mentioned therein. In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 45th AGM of the Company is being convened and conducted through VC/OAVM.
- 2. The Deemed venue for the Annual General Meeting shall be the Registered Office of the company at Roto House, Noida Special Economy Zone, and Noida 201305.
- 3. An Interim Dividend at the rate of ₹ 0.30/- per equity share of face value ₹ 2.00/- approved by the Board at its meeting held on 10th February 2020, which has been already paid to all the eligible members as on the record date for the purpose of said interim dividend. The directors recommend to treat the above said Interim dividend as the Final Dividend for the financial year ended 31st March, 2020 and not to pay any further dividend.
- 4. The Company has enabled the Members to participate at the 45th AGM through the VC/OAVM facility provided by National Securities Depository Ltd. The instructions for participation by Members are given in the subsequent paragraphs.
- 5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 6. As per the provisions under the MCA Circulars, Members attending the 45th AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- 7. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary user id and password is given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 45th AGM being held through VC/OAVM.
- 8. Members joining the meeting through VC/OAVM, who have not already casted their vote by means of remote e-voting, shall be

- able to exercise their right to vote through e-voting at the AGM. The Members who have casted their vote by remote e-voting prior to the AGM may also join the AGM through VC/OAVM but shall not be entitled to cast their vote again.
- 9. As per the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf. Since the 45th AGM is being held through VC/OAVM as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 45th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- 10. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to email to scrutinizer at dayalmaur@gmail. com or Company at corp@rotopumps.com, a certified copy of the Board resolution authorizing their representative to attend the AGM through VC/OAVM and vote on their behalf. Institutional investors are encouraged to attend and vote at the meeting through VC/OAVM.
- 11. In case of joint holders attending the meeting, only such joint holder whose name appears first in the order of names will be entitled to vote.
- 12. The Register of Members and Share Transfer books will remain closed from Wednesday, the 23rd September, 2020 to Tuesday, the 29th September, 2020 (both days inclusive).
- 13. In line with the MCA Circulars, the notice of the 45th AGM along with the Annual Report 2019-20 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. Members may please note that this Notice and Annual Report 2019-20 will also be available on the Company's website at https://www. rotopumps.com/investors/ annual-reports/, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com.
- 14. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, RCMC Share Registry Private Ltd., B-25/1, Okhla Industrial Area, Phase -2, Near Rana Motors, New Delhi - 110020.
- 15. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Businesses at Items no. 4 to 6 to be transacted at the Meeting is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to corp@rotopumps.com.
- 16. Members seeking any information relating to Accounts are requested to write to the Company at least 10 days before the date fixed for the Annual General Meeting so as to enable the Management to keep the information ready.

- 17. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RCMC Share Registry Private Ltd, RTA of the Company.
- 18. As the 45th AGM is being held through VC/OAVM, the route map is not annexed to this Notice.
- 19. Additional information as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of re-appointment of Mr. Anurag Gupta are as under:

Mr. Anurag Gupta (DIN: 00334160) is retiring by rotation at the ensuing Annual General Meeting and is eligible for reappointment. Mr. Anurag Gupta, aged about 46 years is a graduate in Commerce, CMA (Intermediate) and MBA from Cardiff University; U.K. He has been associated with the Company since January 1995 and has been instrumental in the restructuring of Company's operations which have brought about major improvements. He is looking after corporate affairs, business development and sales & marketing activities in United Kingdom and Europe. He has also been a member of U.P State Council of the Confederation of Indian Industry.

Mr. Anurag Gupta is the son of Mrs. Asha Gupta, Non-Executive Director of the Company.

Mr. Anurag Gupta is a director in Roto Overseas Pte Ltd and the Managing Director in Roto Pumpen GmbH, wholly owned subsidiaries of the Company. He held 10,85,335 equity shares in the Company.

#### **Instructions for Remote E-Voting**

- i) In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to the Members a facility to exercise their right to vote on resolutions proposed to be considered at AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system otherwise than voting at the AGM ("remote e-voting") is being provided through National Securities Depository Limited (NSDL).
- ii) The facility for voting through e-voting shall also be made available at the AGM and the members attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting through e-voting.
- iii) The members who have casted their vote by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again.
- iv) The remote e-voting period commences on Friday the 26th September, 2020 at 9:00 am and ends on Friday the 28th September, 2020 at 5.00 pm. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date being Saturday, the 21st September, 2019, may cast their vote by remote e-voting.

- The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is casted by the member, the member shall not be allowed to change it subsequently.
- v) The process and manner for remote e-voting are as under:

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

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

Step 2: Cast your vote electronically on NSDL e-Voting system. Details on Step 1 are mentioned below:

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

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

(4) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical Form	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID
WITH NODE.	For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12************************************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company
	For example if folio number is 0001*** and EVEN is 101456 then user ID is 1014560001***

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

- (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a remote e-voting.pdf file. Open the remote e-voting.pdf file. The password to open the remote e-voting.pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, the following proceeded may be followed for password
  - a. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card by email to investor.services@rcmcdelhi.com.
  - b. In case shares are held in demat mode, please provide DPID-Client Id (16 digit DPID + Client Id or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, selfattested scanned copy of Aadhar Card to investor.services@ rcmcdelhi.com.
- (6) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- (7) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- (8) Now, you will have to click on "Login" button.
- (9) After you click on the "Login" button, Home page of e-Voting will open.

#### Details on Step 2 are given below:

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

- (1) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- (2) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status
- (3) Select "EVEN" of Roto Pumps Limited.
- (4) Now you are ready for e-Voting as the Voting page opens.
- (5) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

- (6) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (7) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- (8) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### Instructions for members for attending the AGM through VC/ OAVM:

- 1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl. com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned hereinabove. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- 2. Members are encouraged to join the Meeting through Laptops for better experience.
- 3. Further Members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 4. Please note that Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate such kind of glitches.
- 5. Shareholders, who would like to express their views / ask questions during the meeting may register themselves as a speaker, may send their request mentioning their name, demat account number / folio number, email id, mobile number and questions at corp@rotopumps.com forty eight hours prior to the time scheduled for the AGM.
- 6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.

#### Instructions for e-voting by the Members at the AGM:

- 1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- 2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- 3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

#### **General Guidelines for Members:**

- 1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- 2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www. evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in or
  - a. Contact Mr. Amit Vishal, Senior Manager, NSDL at the designated email ID: AmitV@nsdl.co.in or at telephone number +91-22-24994360; or
  - b. Contact Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: pallavid@nsdl.co.in or at telephone number +91-22-24994545.
- 3. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- 4. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 22nd September, 2020.
- 5. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22nd September, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to RTA at investor.services@rcmcdelhi.
- 6. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 22nd September, 2020, shall only be entitled to avail the facility of remote e-voting as well as voting at the AGM through e-voting.
- 7. Mr. Barinder Singh Maur, Practicing Company Secretary (PCS No. 7041) Partner in M/s. Dayal & Maur, Company Secretaries, New Delhi has been appointed as the scrutinizer and Mr. Shailesh Dayal, Practicing Company Secretary (PCS No. 7142), Partner in M/s. Dayal & Maur, Company Secretaries, New Delhi has been appointed as the alternate Scrutinizer of the Company to scrutinize the e-voting and remote e-voting process in a fair and transparent manner.
- 8. The Scrutinizer shall, after the conclusion of e-voting at the AGM, unblock the votes cast through e-voting and remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later forty eight hours of the conclusion of the AGM a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- 9. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.rotopumps.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Limited, Mumbai.

#### **EXPLANATORY STATEMENT**

#### Pursuant to the provisions of Section 102(1) of the Companies Act, 2013

#### Item no. 4: Appointment of Branch Auditors

The Company has its Warehouse and Marketing Branch Offices in Australia and United Kingdom and may open / acquire new branches outside India in the future. It would be necessary to appoint Branch auditors to carry out audit of the accounts of such Warehouse and Marketing Branch Offices and Branches. The Members are requested to authorize the Board of Directors of the Company to appoint the Branch Auditors in consultation with the Company's Auditors and fix their remuneration for the financial year ending 31st March, 2021.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the resolution.

The Board recommends the Ordinary Resolution at Item no 4 for approval by the Members.

#### Item no. 5: Ratification of the remuneration of Cost Auditor

In terms of the provisions of Section 148 of the Companies Act, 2013 read with rule 4 of the Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint a Cost Auditor to conduct audit of its cost accounts and records for the financial year ending 31st March, 2021. The Board of Directors of the Company, on the recommendation of the Audit Committee, has appointed M/s Chandra Wadhwa & Co., Cost Accountants, as Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021 and also approved payment of remuneration to them.

In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as approved by the Board of Directors of the Company is required to be ratified by the Members of the Company. Accordingly, ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2021 by the Members of the Company is sought by way of Ordinary Resolution placed at item no. 5. The Board recommends the Ordinary Resolution for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the resolution.

#### Item no. 6: Security for the borrowings

In terms of the provisions of Section 180(1) (a) of the Companies Act, 2013 (Act), the Board of Directors of the Company may with the consent of the Members of the Company by a Special Resolution sell, lease or "otherwise dispose" of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings. "Otherwise dispose" of the whole or substantially the whole of the undertaking of the company may include creation of security by way of pledge, mortgage, lien, hypothecate and / or charge in favour of Banks or Financial Institutions.

The Company is availing working capital limits and loans from the Banks. Such working capital limits and loans are secured by way of charge on the assets of the Company. Although, these are in compliance of the provisions of after section 180 (1) (a) of the Act, the Bank requires a consent of Members of the Company for

creation / and or continuation of charge under section 180 (1) (a) of the Act. The necessary Special Resolution is placed at item 6 of the notice.

None of the Directors or Key Managerial Personnel (KMP) of the company or their relatives of directors and KMP is concerned or interested in the resolution.

The Board recommends the Special Resolution set out at Item no. 6 of the Notice for the approval of Members.

#### **Registered Office:**

Roto House, Noida Special Economic Zone, Noida-201305 CIN: L28991UP1975PLC004152

E-mail: corp@rotopumps.com Website: www.rotopumps.com

Dated: 13.08.2020

By Order of the Board

Ashwani K. Verma **Company Secretary** 





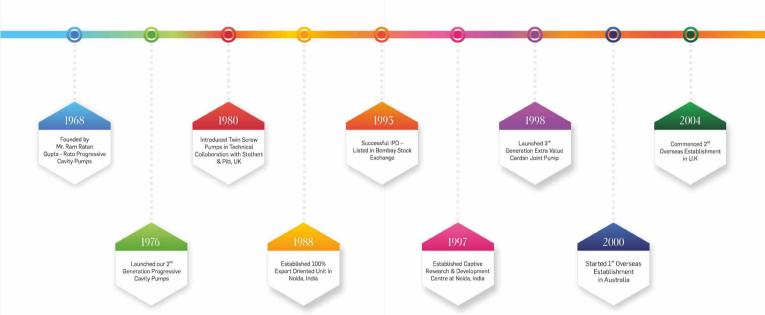
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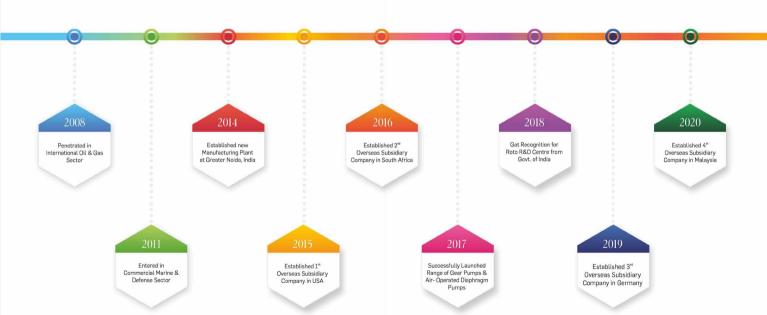
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#### **GROWTH STORY CONTINUES**



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#### **GROWTH STORY CONTINUES**



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# **Our Vision** To be a leading fluid engineering solution provider globally



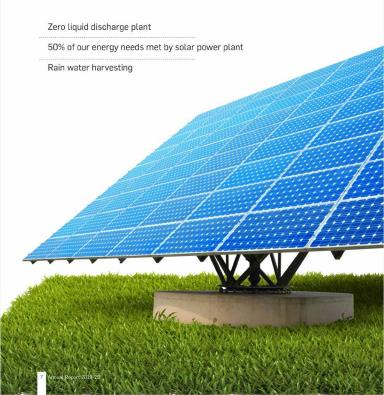
The pumping of the human heart is the unmistakable sign of the life and vitality.

Over the last half century, Roto's pumping solutions have become an integral part of the vital force behind industrial processes.

With our pumps at the heart of industries world over, we feel that via our pumps we are always with you. Our heart beats for you...



#### WE CARE FOR ENVIRONMENT





#### BEING SOCIALLY RESPONSIBLE

Govt. Junior School, Agahpur, Noida, UP. India

Continuous Upgradation of School Infrastructure to Ensure Quality Education for Underprivileged Children.

The Kalpatru Shiksha Kendra, Zewar, UP, India

Continuously supporting the educational and athletic development of 300+ children including uniforms, shoes, books and stationery.

Shri. R.R. Gupta Memorial Scholarship Award

Recognizing the Efforts of Meritorious Children of Roto Employees by providing Scholarships for higher education.





#### WINNING BECOMES A HABIT

#### Recognitions

- · Best Global Business Award
- · Best SME in Global Outreach
- · SME Business Excellence Award
- · Engineering Goods Sector Award
- Export Excellence Award
- · Star Performer Award







#### ISO 9001, 14001 & 18001 CE & ATEX certified products

- + Roto Pumps is certified for ISO 9001, ISO 14001, OHSAS 18001, CE & ATEX
  - + In-house R&D facility recognized by DSIR, Govt. of India
- + State-of-the-art SCADA based testing facility with flow capacity 1000 m3/hour
  - + Expertise in metal component-rotor and rubber component-stator















## EXCELLENCE **EXEMPLIFIED**, SOLUTIONS **DELIVERED**

At Roto Pumps, we stand committed to provide highest quality of reliable pumping solutions to our customers. We do so by being at the forefront of technological advancements. By devising and periodically reviewing operational practices that ensure optimum performance and also by establishing multiple check points at every stage of manufacturing to ensure that each pump delivered by Roto Pumps confers to highest standards of quality.

Evolution of Roto Pumps is centered on exceeding expectations and enhancing customer satisfaction and to do so we have nurtured our inherent inventiveness. What makes us different is not just the foresight to acquire sophisticated and cutting edge machine tools, technologies and software but also the wisdom to nurture teams of world class researchers, scientists, designers, developers and engineers. Cutting edge machines and tools, dedicated team of experts and willingness to innovate enables us to experiment and devise not just pumps but comprehensive pumping solutions that significantly enhance efficiency of our client's operations across sectors.

## ENSURING QUALITY, ENHANCING PRODUCTIVITY

At ROTO, we strive to create and constantly improve designs that meet the highest standards of quality. It's important to strengthen our manufacturing process in a way that it translates into the actual customer solution. We are committed to providing the highest standard of quality in our finished products. With its state of the art manufacturing Units based in Greater Noida, Roto Pumpis already India's favorite pump and we are growing to be amongst world's top ten pump manufacturers in Positive Displacement category

Our manufacturing plant is equipped with

- Advanced machines i.e. CNCs, HMCs, VMCs & SPMs
- · In-house stator manufacturing
- · In-house R&D center recognized by DSIR
- SCADA based real time pump testing facility
- In-House Standard Room for Calibration
- · In House CMM (Coordinate Measuring

Machine) for precise measurement

- PMI machine for Raw Material Testing & Rheo-meter for Fluid Viscosity Analysis
- In-house fabrication unit equipped with DNV Certified welders

Over the years, we've built strong manufacturing capabilities keeping in mind the ultimate goal of customer success. We work on customized solutions rather than just providing products and services. Various certifications for ROTO's manufacturing facilities have enabled us to be a part of some large scale, very critical projects of our clients. Today, we provide critical client-oriented solutions to a wide range of industries including oil & gas, paper & pulp, constructions, navy and many more. With global recognition, we now aspire to raise the bar with our manufacturing facilities.



#### EXCELLENCE IN R&D

Research & Development is the core strength of Roto and one of the key differentiator that enables Roto to maintain its leadership position in the market. Early into the business, we invested in the best technologies and state of the art R&D facilities. Today, the R&D facility has a highly knowledgeable, qualified and dedicated manpower, who are using sophisticated designing tools & software to provide new products, technologies and innovative solutions. We are proud to announce that our R&D facility has been recognized by the Department of Scientific & Industrial Research, Ministry of Science & Technology, Government of India.





**CAVITY PUMPS** Up to 500 m<sup>3</sup>/hr Capacity



**TWIN SCREW PUMPS** Up to 940 m³/hr Capacity



#### **GLOBAL PRESENCE**



13 Annual Report 2019-20 14

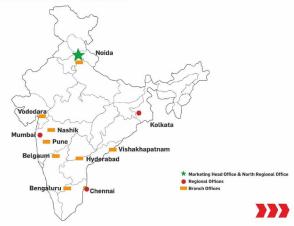


With the highest quality standards and one-of-akind production infrastructure, ROTO has built strong marketing network. Keeping in mind the delivery of customized solutions, we put in our manufacturing excellence and high quality to provide the best to our strong client base. With time and efforts, we've come a long way with a market in India and abroad. 85% of our products are installed in developed and developing countries like US, UK, Australia, Germany, South Africa, The Middle East, South East Asia and among others. Even in India, our client base includes some of the most respected companies across a wide range of sectors including

Reliance, Cadbury, Nerolac, Vedanta, NTPC, ONGC, EIL, Patanjali, Dabur, HPCL, BPCL, TOCL etc. to name a few. Our consistent drive to build our brand all these years has helped us to create a unique place in the market and our customers' minds. Ambitious expansion plans are also underway to strengthen network of strategic global partnerships and establishing subsidiaries across continents. Apart from presence across East Asia, Africa, Europe and South America, we will soon be expanding our presence across many other unexolored markets as well.

- · Over 63% exports · Overseas Branch Offices
- · Overseas Subsidiaries
- · Serving US, Europe, South East Asia, Middle East, Far East, Australia, Africa and India
- · Head Office, 04 Regional Offices, 07 Branch offices in India

#### INDIA NETWORK







#### ROTO PUMPS PRODUCTS **ENGINEERED TO EXCEL**

Roto Pumps products offer a vast range of highly engineered customised pumping solutions.

#### **Progressive Cavity Pump**



Roto Progressive cavity pumps are designed for continuous or intermittent transfer duties in innumerable applications for varying viscosities, abrasiveness & even fluids with high solid content. These pumps have single rotating Roto Progressive Cavity Pumps are available element which helps in delivering uniform, in Close Coupled & Bare-shaft Configuration, metered and non-pulsating flow of media.

- · Viscosity: up to 3,000,000cSt
- Capacity: up to 500 m<sup>3</sup>/hr (2,200 GPM)
- Pressure: up to 48bar or 700 PSI

#### Twin Screw Pump

Roto Twin Screw pumps are designed for handling wide variety of clear lubricating/nonlubricating as well as aggressive liquids. Roto TSP's unique double profile of the screw spindles contributes to a higher volumetric efficiency and provides uniform flow with Zero axiel thrust. These pumps are self-priming, capable of handling entrapped air/vapour/gas due to positive displacement action and have in-built relief valve designed to bypass up to 100% capacity.

ROTO Twin Screw pumps offer long and troublefree service life due to absence of metal to metal contact between the pumping elements and it can even run dry for limited period of time. Also, these pumps offer high cavitations free suction lift due to low NPSH requirement.



- Capacity up to 940 m3/hr or 6600 GPM
- Pressure up to 30bar or 435 PSI
- Viscosity up to 100,000cSt

These pumps widely confirm to API 676, 3rd edition and are ATEX and CE certified





#### OTHER PRODUCTS

#### **Retrofit Spare parts**







Roto Pump's ability to design, manufacture and deliver best suitable Retrofit Spare Parts for all the major PCP brands provides us a significant advantage. While our spare parts enables our customers to maximize the operational life of their existing pumps at a fraction of cost and assures minimum disruption in operations, for us it is an opportunity to develop relationships with prospective customers and also a significant revenue generation opportunity.

#### **Gear Pump**



Roto's external gear pump with its innovative design is compact, efficient and ensures longer service life. These pumps are have a simple four piece construction, specially designed to handle thinner to thicker & even corrosive liquids with little or no lubrication. These pumps can be used for versatile applications in various industries like Automobiles, Bio-diesel, Cement, Minerals, Chemicals, Fertilizers, Paper Mills, Pharmaceuticals, Plastics, and Polymers etc. Roto Gear pumps are available in various materials and can also be customized for high pressure applications.

- Capacity up to 120m3/hr or 530 GPM
- Pressure up to 11 bar or 160 PSI
- · Viscosity up to 100,000cSt

#### **AODD Pump**

Roto diaphragm pumps are used for handling light to medium viscosity fluids, including: aggressive chemicals or liquids with heavy soliton content. These pumps are built to resist corrosion and deliver a long, trouble-free product life.

- Capacity up to 120m³/hr or 530 GPM
- Pressure up to 10 bar or 145 PSI
- · Viscosity up to 10,000cSt





## MESSAGE TO THE SHAREHOLDER

Dear Shareholders.

The year 2019-20 was a significant year for our Company. The first 3 quarters were on track. where sales grew steadily. However there was a sudden drop in the production and sales in the last quarter due to Corona virus. We like most of industries, were witness to almost complete lockdown of the country. This was also the case in so many countries that we are operating. The effect was so pronounced that not only our operations were adversely effected but even finished goods could not be dispatched towards end of the 4th quarter. The impact of the 4th quarter downturn was so severe that the financial performance of your company's performance for the year was affected adversely.

The highlight of performance of your company in FY20 - The standalone total income was ₹125.8 Crore as compared to ₹129.8 Crore and the standalone profit after tax was ₹12.8 Crore lower from ₹15.3 Crore in FY19. The consolidated total income was ₹135.9 Crore against ₹136.8 Crore in FY19 and the consolidated Profit after tax has been ₹11.6 Crore against ₹16.2 Crore in FY19.

In pursuit of our strategy to increase our foot prints in all major markets, your company setup a stepdown wholly owned subsidiary company

in Malaysia to carry on sales and marketing of Company's products in Malaysia, Indonesia and Singapore. We also took effective steps to restart the German subsidiary in order to enhance our presence in the European Market. Now we have sales and marketing set up Australia, UK, Germany, US, Malaysia and South Africa. Your company during the year achieved higher operational efficiencies, which have resulted in improved on-time delivery performance and reduction in costs. The company also enhanced its product basket by adding 2 major products - External gear pumps and Air Operated Double Diaphragm pumps. These developments are in line with our Vision to become a significant Positive Displacement pump manufacturer globally.

We are committed towards achieving our longterm goals. However the pandemic has posed immense challenges. All round initiatives have been taken to ensure safety and health of people in work place to ensure that the operations of the company can be carried without any disruptions. We also resorted to work from home facility for select employees. The focus is on to reduce the costs significantly and improve operational efficiencies with an aim to improve the operating margins. The sales and marketing activities are also being realigned to focus on markets /industries which will continue to grow. Our global outreach and spread of our products across major industries gives us confidence of meeting our medium term goals despite prevailing economic environment.

Governments all around the world have announced stimulus package and have provided support to business, we have been able to seek such supports in Australia and UK, and this helped the business in O1 of the current financial year. Government of India had announced several economic packages in order to bring the economy back on track in India. . The economic package announced by the Government to help industries in MSME sector is a welcome step. Our Prime minister's "Atma Nirbhar Bharat Abhiyan" is going to benefit your company by way of increased opportunities in defense, marine and in other industries, who are large importers of equipment. Our thoughtful investment in R&D center and continuous upgradation of manufacturing and marketing infrastructure is helping us in increasing our business globally. Quality and performance of products of your company has been backbone of our growth in even developed markets. We will continue to invest in product and manufacturing technologies to grow globally and remain competitive.

Human Resource and Talent is a key to any company's growth. We are focused on creating environment based on the ethos of innovation; team spirit and employee centric policies. We have employees across geographies and are respectful to each and every community, culture and country. We are committed to create a unified Roto culture where every employee is able to contribute towards growth of the company.

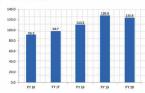
We are poised for an exciting journey ahead using innovative ideas and technologies, as more global companies emerge out of India. We thank all our stakeholders for their support and for being with us on our journey of high growth. At Roto Pumps the future is bright and full of promise, as we strive to garner global leadership in the high end pump industry in the next five years.

Best regards, Harish Chandra Gupta Chairman & Managing Director

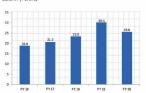


#### **BUSINESS REVIEW**

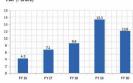
INCOME (₹ crore)



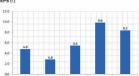
EBIDTA (₹ crore)



PAT (₹ crore)



EPS (₹)

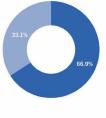


EPS: Face value ₹ 2/- per shares from FY 15, earlier ₹ 10/-

Geographic Sales Contribution FY 20(%)



Geographic Sales Contribution FY 19 (%)



#### CORPORATE INFORMATION

Mr. Harish Chandra Gupta	Chairman and Managing Director
Mr. Anurag Gupta	Jt. Managing Director
Mr. Arvind Veer Gupta	Dy. Managing Director
Mrs. Asha Gupta	Non-Executive Director
Dr. Ramesh Chandra Vaish	Independent Director
Mr. Anand Bordia	Independent Director
Mr. Basant Seth	Independent Director
Mr. Akhil Joshi	Independent Director

#### WORKS

31, Sector Ecotech XII, Greater Noida – 201318 (UP) India.

B-15, Phase II Extension, Noida – 201305 (UP), India

13, Roto House, NSEZ, Noida – 201305 (UP), India

#### **R&D CENTER**

B-14, Phase – II Extension, Noida, - 201305 (UP), India

#### REGD. OFFICE

13, Roto House,

Noida Special Economic Zone,

Noida 201305(UP), India Tel: +911202567902-05 Fax: +911202567911

Website: www.rotopumps.com Email: investors@rotopumps.com

#### **OVERSEAS SETUP**

Warehouse & Marketing Branches Melbourne, Australia | Manchester, UK, Wholly – Owned Subsidiary Company

Tulsa, USA | Laupheim, Germany, Germiston, South Africa | Selangor, Malaysia

#### COMPANY SECRETARY

Mr. Ashwani K. Verma

#### CHIEF FINANCIAL OFFICER

Mr. Pradeep Jain

#### BANK

Bank of India Citibank N.A. IndusInd Bank DBS Bank Ltd

#### STATUTORY AUDITORS

R N Marwah &Co. LLP

Chartered Accountants, New Delhi, India

#### REGISTRAR AND SHARE TRANSFER AGENT

RCMC Share Registry Pvt. Ltd. B- 25/1, Okhla Industrial Area, Phase II, Near Rana Moters, New Delhi -110020. India

Tel. +911126387320-21,23 Fax: +911126387322

Email: info@rcmsdeldi.com

CIN: L28991UP1975PLC004152



#### **BOARD'S REPORT**

To the Members of ROTO PUMPS LTD,

Your Directors have pleasure in presenting their Forty Fifth Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2020.

#### **Financial Performance**

Your Company's financial performance for the year under review along with the previous year's figure is given hereunder:

Amount ₹ In Lacs

Particulars	Financial year ended				
	31st March,	31st March,			
	2020	2019			
Revenue from	12166.64	12776.01			
Operations					
Other Income	412.11	205.47			
Total Income	12578.75	12981.48			
Profit / (loss) before	2555.44	3043.25			
finance costs,					
depreciation and					
taxation					
Less: Finance Costs	186.79	253.90			
Depreciation	682.53	743.91			
Profit before	1686.12	2045.44			
Taxation					
Less :Taxation	401.80	515.64			
Profit after tax	1284.32	1529.80			
Add: Other	-44.17	-32.86			
Comprehensive					
Income					
Total	1240.15	1496.94			
Comprehensive					
Income for the year					

#### Dividend

The Board of Director, at its meeting held on 10th February, 2020, had approved payment of an interim dividend at the rate ₹ 0.30 (i.e. 15%) per share of face value of ₹ 2.00 payable to shareholders holding shares as on 25th February, 2020. This involved cash outflow of ₹ 46,36,141.50 towards dividend and ₹ 9,52,960.00 towards dividend distribution tax totaling to ₹ 55,89,101.50. No amount from profit for the year has been transferred to the General Reserve.

Due to the difficult situation emerged on account of COVID19 pandemic, the Board of Directors has recommended to treat the above said interim dividend as the final dividend for the financial year ended 31st March, 2020 and not to pay any further dividend.

#### **Share Capital**

The Paid-up Equity Share Capital as on 31st March, 2020 was ₹ 309.08 Lacs. During the year under review, your Company has not issued any shares, bonus shares or bought back any shares. The Company has not issued shares with differential voting rights. It has

neither issued employee stock options nor any sweat equity shares and does not have any scheme to fund its Employees to purchase the shares of the Company.

#### Investor Education and Protection Fund

In terms of the provisions of Section 124(5) of the Companies Act, 2013 and Rule 3 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the un-claimed dividend relating to the financial year 2011-12 has been remitted to the Investor Education and Protection Fund (IEPF) established by the Central Government. This involved transfer of ₹ 1,58,725/- unclaimed dividend and 8,105 related shares on which dividend had been unclaimed for seven consecutive years.

The un-claimed dividend for further years would become due for transfer to IEPF per below details-

#### Amount ₹ In Lacs

S. No	Financial vear	Un-claimed dividend as	Due date for transfer to
	year	on	ILTI
		31.07.2020	
1.	2012-13	205,040.00	November 04, 2020
2.	2013-14	209,040.00	November 05, 2021
3.	2014-15	194,031.60	November 06, 2022
4.	2015-16	72,752.60	November 05, 2023
5.	2016-17	150,125.60	November 05, 2024
6.	2017-18	121,939.60	November 05, 2025
7.	2018-19	235,499.50	November 05,2026
8.	2019-20	79,535.70	March 18, 2027

Further, in terms of the provisions of Section 124(6) of the Companies Act, 2013, and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shares related to the dividend, which would be transferred to Investor Education and Protection Fund as stated above, on which dividend for next seven years remained unclaimed / unpaid, would also become due for transfer to the IEPF on the said date.

The Company Secretary is nominated as the Nodal Officer for issues relating to the Investor Education and Protection Fund. The Nodal Officer may be contacted at investors@rotopumps.com

Details of un-claimed dividend are available on the Company's website at www.rotopumps.com.

#### Year in retrospect

Your Company has achieved an Income from Operations of ₹ 12166.64 lacs against previous year's ₹ 12776.01 lacs. Domestic sales were ₹ 4438.18 lacs as compared to ₹ 4222.86 lacs, representing a growth of 5.10%. Export sales were ₹ 7728.46 lacs as compared to ₹ 8553.15 lacs, having a decline of 9.64% over last year. Export sales include ₹ 5012.67 lacs, sales from Marketing Outlets in United Kingdom and Australia. Revenue from exports constitutes 63.52% of the total revenue from operations. The lower



income from Operations has been mainly due to the difficult conditions emerged on account of COVID19 pandemic.

#### Outlook

Your Company had envisaged a CAGR of 20% over a medium term. This needs to be re-calibrated due to COVID19 pandemic. As the effect of COVID19 varies from Country to Country, your Company's presence in various Countries would minimise the effects of COVID19.

During the current year, your Company's focus is to maintain the operating efficiency and profit margins although there would be some decline in top line. Implementation of SAP software, cost cutting and efficient inventory management are some of the steps are being adopted in this direction.

#### **Consolidated Financial Statements**

The Consolidated Financial Statements of the Company and its subsidiaries have been prepared in accordance with Indian Accounting Standard 110 notified by the Ministry of Corporate Affairs, Government of India and form part of the Annual Report.

The annual accounts of the subsidiaries and related information are kept at the Registered Office of the Company, as also at the registered offices of the respective subsidiary companies and will be available to investors seeking information at any time.

#### **Performance of the Subsidiary Companies**

- a) Roto Pumpen GmbH a wholly owned subsidiary in Germany to carry on the sales and marketing of the Company's products in German region to service the customers more effectively. During the year under review, the subsidiary has initiated to resume its business activities and incurred administrative and other expresses of Euro 84,556.48. The subsidiary has formally resumed its business activities from 30th June, 2020.
- b) Roto Pumps Americas, Inc. a wholly owned subsidiary in USA which has an operating wholly owned subsidiary in the name and style of Roto Pumps North America, Inc. to carry on sales and marketing of Company's products in American region. During the year, the subsidiary has achieved a sales turnover of USD 20,06,822 and incurred a loss of USD 32,557.
- c) Roto Overseas Pte Ltd a wholly owned subsidiary in Singapore which has operating subsidiaries per below
  - i. Roto Pumps (Africa) Pty Ltd, South Africa, a company engaged in the business of sales and marketing of pumps and parts of pumps in the African Region. Roto Overseas Pte Ltd holds almost 100% shares in the subsidiary. During the year, the subsidiary achieved a sales turnover of Rand 1,61,96,540 and earned comprehensive income of Rand 2,35,484.
  - ii. Roto Pumps (Malaysia) Sdn. Bhd., Malaysia setup during the year to carry on sales and marketing of the Company's products in Malaysia, Indonesia and Singapore. Annual accounts of the subsidiary have not been consolidated as the subsidiary has opted the first financial year to end on 31st March, 2021. During the period ended 31st March, 2020, the subsidiary has incurred administrative expenses of RM 27,324.

Statement containing the salient features of financial statements of the subsidiary companies in the prescribed Form AOC-1 is annexed as per **Annexure-A**.

#### Particulars of Loans, Guarantees or Investments

During the year under review, your Company has acquired further shares in its wholly owned subsidiaries per below -

- a. 4,00,000 shares of SGD 1 each at par value in Roto Overseas Pte Ltd, Singapore;
- b. 1,25,000 shares of EURO 1 each at par value in Roto Pumpen GmbH, Germany.

Your company has not given any loan or provided any guarantees during the year under review.

#### **Public Deposits**

Your Company has neither accepted nor renewed any public deposit during the financial year under review.

#### **Related Party Transactions**

All Related Party Transactions that were entered into by the Company during the year under review were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations, 2015. There were no materially significant Related Party Transactions made by your Company during the year that would have required Shareholder approval under Regulation 23 of securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Prior omnibus approval of the Audit Committee has been obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions and other relevant details as are required in terms of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of the transactions with Related Parties are provided at Note no. 40 of the accompanying standalone financial statements.

#### **Risk Management**

Your Company has formulated a risk management policy to put in place a procedure to inform the Board about the risk assessment and minimization procedure. The Company has also formed a Risk Management Committee comprising of Directors and Executives of your Company to assess the risk and minimization procedures and report the same to the Board at the meetings.

#### Internal Control System and its adequacy

Your Company has an adequate internal control system commensurate with the size of the Company and nature of its business.

Further, in terms of provisions of Section 138 of the Companies Act, 2013 and the rules made thereunder, your Company has appointed M/s. Kapoor Tandon & Co., Chartered Accountants as its Internal



Auditor to conduct the internal audit of the functions and activities and review of internal controls system in the Company. Based on the report of internal audit function, the Board undertakes corrective action in their respective areas and thereby strengthens the controls.

#### **Directors and Key Managerial Personnel**

Mrs. Annapurna Dixit independent director of the Company ceased to be director due to resignation w. e. f. 22nd January, 2020 as due to her increased social responsibilities she was not able to devote sufficient time as a director of the Company.

Pursuant to the provisions of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Anurag Gupta, Director (DIN: 00334160) retires from the Board by rotation, and is eligible for re-appointment.

## Annual Evaluation of Board Performance and Performance of its Committees and of Directors:

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees. The Nomination and Remuneration Committee has laid down the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

#### **Independent Directors and their meetings**

The Independent directors were provided an insight about their roles, duties, rights and responsibilities. They were given a fair idea and knowledge about the working, strategy and the organizational structure of the Company so that they could adapt to the company culture and contribute through active participation and interaction in a better manner.

The Nomination and Remuneration Policy adopted by your Company deals with the criteria for selection and determining the Independence of Directors and also the Remuneration policy for directors, Key Managerial Personnel (KMP) and other employees. The Remuneration policy is available at the website of the Company at http://www.rotopumps.com/investors/policies.html.

Your Company's Independent Directors meet at least once in a financial year without the presence of Executive Directors or Management Personnel. Such meetings are conducted to enable the Independent Directors to discuss matters pertaining to the Company's Affairs and put forth their views. During the year under review, one meeting of the Independent Directors was held on 10th February, 2020 where all the independent directors were presented.

#### Board, Committees and their meetings

Details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013, the Rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **Directors' Responsibility Statement**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submits its responsibility Statement:

- In the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures, if any;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for the financial year;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis
- (e) The directors had laid down internal financial controls to be followed by your Company and that such internal financial controls were adequate and were operating effectively; and.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Corporate Social Responsibility**

Your Company has formulated its Corporate Social Responsibility (CSR) Policy to undertake the CSR activities as specified in the Schedule VII to the Companies Act, 2013. CSR Policy is available at http://www.rotopumps.com/investors/policies.html. The Annual Report of CSR activity for the financial year 2019-20 is annexed at **Annexure -B.** 

## Policy on prevention, prohibition and redressal of sexual harassment at Workplace

Your Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress any complaint(s) of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. Your Company has complied with the provisions of the Act relating to the constitution of Internal Complaints Committee. Your Company has not received any complaint of sexual harassment during the year under review.



#### Vigil Mechanism / Whistle Blower Policy

Your Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee.

It is affirmed that no personnel of your Company has been denied access to the Audit Committee. The policy has been adopted in compliance with the requirements of SEBI and Section 177(9) of the Companies Act, 2013 and the Rules thereunder including any amendment(s) thereto.

# Material changes and commitment, if any, affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of the report

No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year to which these financial statements relate and on the date of this report except due to lasting effect of COVID19, there is a decline in demand both in domestic as well as international market. As the effect of COIVID19 is varying from Country to Country, your Company's global business is not so badly affected due to its presence in various Countries.

#### Secretarial Standards

Your Company has complied with the requirements of the mandatory secretarial standards issued by the Institute of Company Secretaries of India.

#### Significant and Material Orders passed by the Courts or Regulators

No significant and material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of your Company and its future operations.

#### **Auditors**

#### a. Statuary Auditors

M/s. R. N. Marwah & Co. LLP, Chartered Accountants, New Delhi (Firm Registration no. 001211N/N500019) were appointed as the Statutory Auditors of the Company for a period of five years by the members of the Company at their Annual General Meeting held on 29th September, 2017 subject to ratification at every intervening Annual General Meeting under section 139 of the Companies Act, 2013. Such requirement of ratification of appointment of Statutory Auditors at every intervening Annual General Meeting has since been dispensed with by the Companies (Amendment) Act, 2017; accordingly, no such ratification is required.

The observations of the Auditors in their report read with the notes to accounts are self-explanatory and do not call for any further action or information.

#### b. Branch Auditors

The term of the Branch Auditors of the Warehouse and Marketing Offices of the Company in Australia and U.K., M/s

Eric Townsend & Co., Chartered Accountants, Australia and M/s Layton Lee, Chartered Accountants, U.K., respectively, will expire at the conclusion of the ensuing Annual General Meeting. Board of Directors of your Company is seeking authority to appoint Branch Auditors for the financial year 2020-21.

#### c. Cost Auditor

In terms of the provisions of Section 148(1) of the Companies Act, 2013, the Company has maintained cost accounts and records in respect of the applicable products for the year ended 31st March 2020.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Board, on the recommendation of the Audit Committee, at its meeting held on 13th August, 2020, has approved the appointment of M/s. Chandra Wadhwa & Co., Cost Accountant, New Delhi (Firm Registration No 00239) as the Cost Auditors for the Company for the financial year ending 31st March 2021. They are the Cost Auditor of the Company for the financial year 2019-20. Ratification of remuneration of the Cost Auditor for the financial year 2020-21 by the shareholders of the Company is being sought at the ensuing Annual General Meeting.

The Report of the Cost Auditor for the financial year ended 31st March 2020 shall be filed with the Ministry of Corporate Affairs within the prescribed period.

#### d. Secretarial Auditors

M/s Dayal & Maur, Company Secretaries, New Delhi have been appointed as the Secretarial Auditors to carry out the secretarial audit for the year under review. The Secretarial Audit Report for the financial year ended 31st March, 2020 is annexed at Annexure- C.

There is no qualification or observation in the report of the Secretarial Auditors.

## Conservation of energy, Technology absorption, Foreign Exchange earnings and outgo

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished at **Annexure-D.** 

#### **Declaration of Independent Directors**

The Independent Directors have submitted their disclosures to the Board that they fulfill the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules made thereunder.

#### **Board independence**

Your Company's definition of 'Independence' of Directors is derived from Regulation 16(1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-



Executive Directors are Independent in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013.

#### a) Dr. Ramesh Chandra Vaish

Dr. Ramesh Chandra Vaish, aged about 79 years holds a degree in M.A., M.Com, LLB, Ph.D. in Economics from University of Florida USA and is a Fellow Member of the Institute of Chartered Accountants of India. Dr. Vaish is an eminent practicing Chartered Accountant having over 57 years of rich and varied experience with specialization in International taxation and finance, tax planning and off-shore investment. Dr. Vaish has an outstanding academic record and after teaching at University of Florida, USA, has worked with Coopers and Lybrand in New York, Singapore, London and New Delhi. Dr. Vaish has been a Senior Counsel, Tax and Business Advisory Services at Price Waterhouse Coopers, New Delhi, besides being a member of the Company Law Advisory Committee, Regional Tax Advisory Committee and various fiscal committees of FICCI and ASSOCHAM.

#### b) Mr. Anand Bordia

Mr. Anand Bordia, aged 76 years is a retired IRS Officer, holds degree in M.A. Mr. Bordia has 39 years of professional experience, most of which have been at a senior level in the Government of India and International Organizations. Mr. Bordia has worked in Ministry of Finance and Ministry of Social Justice & Empowerment in the Government of India. Mr. Bordia has been Member Finance in National Highway Authority of India. Mr. Bordia has also worked in Indian Customs and Central Excise Department and held various field positions such as Commissioner of Customs and Director Audit. Mr. Bordia has also worked in the Secretariat of Custom Cooperation Council, Brussels.

#### c) Mr. Basant Seth

Mr. Seth aged 68 years is a Science graduate from Banaras Hindu University, a qualified Chartered Accountant and also has Post Graduate Diploma in Bank Management from National Institute of Bank Management, Pune. Mr. Seth has retired as Central Information Commissioner after successfully completing his tenure of five years. Before joining the Central Information Commission, he was a banker. He has served Bank of India for a very long period and later SIDBI. He has also served the Syndicate Bank as its Chairman and Managing Director.

Mr. Seth has extensive Board level experience having served as Bank of India's nominee on the Board of Indo-Zambian Bank, Zambia and Commonwealth Finance Corporation Ltd Hong Kong besides holding the post of Whole Time Director in SIDBI and CMD of Syndicate Bank. He has long experience and expertise in Bank Management, Corporate Governance, Financial & Administrative matters.

#### d) Mr. Akhil Joshi

Mr. Akhil Joshi aged 61 years, superannuated as Director (Power) from Bharat Heavy Electrical Limited (BHEL). He is a Mechanical Engineer and earned his degree of Mechanical Engineering from Delhi College of Engineering in 1979.

Mr. Akhil Joshi has almost four decades of rich experience in Power Sector, International Operations Division and Corporate Technology Management. During his tenure at the International Operations Division, he played a key role in the strategic growth of the company's overseas business in highly competitive markets such as the Middle East, South East Asia, the CIS region, the Mediterranean and Europe. He successfully pioneered BHEL's maiden entry into a range of overseas markets including, among others, Iraq, Vietnam, Belarus, Bangladesh, Cyprus and Egypt. He played a pivotal role in negotiating and securing key EPC contracts for power projects in Iraq under the Oil-for-Food program and securing approvals from the Sanctions Committee of the United Nations.

#### Particulars of Employees and related disclosures

The disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished at **Annexure- E.** 

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is furnished at in **Annexure-F.** 

#### **Listing of Shares**

The Equity Shares of your Company are listed at the BSE Ltd, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001. The annual listing fee for the year 2018-19 has been fully paid.

#### **Annual Return**

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017 a copy of the Annual Return has been placed on the website of the Company and can be accessed through the web-link: <a href="http://www.rotopumps.com/investors.html">http://www.rotopumps.com/investors.html</a> under the head Annual Returns.

#### **Corporate Governance**

The Management Discussion and Analysis and the Report on Corporate Governance, as required under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V thereof, forms part of the Annual Report.

#### Acknowledgements

Your Directors place on record their sincere thanks to the Bankers, Business Associates, Consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their valuable support and confidence reposed in the Company.

For and on behalf of the Board of Directors

Place: Noida Harish Chandra Gupta
Dated: 13.08.2020 Chairman & Managing Director



#### Annexure A to the Board's Report

#### **FORM AOC-1**

Statement containing salient features of the financial statements of subsidiaries/associates/joint venture (Pursuant to the first proviso to subsection (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014

Part "A" - Subsidiaries

SI.	Particulars	Name of the Subsidiaries				
No.		Roto Pumpen	Roto Pumps	Roto Pumps	Roto	Roto Pumps
		GmbH	Americas, Inc.	North America,	Overseas	(Africa) Pty Ltd
				Inc	Pte Ltd	-stepdown
				stepdown		
1	Reporting period of the subsidiary on if	N.A	N.A	N.A	N.A	N.A
	different from the holding company's					
	reporting period					
2	Reporting currency and Exchange rate	EURO	USD	USD	SGD	RAND
	as on year end date	83.04	74.96	74.96	52.68	4.19
3	Share Capital	350,000	525,000	508,000	1,200,000	2,000,100
4	Reserve & Surplus	(307,143)	(1,947)	(73,453)	(190,967)	373,079
5	Total Assets	75,488	523,303	1,341,927	10,17,710	13,111,265
6	Total Liabilities	75,488	523,303	1,341,927	10,17,710	13.111,265
7	Investment	-	508,000	-	433,838	-
8	Turnover	-	-	2,006,822	-	16,196,540
9	Profit/(Loss) before taxation	(84,556)	(554)	(32,557)	(36,548)	327,063
10	Provision for taxation	-	-	-	-	(91,579)
11	Profit/(Loss) after taxation	(84,556)	(554)	(32,557)	(36,548)	235,484
12	Proposed Dividend	-	-	-	-	-
13	% of shareholding	100	100	100	100	99.995

During the year, the Company has setup a step down wholly owned subsidiary, Roto Pumps (Malayisa) Sdn. Bhd. in Malaysia with a share capital of RM 700,000. The first financial year has been opted to end on 31st March, 2021. The subsidiary has incurred an amount of RM 27,234/towards setting-up and other expenses upto 31st March, 2020.

No subsidiary has been liquidated or sold during the year.

#### Part "B": Associates and Joint Ventures

NA

As per our Report of even date

For R. N. Marwah & Co. LLP,

**Chartered Accountants** 

(Firm Registration No. 001211N/N500019)

(Manoj Gupta)

Partner

Membership No. 96776

Place: Noida Date: 27.06.2020 For and on behalf of the Board

**Harish Chandra Gupta** 

Chairman & Managing Director (DIN: 00334405)

**Anurag Gupta** Joint Managing Director

(DIN: 00334160)

**Pradeep Jain** 

Chief Financial Officer (PAN: AAEPJ6827A)

Ashwani K. Verma **Company Secretary** 

(M. No. F9296)



Annexure B to the Board's Report

#### **Annual Report of CSR activities for 2019-20**

#### 1. Corporate Social Responsibility

Roto Pumps Ltd is deeply conscious of its moral obligation to act in a manner that benefits the community at large and also the environment in which it operates. It has accordingly integrated CSR initiatives in the way it conducts its business, as a matter of policy, while focusing on inclusivity and sustainability.

The main objective of the Company's CSR policy is to formulate guidelines to undertake various programs/projects relating to corporate social responsibility including establishment of a self-regulating mechanism that ensures that the Company's CSR activities are monitored regularly and are in active compliance with the spirit of the Law as envisaged in Schedule VII read with Section 135 of the Companies Act, 2013 and the listing agreement with the Stock Exchange.

#### 2. The composition of the CSR Committee is as under:

Mrs. Annapurna Dixit, Chairperson of Committee\*

Mr. Akhil Joshi, Chairman of the Committee\*\*

Mr. Anurag Gupta, Member of the Committee

Mr. Arvind Veer Gupta, Member of the Committee

During the financial year 2019-20, two meetings of the CSR Committee were held.

\*Mrs. Annapurna Dixit Resigned on 22.01.2020

\*\*Mr. Akhil Joshi was appointed as chairman on 10.02.2020

3. Average net profit of the Company for last three financial years : ₹ 919.00 lacs

4. Prescribed CSR Expenditure

: ₹ 18.38 lacs

2% percent of the amount as in item 3 above.

5. Details of CSR spent during the financial year:

a) Total amount to be incurred for the financial year : ₹ 18.38 lacs
b) Amount un-spent if any : ₹ 2.76 lacs

c) Manner in which the amount spent during the financial year is detailed below:

SI no.	CSR project or activity identified	Sector in which the project is covered	Projects or programs  1. Local area or other  2. Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the program Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expending upto the reporting period	Amount spent Direct or through implementing agency
1	Development of Infrastructure facilities in a School.	Education	1. Other 2. District Zewar, Uttar Pradesh	₹ 5.00 lacs	₹ 5.00 lacs	₹ 5.00 lacs	The Kalptaru Society
2	Renovation of Class Rooms and provision of toilets and drinking water facilities	Education	<ol> <li>Other</li> <li>District</li> <li>Gautam Budh</li> <li>Nagar,</li> <li>Uttar Pradesh</li> </ol>	₹ 2.76 lacs	-	_*	Round Table India Trust
3		Providing relief emergency or distress situation, like posed by the COVID-19	1. Other	₹ 11.00 lacs	₹ 11.00 lacs	₹ 11.00 lacs	Direct contribution to PM CARES Fund
Total				₹ 18.76 lacs	₹ 16.00 lacs	₹ 16.00 lacs	



#### 6. \*Reasons for not spending:

Rs. 2.76 lakhs is committed to Round Table India towards existing project of renovation of Class Rooms and provision of toilets and drinking water facilities in a Government Primary School in village Roja Jalalpur, District Gautam Budh Nagar, Uttar Pradesh, which is situated near by the Greater Noida Unit of the Company. The Company had earlier committed Rs. 11.01 lakhs to the said project towards financial year 2017-18. A plan for the same has been finalized with Round Table India. The same would be executed after obtaining the necessary permissions form the District Administration.

7. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in Compliance with the CSR objectives and Policy of the Company.

Place: Noida Harish Chandra Gupta Akhil Joshi

Date:13.08.2020 Chairman & Managing Director Chairman of CSR Committee



Annexure C to the Board's Report

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To, The Members, Roto Pumps Limited Roto House, Noida Special Economic Zone, Noida, Uttar Pradesh-201301

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

Based on our verification of the Roto Pumps Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Roto Pumps Limited for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under:
- Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

We have also verified the compliances of the Company with the other statutes, which are specifically applicable to the Company, as reported by the management thereof, except to the extent the same were in the scope of work of the Statutory Auditors and / or Internal Auditors.

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

- Secretarial Standards of The Institute of Company Secretaries of India with respect to board and general meetings were specified on 1<sup>st</sup> July, 2015.
- ii) Depositories Act, 1996
- iii) SEBI LODR (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations under the respective statutes as aforementioned.



#### We further report that:

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For DAYAL & MAUR Company Secretaries

Place: New Delhi FCS No. 6544
Date: 11.08.2020 CP No. 7041

'Annexure A'

To.

The Members,

#### **Roto Pumps Limited**

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

- Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
- 3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

- The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For DAYAL & MAUR Company Secretaries

BARINDER SINGH MAUR FCS No. 6544 CP No. 7041

Place: New Delhi Date: 11.08.2020



#### Annexure - D to the Board's Report

Pursuant to the provisions of Section 134(3) (m) of the Companies Act, 2013 read with rule 8(3) the Companies (Accounts) Rules, 2014 and forming part of the Report of the Directors

#### A. Conservation of energy:

a. The steps taken or impact on conservation of energy

Although your Company's operations involve low energy consumption, due attention was paid to optimize the use of energy by improved operational methods. The efforts to conserve and optimize the use of energy by improved operational methods and other means will continue.

The Efforts to conserve and optimize the use of energy have an impact of reducing energy consumption and thereby reducing cost of production of goods.

b. The steps taken by the Company for utilizing alternate sources of energy

As an extension to the installation of solar power system of 200 Kwp at its Greater Noida Unit for utilization of solar energy as a pilot project, during the year under review, your Company had finalized for installation of solar power system of 160 KWp and Noida Unit and 50Kwp at NSEZ Unit. Due to the COVID19 pandemic, this has been deferred for time being

c. The capital investment on energy conservation equipment

No specific amount is incurred on energy conservation equipment during the financial year ended 31st March, 2020.

#### B. Technology absorption:

a. The efforts made towards technology absorption:

Identification of products, to be developed, based on market feedback to widen product basket for Domestic and International Markets, conceptualization of product on the basis of fuller understanding of market need, designing, manufacturing and testing prototype, finalization of design based on tests with modification, performance / endurance tests and field trials to prove the product capability and releasing design and drawing for commercial production.

- b. The benefits derived like product improvement, cost reduction, product development or import substitution:
  - Widening of product range, product improvement, cost reduction and introduction of new generation cost effective pumps to meet increased competition, product development, import substitution.
- In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) N.A.
- d. The expenditure incurred on Research and Development:

Amount Rs. in lakhs

Particulars	2019-20	2018-19
Revenue expenses	308.68	219.10
Capital expenses	43.54	27.48
Total	352.22	246.58

Your Company's in-house Research & Development Centre situated at B-14, Phase II Extension, Noida – 201305, Uttar Pradesh, India has been recognized by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India.

### C. Foreign exchange earnings and Outgo

Your Company's export activities consist of exports of its products e.g. pumps and spare parts of pumps and annual maintenance services and commissioning & installation services. The particulars of foreign exchange earned and used during the year are given in Notes 43 to 46 in the notes forming a part of the standalone financial statements.

For and on behalf of the Board of Directors

Harish Chandra Gupta Chairman & Managing Director

Place: New Delhi Date: 13.08.2020



#### Annexure-E to the Board's Report

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The percentage increase in remuneration of each Director, Chief

Financial Officer and Company Secretary during the Financial Year 2019-20, ratio of the remuneration of each Director to the median remuneration of the Employees of your Company for the Financial Year 2019-20 are as under:

SI.	Name of the Director / KMP and Designation	Remuneration of Directors / KMP for the Financial year 2019-20	% of increase in remuneration in Financial year 2019-20	Ratio of remuneration of each director/ KMP to the median remuneration of the Employee
1	Mr. Harish Chandra Gupta, Chairman & Managing Director	132.44	10%	24.57
2	Mr. Anurag Gupta, Jt. Managing Director	84.87	10%	15.74
3	Mr. Arvind Veer Gupta, Dy Managing Director	83.46	10%	15.48
4	Mr. Ashwani K. Verma, Company Secretary	21.04	20%	3.90
5	Mr. Pradeep Jain, Chief Financial Officer	28.11	11%	5.21
	Total	349.92		

- i) The median remuneration of Employees of the Company during the financial year: ₹5,39,000/-
- ii) The percentage increase in the median remuneration of the employees in the financial year: 9.84%
- iii) The number of permanent employees on the rolls of company as on 31st March, 2020 : 201
- iv) Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year i.e. 2019-20 and its comparison with the percentile increase in the managerial remuneration is 10.37%
- whereas the increase in the managerial remuneration for the same financial year was 10%.
- v) The key parameters for any variable component of remuneration availed by the directors: The Executive Directors have been paid sales based variable remuneration during the year. Overall remuneration has been within the limits as prescribed under the provisions of Schedule V to the Companies Act, 2013.
- vi) It is hereby affirmed that the remuneration paid is as per remuneration policy for Directors, Key Managerial Personnel and other Employees of the Company.

For and on behalf of the Board of Directors

Harish Chandra Gupta Chairman & Managing Director

Place: New Delhi Date: 13.08.2020



#### Annexure F to the Board's Report

Statement of particulars of Employees pursuant to the provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Names of top ten employees in terms of remuneration drawn during the year

SI	Name of	Age	Qualification	Designation	Remuneration	Date of	Experience	Last Employment held
-	Employee	(Yrs.)				Joining		
1	Mr. Harish	74	B.Sc.	Chairman &	₹ 1,32,44,403/-	Since	52 years	Own business
	Chandra			Managing		incorporation		
	Gupta			Director				
2	Mr. Anurag	46	B.Com, CMA	Dy.	₹ 84,87,333/-	01.01.1995	26 Years	Roto Pumps Ltd
	Gupta		Intermediate	Managing				
			and MBA	Director				
3	Mr. Arvind	44	Bachelor of	Whole-time	₹ 83,86,333/-	01.07.1995	25 years	Roto Pumps Ltd
	Veer Gupta		Management	Director				·
			(Manufacturing					
			Engineering)					
4	Mr. David Roy	58	Diploma	General	₹ 97,51,943/-	15.10.2004	40 years	Director - Orbit Pumps Ltd
	Bent		Engineer	Manager				·
5	Mr. S Clark	56	C & G	Sales	₹ 55,20,803/-	01.08.2008	33 years	Sales engineer – PC Pumps
			Mechanical	Manager				
			Engineer					
6	M Jenkins	56	HND mechanical	Internal	₹ 46,44,192/-	08.12.2015	31 years	Sales Engineer – Mono
			Eng. / HNC	sales				Pumps
			Business Studies	Engineer				
7	Mr. Kevin	56	Bachelor of	General	₹ 1,00,75856/-	15.09.2014	33 years	Self-Employed
	Moore		Engineering	Manager				
			(Electronic and					
			Electrical)					
8	Mr. Ross	60	Fitter and	Territory	₹ 55,13,521/-	14.03.2014	33 years	Sales Manager - Statewide
	Leabeater		Turner	Manager				Bearings
9	Holman, Ben	29	Cert 3	Pump	₹ 48,51,071/-	11/02/2019	13 years	Mechanic - LLinares
			automotive	Assembly				Automotive -
10	Stutz, Barry	62	Sales	Territory	₹ 47,83,087/-	22/11/2018	38 years	Area Manager - Brown
				Manager				Brothers

- B. Employed throughout the year and were in receipt of remuneration for the financial year in aggregate of not less than ₹ 1,02,00,000/- p.a. : None except as included in Section A.
- C. Employed part of the year and were in receipt of remuneration for the financial year in aggregate of not less than ₹ 8,50,000/- p.m. None
- D. Employed throughout the financial year or part thereof, was in receipt of remuneration in that period, in aggregate, or as the case may be, at a rate which, in aggregate, is in excess of remuneration drawn by Chairman and Managing Director or Dy Managing Director or whole-time director or manager and

holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company. None

#### Notes:

- 1) Remuneration comprises of salary, allowances and monetary value of perguisites. Their appointments are contractual.
- 2) Employees at SI. No. 4 to 6 are posted at the Warehouse and Marketing Office of the Company at U.K and the Employees mentioned from SI. No. 7 to 10 are posted at the Warehouse and Marketing Office of the Company at Australia.
- 3) Mr. Harish Chandra Gupta is the father of Arvind Veer Gupta and are related to each other. None of the other employees are relatives of any director or manager.

For and on behalf of the Board of Directors

Harish Chandra Gupta Chairman & Managing Director

Place: New Delhi Date: 13.08.2020



# **Corporate Governance**

#### Company's philosophy on code of Corporate Governance

At your Company, Corporate Governance aims at safeguarding and value addition to the interest of the various stakeholders. Corporate Governance ensures working of the company in a more accountable and transparent manner.

### **Board of Directors**

The Board is an apex body, responsible for playing a significant role in the proper and efficient functioning of the Company. The Company's Board has an appropriate mix of Executive, Non-executive, Independent and Women Directors. During the year 2019-20, composition of the Company's Board has been as under:

Sl. No.	Name	Category	Number of Directorships in	Position in	other Committees
			other listed Companies	Member	Chairperson
1	Mr. Harish Chandra Gupta	Promoter / Executive Chairman	-	=	-
2	Mr. Anurag Gupta	Promoter / Executive Director	-	-	-
3	Mr. Arvind Veer Gupta	Promoter / Executive Director	-	=	-
4	Mrs. Asha Gupta	Promoter / Non- executive/Woman Director	-	-	-
5	Dr. Ramesh Chandra Vaish	Independent / Non-executive Director	1	1	2
6	Mr. Anand Bordia	Independent / Non-executive Director	1	2	-
7	Mrs. Annapurna Dixit*	Independent / Non- executive/Woman Director	1	-	-
8	Mr. Basant Seth	Independent / Non-executive Director	2	6	-
9	Mr. Akhil Joshi	Independent / Non-executive Director	-	-	-

<sup>\*</sup>ceased to be director on 22.01.2020 due to resignation

In the opinion of the Board, the independent directors fulfill the conditions specified in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and are independent of the

management of the Company. The Independent Directors have been familiarized with the operations of the Company and the details of the same are displayed on www.rotopumps.com.

SI.	Name of the Director	Name of the Entity	Designation
No			
1.	Mr. Anand Bordia	Birla Corporation Limited	Non-Executive Independent Director
2.	Dr. Ramesh Chandra Vaish	Omax Autos Limited	Non-Executive Independent Director
3.	Mr. Basant Seth	Multi Commodity Exchange Of India Limited	Non-Executive Independent Director
		State Bank of India	Non-Executive Independent Director, Shareholder
			Director
4.	Mrs. Annapurna Dixit*	Bhartiya International Limited	Non-Executive Independent Director

<sup>\*</sup>Resignation as on 22.01.2020

#### Core skills / Expertise / Competencies available with the Board

As stipulated under Schedule V of the SEBI Listing Regulation, core skills/expertise/competencies, as required in the context of the

business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

Core skills / Expertise / Competencies	Mr. Harish Chandra Gupta	Mr. Anurag Gupta	Mr. Arvind Veer Gupta	Mrs. Asha Gupta	Dr. Ramesh Chandra Vaish	Mr. Anand Bordia	Mr. Basant Seth	Mr. Akhil Joshi
Product Research and Development	✓	1	1					
Operations and Engineering	1	1	1					1
Sales and Marketing including International Business	1	1	✓					1
Financial Management including Treasury & Forex Management	1	1	1	1	1	1	1	1
Internal Control and Risk Management	1	1	1	/	1	1	✓	/
Legal and Regulatory Requirements	1	1	1	✓	1	1	✓	/
Human Resources and Talent Development	1	1	1	/	1	1	✓	1
Corporate Governance and Ethics	1	1	1	✓	1	1	✓	/
CSR and Sustainability	1	1	✓	✓	1	✓	✓	1



# Shares and convertible instruments held by non-executive Directors

The Company has not issued any convertible instruments. The position of the holding of equity shares of the Company by the non-executive directors as on 31.03.2020 was as under:

SI.	Name	No. of Equity shares held on
No.		31.03.2020
1	Mrs. Asha Gupta	24,99,665
2	Dr. Ramesh	Nil
	Chandra Vaish	
3	Mr. Anand Bordia	Nil
4	Mr. Basant Seth	Nil
5	Mr. Akhil Joshi	Nil

#### Relationships between Directors inter se

Dr. Ramesh Chandra Vaish, Mr. Anand Bordia, Mr. Basant Seth and Mr. Akhil Joshi are the Non-executive Independent directors of the Company and are not related to each other in any way. They are also not related to the other Directors on the Board of the Company.

Mrs. Asha Gupta and Mr. Anurag Gupta are related to each other in the relationship mother-son between them. Similarly, Mr. Arvind Veer Gupta being the son of Mr. Harish Chandra Gupta, they both are related to each other. Mr. Harish Chandra Gupta is the Brother in law of Mrs. Asha Gupta.

#### Non-Executive Directors' compensation and disclosure

Non-executive Directors have been paid sitting fees for attending the meetings of the Board of Directors and Committees of the Board. No other compensation is paid to them. The sitting fee is fixed by the Board of Directors of the Company. The sitting fees being paid to the non-executive directors is well within the limits prescribed under Section 197(5) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### Other provisions of the Board

During the financial year 2019-20, four meetings of the Board of Directors of the Company were held on 24.05.2019, 09.08.2019, 12.11.2019 and 10.02.2020. The gap between any two meetings did not exceed one hundred and twenty (120) days as prescribed under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the relevant information was placed before the Board. The attendance record of the Directors at the Meetings of the Board and Members held during the financial year 2019-20 was as under:

SI.	Name	No. of Meetings	Attended last
		attended	AGM
1	Mr. Harish Chandra Gupta	4	Yes
2	Mr. Anurag Gupta	4	No
3	Mr. Arvind Veer Gupta	2	Yes
4	Mrs. Asha Gupta	4	Yes
5	Dr. Ramesh Chandra Vaish	4	Yes
6	Mr. Anand Bordia	4	No
7	Mr. Basant Seth	4	No
8	Mrs. Annapurna Dixit*	3	No
9	Mr. Akhil Joshi	2	NA

\*Resignation as on 22.01.2020

#### **Audit Committee**

The Audit Committee of the Board comprises of four members all of whom are Non-executive Independent Directors, except Mrs. Asha Gupta who is a Non-executive promoter Director. Mr. Ashwani K. Verma, Company Secretary as the Secretary of the Committee.

During the financial year 2019-20, four meetings of the Board of Directors of the Company were held on 24.05.2019, 09.08.2019, 12.11.2019 and 10.02.2020. The time gap between any two meetings did not exceed one hundred and twenty (120) days as prescribed under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of the Audit Committee and the number of the meetings attended by the Members are given below.

SI	Name	Position	No. of meetings attended
1	Dr. Ramesh Chandra Vaish	Chairman	4
2	Mr. Anand Bordia	Member	4
3	Mrs. Asha Gupta	Member	4
4	Mr. Basant Seth	Member	4

#### Terms of reference

The role and terms of reference of the Audit Committee covers the matters specified for Audit committee under Part C of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 which inter-alia include overseeing the company's financial reporting process, reviewing periodical financial results, financial statements, internal control and internal audit systems, accounting policies and practices related party transactions and performance of the internal and external auditors.

#### **Nomination & Remuneration Committee**

Nomination and Remuneration Committee comprises of executive and non-executive Directors. During the year, four meetings of the Nomination and Remuneration Committee were held on 20.06.2019, 09.08.2019, 12.11.2019 and 10.02.2020. Composition of the Committee and attendance at the meeting during the year has been as under:

SI.	Name	Position	Meeting attended
1	Mr. Anand Bordia	Member	4
2	Mr. Harish Chandra Gupta	Member	3
3	Mr. Basant Seth	Member	4
4	Mrs. Asha Gupta	Member	4

#### Terms of reference

The terms of reference of the Nomination and Remuneration Committee are in consonance with the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



#### Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Committee has framed the Nomination and Remuneration Policy and has laid down the criteria for the evaluation of the performance of the Independent Directors under the said policy. The policy can be accessed through the web link-http://www.rotopumps.com/pdf/nomination-and remuneration-policy.pdf.

#### **Details of remuneration to Directors**

The details of the remuneration paid to the Chairman & Managing Director, Dy Managing Director and the Wholetime Director during the year is as follows:

Amount in Rs.

SI.	Particulars	Salary	Perquisites,	Variable	Total
			house rent	earnings	
			allowance		
			and others		
1	Mr. Harish Chandra	8340000	1461870	243333	14245203
	Gupta, Chairman &				
	Managing Director				
2	Mr. Anurag Gupta,	6204000	2784480	243333	9231813
	Jt. Managing				
	Director				
3	Mr. Arvind Veer	6063000	2767560	243333	9073893
	Gupta, Dy.				
	Managing Director				
Total		20607000	7013910	729999	32550909

In addition, the Chairman & Managing Director, Jt. Managing Director and Dy. Managing Director were also entitled to Company's contribution to provident fund They are also entitled to the use of a Chauffer driven Car for Company's business and Telephones at the residence. Notice period is three months from either side. No severance fees except statutory retirement benefits is payable.

The non-executive directors were being paid sitting fees as follows:

- a) ₹ 20,000/- for each meeting of the Board;
- b) ₹ 10,000/- for each meeting of the Committee of the Board.

The sitting fees paid during the financial year 2019-20 to the Directors are as follows: Mrs. Asha Gupta ₹ 1,60,000/-, Dr. Ramesh Chandra Vaish ₹ 1,60,000/-, Mr. Anand Bordia ₹ 1,70,000/-, Mr. Basant Seth ₹ 1,70,000/-, Mrs. Annapurna Dixit ₹ 60,000/- and Mr. Akhil Joshi ₹ 50,000/-.

The Company has not granted any Stock Options to its Directors.

#### **Stakeholders Relationship Committee**

Stakeholders Relationship Committee comprises of executive and non-executive directors and functions under the Chairmanship of Dr. Ramesh Chandra Vaish, who is an Independent Director. During the year, three meetings of the Stakeholders Relationship Committee were held on 24.05.2019, 09.08.2019 and 12.11.2019. Composition of the Committee and attendance at the meeting during the year was as under

SI	Name	Position	No. of meetings
			attended
1	Dr. Ramesh Chandra Vaish	Chairman	3
2	Mr. Anurag Gupta	Member	3
3	Mr. Arvind Veer Gupta	Member	1

Mr. Ashwani K. Verma, Company Secretary is the Compliance Officer.

During the year, three complaints were received from the shareholders and the same were resolved. No complaint was pending either at the beginning or at the end of the year.

#### **Corporate Social Responsibility Committee**

Corporate Social Responsibility Committee comprises of executive and non-executive directors and functions under the Chairperson, Mrs. Annapurna Dixit, who was an Independent Director. During the year, two meetings of the Corporate Social Responsibility Committee were held on 01.08.2019 and 12.11.2019. Composition of the Committee and attendance at the meeting during the year was as under

SI	Name	Position	No. of meetings attended
1	Mrs. Annapurna Dixit*	Chairperson	2
2	Mr Akhil Joshi **	Chairman	NA
2	Mr. Anurag Gupta	Member	2
3	Mr. Arvind Veer Gupta	Member	1

- \* Mrs. Annapurna Dixit Resigned on 22.01.2020
- \*\* Mr. Akhil Joshi was appointed as chairman on 10.02.2020

#### **General Body meetings**

a. Location and time of the General Meetings held in the last 3 years

Year	Type	Date	Venue	Time
2019	AGM	28.09.2019	Registered	11.30 A.M.
			Office	
2018	AGM	29.09.2018	Registered	11.30 A.M.
			Office	
2017	AGM	29.09.2017	Registered	11.30 A.M.
			Office	

В	Whether Special Resolutions passed in the previous three Annual General Meetings	Yes
С	Whether any special resolution passed last year through postal ballot	No
D	Person who conducted postal ballot exercise	NA
E	Whether any special resolution is proposed to be conducted through postal ballot	No
F	Procedure for postal ballot	NA





Quarterly results	The results of the Company are published in the newspapers and also displayed at the Company's website besides submission to the Stock Exchange.
Newspapers wherein results normally published	Business Standard
Any website, where displayed	Submitted to the Stock Exchange in the prescribed format and displayed at the website of the Company www.rotopumps.com
Whether it also displays official news releases	No
The presentation made to the Institutional Investor and Analyst	No

#### **General Shareholder Information**

#### **Annual General Meeting**

The ensuing Annual General Meeting is scheduled to be held on Tuesday, 29th September, 2020 at 11.30 AM at the Registered Office of the Company at Roto House, Noida Special Economic Zone, and Noida – 201305 through Video Conferencing / Other Audio Visuals Means ("VC/OAVM").

#### **Financial Year**

The Company follows April – March financial year. The un-audited financial results for first, second (half yearly) and third quarter would be published in July/August, October/November and January/February respectively. Annual audited consolidated financial results would be published in May.

#### **Book Closure**

The Share transfer books and Register of Members will be closed from Wednesday, the 23rd September, 2020 to Tuesday, the 29th September, 2020 (both days inclusive) for the purpose of Forty Fifth Annual General Meeting.

#### Dividend payment date

The Board of Directors at its meeting held on 10th February, 2020 has approved payment of interim dividend  $\stackrel{?}{\sim}$  @ 0.30 per share face of  $\stackrel{?}{\sim}$  2.00 the financial year ended 31st March, 2020. The interim dividend has been paid on 5th March, 2020.

#### The Stock Exchange on which the Company's Shares are listed

The Equity Shares of your Company are presently listed at the BSE Ltd, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 vide Security Code 517500. The shares of the Company are not suspended from trading.

The Annual Listing Fees for the financial year 2020-21 has been paid.

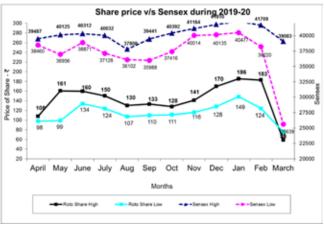
#### **ISIN Number**

ISIN number of the Company for National Securities Depository Ltd (NSDL) and Central Depository Services Ltd (CDSL) is INE535D01029.

#### Market Price Data and Performance in comparison to BSE Sensex

The performance of the Company's share on BSE as compared to the BSE Sensex during the financial year 2019-20 has been as under:

Month	BSE Sensex		Roto	Share
	High	Low	High	Low
Apr	39487.45	38460.25	108.00	98.10
May	40124.96	36956.10	160.50	99.00
Jun	40312.07	38870.96	159.70	134.00
Jul	40032.41	37128.26	150.00	123.60
Aug	37807.55	36102.35	130.15	107.45
Sep	39441.12	35987.80	133.10	110.00
Oct	40392.22	37415.83	127.80	111.30
Nov	41163.79	40014.23	141.00	116.00
Dec	41809.96	40135.37	169.80	128.00
Jan	42273.87	40476.55	185.50	148.50
Feb	41709.30	38219.97	182.90	124.00
Mar	39083.17	25638.90	59.00	75.85





#### Shareholding pattern

The broad shareholding pattern of the Company as on 31st March, 2020 as compared to 31st March, 2019 was as follows:



Categor y of	As on 31st Mai	As on 31st March, 2020		arch, 2019
Shareho Iders	No. of Shares	Percentage	No. of Shares	Percentage
Promot ers	1,07,70,620	69.70	1,07,70,620	69.70
Mutual Funds and Banks	85,000	0.55	1,12,483	0.73
Private Bodies Corpora te	3,45,652	2.24	1,75,858	1.14
NRIs and OCBs	4,46,103	2.89	5,24,452	3.39
Residen t Individu als and others	38,06,430	24.63	38,70,392	25.04
Total	1,54,53,805	100.00	1,54,53,805	100.00

#### **Distribution of Shareholding**

The distribution of shareholding of the Company as on 31st March, 2020 was as follows:

Shareholding	Shareholders		Shares	
of value (in ₹)	Numbe r	Percentage	Number	Percentag e
1 – 5000	6,751	96.44	20,66,729	13.37
5001 – 10000	132	1.89	5,00,494	3.24
10001 – 20000	58	0.83	4,23,143	2.74
20001 – 30000	20	0.29	2,41,195	1.56
30001 – 40000	10	0.14	1,81,580	1.17
40001 – 50000	5	0.07	1,17,141	0.76
50001 – 100000	7	0.10	2,37,835	1.54
100001 – and above	17	0.24	1,16,85,688	75.62
Total	7,000	100.00	1,54,53,805	100

#### **Dematerialization of Shares and liquidity**

1,48,01,705 Equity shares out of the total 1,54,53,805 Equity shares have been dematerialized till 31.03.2020. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) whereby shareholders have option to dematerialize their shares with either depository. Equity shares of the Company are actively traded on BSE Ltd.

#### **Registrar and Share Transfer Agent**

The Company has appointed RCMC Share Registry Private Limited as Registrars & Share Transfer Agent. Shareholders are advised to approach them at the following address for any shares and demat related query and problems.

RCMC Share Registry Pvt. Limited

B-25/1, Okhla Industrial Area, Phase -2, Near Rana Motors, New Delhi – 110020

Tel.: +91 11-26387320, 21, 23

Fax: +91 11-26387322

Email: info@rcmcdelhi.com

Website: http://www.rcmcdelhi.com

#### **Share Transfer System**

In terms of SEBI press releases dated 3rd December 2018 and 27th March, 2019, except in case of transmission or transposition of shares, requests for effecting transfer of shares subsequent to 1st April 2019, shall not be processed by the Company for share held in physical form. Request for transmission or transposition of shares alongwith he related share certificate(s) may be sent to RCMC Share Registry Pvt. Limited at the above said address.

As regards transfer of dematerialized shares, the same can be effected through the demat accounts of the transferor(s) and transferee(s) maintained with Depository Participants.

#### **Reconciliation of Share Capital Audit Report**

As stipulated by Regulation 76 of SEBI (Depositories & Participants) Regulations, 2018, a qualified practicing company secretary carries out the reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (I) Limited and the total issued and listed capital. The audit is carried out every quarter and the report is submitted to the Stock Exchange and is also placed before the Board.

# Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

Your Company has not issued any GDRs / ADRs / Warrants or any other convertible instruments.

#### **Plant Locations**

- 1. B -15, Phase II Extension, Noida 201305, Uttar Pradesh, India
- 13, Roto House, Noida Special Economic Zone, Noida 201305, Uttar Pradesh, India
- Plot No. 31, Sector Ecotech XII, Greater Noida 201008 Uttar Pradesh, India

#### **Research & Development Unit**

The in-house Research & Development activities of the Company are carried out at B-14, Phase II Extension, Noida – 201305, Uttar Pradesh, India. The Research & Development Centre has recognition of the Department of Scientific and Industrial Research, Ministry of Science and Technology.

#### Address for correspondence

Shareholders are requested to direct all share related correspondence to RCMC Share Registry Private Limited and only



the non-share related correspondence and complaints regarding RCMC Share Registry Private Limited to –

The Company Secretary

Roto Pumps Limited

Roto House,

Noida Special Economic Zone,

Noida - 201305 U. P. India

Ph.: +91 - 120 - 2567902-05

Fax: +91 - 120 - 2567911

Email: investors@rotopumps.com Website: www.rotopumps.com

#### **Other Disclosures**

#### Material related party transactions

The Company has not entered into any material related party transactions that may have potential conflict with the interest of the Company at large. Particulars of the related party transactions are given in note no. 40 of the standalone annual accounts. The related party transactions have approval / omnibus approval of the Audit Committee and approval of the Board wherever necessary. Details of related party transactions are placed before the Audit Committee on a quarterly basis. Policies on Material Subsidiary and Related Party Transactions are available at http://www.rotopumps.com/policies.html.

#### **Fees to Statutory Auditor**

An amount of ₹ 7.49 lakhs towards fees for all services is paid by the Company to the Statutory Auditors for the financial year ended 31st March, 2020. No payment is made by the subsidiary companies to the statutory auditors of the Company. Please refer note no. 33 of the standalone financial statements for the financial year ended 31st March, 2020.

#### Compliance

There were no instances of non-compliance by the Company; hence no penalties or strictures are imposed on the Company by Stock Exchange, SEBI or any other Statutory Authority on any matter related to capital markets during the last three years.

#### **Risk Management**

In terms of the provisions Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the requirement of constitution of Risk Management Committee is not applicable on the Company. However, the Company has formulated a risk management policy to put in place, a procedure to inform the Board about the risk assessment and minimization procedure. The Company has also formed a Risk Management Committee comprising of Directors and Executives of the Company to assess the risk and minimization procedures and report the same to the Board at the meetings. The Company's policy on hedging foreign currency risks is explained in the notes no 39 of the financial statements for the financial year ended 31st March, 2020.

Proceeds from public issues, right issues, preferential issues etc.

Your Company has not raised any money through public issue, rights issue or preferential issue since the year 1994-95.

#### Management

The Management Discussion and Analysis Report form part of the Annual Report and is in compliance with the requirement.

During the year under review, there were no materially significant related party transactions with its promoters, directors and management that had a potential conflict with the interest of the Company.

#### **Shareholders**

The Company has provided all the details of the Directors seeking re-appointment in the Notice of the Annual General Meeting attached with this Annual Report.

The Company has not made any presentation to the Equity Analysts. Quarterly results are submitted to the Stock Exchanges in the prescribed format.

#### Whistle Blower Policy/Vigil Mechanism

The Company has adopted a Whistle Blower Policy in pursuance of the provisions of Section 177(9) of the Companies Act, 2013, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied to the Audit Committee.

# Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has not received any complaint of sexual harassment during the year under review.

#### **Share Transfer & Transmission Committee**

Composition of the Share Transfer and Transmission Committee is as under:

SI	Name	Position
1	Mr. Harish Chandra Gupta	Chairman
2	Mr. Anurag Gupta	Member
3	Mr. Arvind Veer Gupta	Member

#### Terms of reference

The terms of reference of the Share Transfer Committee inter-alia include approval of the transfer of shares, issue of duplicate share certificates, dematerialization and dematerialization of shares.

During the year, the Share Transfer Committee approved transfer, transmission and dematerialization of shares on a fortnightly basis. No shares were pending for transfer as on 31.03.2020.

#### **Directors' Non-Disqualification Certificate**

Certificate from Practicing Company Secretary confirming that none of the Director of the Company is debarred or disqualified from being continuing as Director of the by the Securities and Exchange



Board of India and the Ministry of Corporate Affairs or any such other statutory authority is enclosed in this report as **Annexure I**.

#### **CEO / CFO Certification**

The CEO and CFO certification on the financial statements and the cash flow Statement for the financial year 2019-20 is enclosed at the end of this report as **Annexure II**.

#### **Corporate Governance**

Certificate from the Practicing Company Secretary confirming compliance with all the conditions of the corporate governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 forms a part of this report as **Annexure III.** 

#### Compliance with mandatory requirements

The Company has complied with all the mandatory requirements of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **Adoption of Discretionary Requirements**

With respect to the discretionary requirements as per Regulation 27(1) and Part E of Schedule II to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015, the Company has a record of unmodified audit opinion on financial statements. It is evident from the audit reports of previous financial years. The Company endeavors to continue the same in future.

Your Company do not have any demat suspense account / unclaimed suspense account.

#### **Compliance with Code of Conduct**

In terms of the provisions of schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby confirmed and declared that the Company has obtained from all the members of the Board and Senior Management affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year 2019-20.

For and on behalf of the Board of Directors Harish Chandra Gupta Chairman & Managing Director

Place: Noida

Dated: 13.08.2020

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#### Annexure-I

#### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To, The Members, Roto Pumps Limited Roto House Noida Special Economic Zone Noida Uttar Pradesh-201305

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Roto Pumps Limited having CIN L28991UP1975PLC004152 and having registered office at Roto House, Noida Special Economic Zone, Noida Uttar Pradesh-201305 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated for the Financial Year ended on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

Ensuring the eligibility for the continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

Barinder Singh Maur Dayal & Maur Company Secretaries

PCS NO: 6544 CP NO: 7041

Place: New Delhi Date: 11th August, 2020



# Annexure II CEO / CFO CERTIFICATION

The Board of Directors
Roto Pumps Limited
Roto House Noida Special Economic Zone
NOIDA – 201305

Sirs,

- A. We, Harish Chandra Gupta, Chairman & Managing Director and Pradeep Jain, Chief Financial Officer of Roto Pumps Limited have reviewed financial statements for the financial Index 31st March 2020 and the cash flow statement for the financial year on that date to the best of our knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the

effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

- D. We have indicated to the auditors and the Audit Committee:
  - Significant changes in internal control over financial reporting during the year;
  - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Noida Harish Chandra Gupta Chairman & Managing Director

Date:27.06.2020 Chairman & Managing Director Chief Financial Officer

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#### CERTIFICATE ON CORPORATE GOVERNANCE

(Pursuant to Clause 34(3) and Schedule V Part C of the SEBI(Listing Obligation and Disclosures Requirements) Regulations, 2015)

To,
The Members,
Roto Pumps Limited
Roto House
Noida Special Economic Zone
Noida Uttar Pradesh-201305

- We have examined the compliance of conditions of Corporate Governance by Roto Pumps Limited, for the year ended 31st March, 2020, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- 3. In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Dayal and Maur Company Secretaries

Barinder Singh Maur Partner FCS No. 6544

Place: New Delhi Dated: 11.08.2020





#### MANAGEMENT DISCUSSION AND ANALYSIS

#### **ECONOMIC OVERVIEW**

#### Global economy

The global economy has grown slower at 2.9% during 2019 against projection at 3.2%. The advance economies grew at 1.7% against 1.9% while emerging markets and developing countries grown at 3.7% against projections of 4.1%. Coupled with this slow growth, the COVID19 pandemic has widely impacted economic activities across the Globe. The Global economy, which has grown lower than expected in 2019, is expected to grow -4.9% in 2020 and 5.4% in 2021. Advance economies are projected to grow at -8.0% while emerging markets and developing economies are projected at 3.0% in 2020. In 2021, emerging markets and developing countries are expected at recover fast and projected to grow at 5.9% while advance countries growth is projected at 4.8%. Source: International Monetary Fund, June 2020

#### Indian economy

COVID19 pandemic posed unprecedented challenges to the economic activities. Intense lockdown started from 22nd March, 2020 as public curfew day and later formal announcement of lockdown. All the economic activities except few essential services were came to abrupt halt. Suddenly, all were forced to lead a life in a new normal way.

Growth of the Indian economy slowed down in 2019-20 to 4.2% against 6.1% 2018-19. It is lowest growth in last eleven years and has an impact of a week's lockdown in March. Due to sever lockdown conditions in first quarter, economy would take sever beating during the first quarter and the year would in negative growth zone.

The Government of India has taken several initiatives and counter measures to boost the economy towards 'Atma Nirbhar Bharat Abhiyan' like new definition for micro, small and medium enterprises (MSMEs), ease in credit to MSMEs, vocal for local and reservation of certain items for Defence Establishment to domestic industry. These would certainly provide some ease to the business in these difficult times.

#### Industry overview

The global market of pumps in 2018 was almost 50 Billon USD even though some reports estimated pumps market to be more than 50 Billion USD. Between 2019 and 2029, the pumps industry is estimated to grow at a CAGR of 4% to become 74 Billion USD by 2029.

The market for positive displacement pumps has grown to occupy more than 25% of total pump market share and is continuing to gain its market share. Merger and acquisitions by Key players shall continue owing to the fragmented nature of pumps market to keep themselves ahead of the pack.

Indian pumps Industry is a significant contributor to country's growth due to role of pumps as primary equipment. Pumps segment registered a rapid growth in the last few years mainly due to depleting ground water levels, rapid urbanization and various initiatives with the aim of improving infrastructure. The Industry grew @ 10% in FY 2019. India produced around 4.5 million pumps

as per IPMA with revenue touching Rs. 200 Billion. The segment has about 800 companies with export to more than 100 countries, prominent countries include China, Germany, US, Japan and Italy.

The market remains highly fragmented with presence of few big companies and large number of small and mid-sized companies. The focus of the industry is on energy efficient products. The way forward provides immense growth opportunities for pumps manufacturers given the Government's increased focus on water management Make in India initiative and renewed push to infrastructure sector. With India's minuscule base of 3-5% of global pumps market, the opportunities of growth are huge and the industry is forecasted to grow in excess of 10-15 % in the next five years.

However, both Domestic and International Markets are badly affected by COVID19 pandemic, which would have lasting impact on Global Industry.

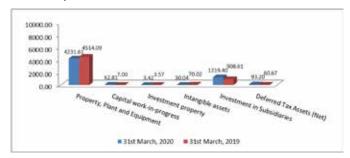
#### **FINANCIAL STATEMENTS**

The Financial Statements of your Company have been prepared in compliance with the requirement of the Companies Act, 2013 and the applicable new Indian Accounting Standards (Ind-AS) notified by the Ministry of Corporate Affairs. There is no material departure from the prescribed accounting standards in adoption of the accounting standards. The Management of Roto accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates, provisions and judgments used therein, which have been made on prudent and rational basis in order that the same reflect a true and fair view of the affairs of your Company.

#### **Resources Allocation:**

#### **Non-current Assets**

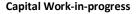
Non-current assets of your Company at 31st March, 2020 have been ₹ 5640.48 lakhs against ₹ 5563.95 lakhs as at 31st March, 2019. Composition of non-current assets has been as under-



#### Property, plant and equipment

Property, plant and equipment of your Company as at 31st March, 2020 have been ₹ 4231.61 lakhs as against ₹ 4514.09 lakhs on 31st March, 2019 representing net decrease of 6.21%. The net decrease in property plant and equipment has been mainly due to disposal of old plant & machinery, vehicle and depreciation / amortization for the year.





Capital work in progress of your Company as at 31st March, 2020 has been ₹ 62.81 lakhs as against ₹ 7.00 lakhs on 31st March, 2019. This comprises of implementation fee advance for ERP software.

#### Investment property

Investment in property of your Company as at 31st March, 2020 has been ₹ 3.42 lakhs as against ₹ 3.57 lakhs on 31st March, 2019. The decrease has been on account depreciation for the year. This comprises of let out Office premise.

#### Intangible fixed assets

Intangible fixed assets of your Company comprises of computer software, technical drawings and trademarks. Intangible fixed assets of the Company as at 31st March, 2020 have been ₹ 30.04 lakhs against ₹ 70.02 lakhs at 31st March, 2019. The decrease has been due to depreciation / amortization for the year.

#### **Investment in Subsidiaries**

Investment in Subsidiaries of your Company as at 31st March 2020 has been ₹ 1219.40 lakhs against ₹ 908.61 as on 31st March, 2019. The increase in investment has been on account of further investment in Roto Overseas Pte Ltd, Singapore and Roto Pumpen GmbH, Germany, the wholly owned subsidiaries of the Company.

#### Deferred tax assets (net)

Deferred tax assets (net) of your Company as at 31st March 2020 have been ₹ 93.20 lakhs against ₹ 60.67 lakhs as at 31st March, 2019. The increase has been mainly due to lower written down value of property plant & equipment under Income tax there by creating deferred tax assets.

#### **Current Assets**

Total current assets of your Company as at 31st March, 2020 have been ₹ 7792.27 lakhs against ₹ 8041.42 lakhs as at 31st March 2019. Composition of the Current assets as on 31st March, 2020 compared to 31st March 2019 has been as under-



#### Inventories

Inventories of your Company as at 31st March 2020 have been ₹2860.21 lakhs against ₹ 2440.87 lakhs as at 31st March, 2019 representing an increase of 17.18%. The increase has been mainly on account of held-up of deliveries and operations due to COIVD19 pandemic.

#### **Financial assets**

Financial assets comprises of trade receivables, cash & cash equivalents, other bank balances, loans and other financial assets.

Financial assets of your Company as at 31st March 2020 have been ₹ 3635.00 lakhs against ₹ 4143.91 lakhs as at 31st March, 2019 representing a decrease of 12.28%. The net decrease in financial assets has been mainly due to decrease in trade receivables.

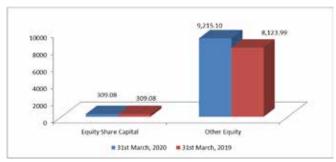
#### Other current assets

Other current assets of your Company as at 31st March 2020 have been ₹ 1297.60 lakhs against ₹ 1456.6 lakhs as at 31st March, 2019. The decrease in other current assets has been mainly due to decrease in deposit with GST & Other Authorities on account of refund received.

#### Resources:

#### Equity

Total equity of your Company as at 31st March, 2020 has been ₹9524.17 lakhs as compared to ₹ 8433.06 lakhs as at 31st March, 2019 representing net increase of 12.94%. Composition of equity as on 31st March, 2020 as compared to at 31st March, 2019 has been as under



#### Share capital

Share capital of your Company as at 31st March, 2020 were ₹ 309.08 lakhs. During the year, there has been no change in share capital.

#### Other equity

Other equity of your Company comprises of securities premium, general reserve and retained earnings, which has been ₹ 9215.10 lakhs as at 31st March, 2020 against ₹ 8123.99 lakhs as at 31st March, 2019. The increase in other equity has been on account of profit for the year retained after distribution of dividend and dividend tax.

#### **Non-current Liabilities**

Non-current liabilities of your Company as at 31st March, 2020 were ₹ 62.58 lakhs as compared to ₹ 123.22 lakhs as at 31st March, 2019 representing net decrease of 49.21%. Composition of Non-current liabilities as on 31st March, 2020 as compared to at 31st March, 2019 has been as under-





#### Financial liabilities

Financial liabilities of your Company comprise of long term borrowings, as at 31st March, 2020 have been ₹ 30.26 lakhs against ₹ 91.62 lakhs as at 31st March, 2019. The net decrease has been due to repayment of long term borrowings.

#### **Provisions**

Provisions of your Company, comprises of provisions for employee benefits, as at 31st March, 2020 have been ₹ 32.32 lakhs against ₹ 31.60 lakhs as at 31st March, 2019.

#### **Current Liabilities**

Current liabilities as at 31st March, 2020 were ₹ 3846.00 lakhs as compared to ₹ 5049.08 lakhs as at 31st March, 2019. The composition of the current liabilities as at 31st March, 2020 compared to as at 31st March, 2019 has been as under-



#### Financial liabilities

Financial liabilities of your Company, comprises of short term borrowings, trade payables and other financial liabilities, have been ₹ 2472.50 lakhs as at 31st March, 2020 against ₹ 3638.39 lakhs as at 31st March, 2019.The net decrease has been due to repayment of borrowings, decrease in trade payables.

#### Other current liabilities

Other current liabilities of your Company, comprises of creditors for capital goods, advances from customers and taxes payable, have been ₹ 837.67 lakhs as at 31st March, 2020 against ₹ 796.62 lakhs as at 31st March, 2019. The net increase has been mainly due increase in advance towards capital procurement and higher amount of advances received from customers.

#### **Provisions**

Provisions of your Company, comprises of short term provisions for employee benefits and warranty, have been ₹ 79.88 lakhs as at 31st March, 2020 against ₹ 46.06 lakhs as at 31st March, 2019. The net increase has been due to increase in provision for gratuity, leave liability and warranty.

#### **Current tax liabilities**

Current tax liabilities of your Company, comprises of provisions for income tax, have been ₹ 455.94 lakhs as at 31st March, 2020 against ₹ 568.02 lakhs as at 31st March, 2019.

The management believes that your Company's liquidity and capital resources would be adequate to meet its expected working capital needs and other anticipated cash requirements.

#### FINANCIAL AND OPERATIONAL PERFORMANCE

The principal source of Company's revenue is from the sale of pumps and spares and retrofit parts. Your Company has a rich heritage of designing and manufacturing superior products and technologies. Your Company offers comprehensive range of Progressive Cavity Pumps (PCP), Twin Screws Pumps and added other PD pumps in the product basket such as AODD and Gear pumps. The products cater to a large spectrum of industries covering various industrial and municipal applications. Aligned with its vision, your Company is transforming into a fluid equipment solution provider.

During the financial year 2019-20, your Company's financial and operational performance as compared to the previous financial year 2018-19 has been as under:

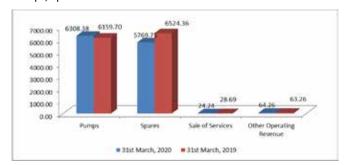


Your Company's Total Income during the year 2019-20 has been ₹ 12578.75 lakhs as compared to ₹ 12981.48 lakhs during the year 2018-19, which represents a decrease of 3.10%. Revenue from operations during the year has been ₹ 12166.64 lakhs as compared to ₹ 12776.01 lakhs during the previous year. Other income during the year has been ₹ 412.12 lakhs as compared to ₹ 205.5 lakhs during the previous year.

Your Company recorded Profit after Tax of ₹ 1284.32 lakhs during the year 2019-20 as against ₹ 1529.80 lakhs in 2018-19. Profit after Tax has been lower mainly on account of the difficult conditions emerged due to COVID19 pandemic.

#### **Revenue from Operations**

Your Company's income from operations comprises of domestic sales and exports sales. Revenue from operations during the year has been ₹ 12166.64 lakhs as compared to ₹ 12776.01 lakhs during the previous year. Revenue from operations product wise viz. Pumps, Spares and Service Income has been as under −

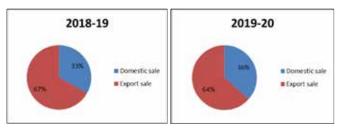


Sales of pumps during the year have been ₹ 6308.38 lakhs as compared to ₹ 6159.70 Lakhs during the previous year while sales of spares have been at ₹ 5769.75 lakhs as compared to ₹ 6524.36 lakhs during the previous year. The service income has been ₹ 24.24



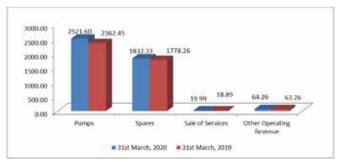
lakhs against ₹ 28.69 lakhs during the previous year. Other operating revenue mainly comprises of sales of scrap materials has been ₹ 64.26 lakhs against ₹ 63.26 lakhs during the previous year.

Composition of domestic sales and export sales during the financial year 2019-20 as compared to the previous financial year 2018-198 has been as under:



#### **Domestic Sales**

Domestic sales during the year have been recorded at ₹ 4438.18 lakhs against ₹ 4222.85 lakhs, which represent an increase of 5.10%. Composition of Domestic sales during the year as compared to the previous year has been as under-

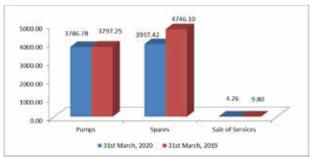


Revenue from Sales of Pumps during the year was ₹ 2521.60 lakhs against ₹ 2362.45 lakhs during the previous year. Sales of Spares during the year have been ₹ 1832.33 lakhs against ₹ 1778.26 lakhs during the previous year. Service income during the year has been ₹ 19.99 lakhs against ₹ 18.89 lakhs during the previous year. Other operating revenue mainly comprises of income from sales of scrap and wastage has been ₹ 64.26 lakhs as compared to ₹ 63.26 lakhs during the previous year.

#### **Export Sales**

#### **Export Sales by product**

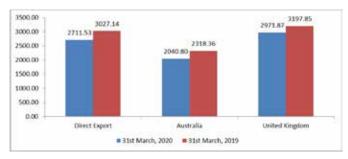
Exports Sales during the year have been ₹ 7728.46 lakhs against ₹8553.15 lakhs during the previous year, which represents a decrease of 9.64%. Composition of Export Sales during the year as compared to the previous year has been as under:



Revenue from Sales of Pumps during the year was ₹ 3786.78 lakhs against ₹ 3797.25 lakhs during the previous year. Sales of Spares during the year have been ₹ 3937.42 lakhs against ₹ 4746.10 lakhs during the previous year. Service income during the year has been ₹ 4.26 lakhs against ₹ 9.80 lakhs during the previous year.

#### **Export Sales by Centers**

Your Company executes exports sales from three Centers viz. Direct Export from India, Sales from Warehouse and Marketing Offices in Australia and United Kingdom. Export Sales from these Centers during the year as compared to the previous year have been as under-



#### **Direct Export**

Direct export sales during the year have been ₹2711.53 lakhs against ₹ 3027.14 lakhs in the previous year which represents decrease of 10.43%.

#### Sales from Australia Branch

Sales from Australia have been ₹2040.80 lakhs as compared to ₹2318.36 lakhs during the previous year, which has been lower by 11.97%.

#### Sales from U.K. Branch

Sales from United Kingdom have been ₹2971.87 lakhs against ₹3197.85 lakhs during the previous year, which has been lower by 7.07%.

#### **KEY FINANCIAL RATIOS**

Key financial ratios for the financial year 2019-20 as compared to the previous financial year have been as under. Clarifications on the changes are also given.

Doutioulous	2010	2010	Chanas	Clauification
Particulars	2019-	2018-	Change	Clarification
	20	19		in change in
				is more that
				25%
Debtors'	83	102	-18.66%	-
turnover (days)				
Inventory	147	121	21.26%	-
Turnover (days)				
Interest	10	9	10.72%	-
coverage ratio				
(times)				
Current ratio	2.03	1.59	27.21%	Improved
(times)				due to lower
				current
				liabilities
Debt equity	0.00	0.01	-70.75%	Negligible



ratio (times)				amount of debt
Operation profit margin (%)	21.00%	23.82%	-2.82%	-
Net profit Margin (%)	10.21%	11.78%	-1.57%	-
Net worth – Rs. in Cr	95.24	84.33	10.91	-
Return on Net worth (%)	13.48%	18.14%	-4.66%	Decreased due to lower in revenue

#### **HEALTH, SAFETY AND ENVIRONMENT**

Your Company has been following policy for continuously improving health and safety standards and also preservation of environment. During the year, your Company has taken various initiatives and continues to comply with Occupational Health & Safety Management System Standards OHSAS 18001: 2007 and Environment Management System ISO 14001:2004.

### **OPPORTUNITIES AND THREATS**

#### **Opportunities**

Commencement of operations by German subsidiary and new Subsidiary in Malaysia would enhance Company's footprints in respective regions and provide increased business opportunities. These alongwith Overseas Marketing Branch Offices in Australia and United Kingdom and other Overseas Subsidiaries in US and South Africa, over the period years have formed an appropriate operational base and with a stronger team in place are going to be key growth centers for the Company.

Focus on navy, coastguards and renewable energy such as bio gas would also provide tremendous opportunities. Government's initiatives under Atma Nirbhar Bharat Abhiyan viz. vocal for local, disallowing global tenders in procurements upto 200 crores, amendment in definition of micro, small and medium enterprises (MSMEs), reservation of certain products for Defence Establishments to domestic suppliers and other regulatory changes would also provide increased business opportunities

#### Threats

Markets across the Globe are badly affected by COVID19 pandemic. This would also lead to intense competition among the players for the reduced business opportunities. Escalation of tension in Asian and Gulf region pose a further threat to economies.

#### **RISK AND CONCERNS**

There is going to be continued pressure on margins due to increase in input costs on the one hand and lower prices due to competition on the other. Majority of revenue of your Company comes from Export, exchange rate fluctuations are a major concern. Any adverse economic development in Company's focus markets would affect business of the Company.

Due to COVID19 pandemic, there would be decline in demand in both domestic and international markets. However, effect of COVID19 would vary from Country to Country. Due to diversified market in various Countries, business of your Company may have lower effects on account of COVID19 pandemic.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an adequate system of internal controls implemented by the management towards achieving higher efficiency in all areas of operations. These controls have been designed to provide a reasonable assurance with regard to maintenance of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliance with regulations and for ensuring reliability of financial reporting.

Your Company has initiated adoption of SAP software to strengthen its controls and processes, which was planned to put in use from the beginning of the current year, is slated to put the same in place from the beginning of the third quarter of the current financial year. This would allow integration of multiple locations on one platform and substantially improve overall efficiency of the organization.

The Audit Committee of the Board of Directors regularly reviews the adequacy of internal controls and takes necessary corrective actions wherever required.

#### **RESEARCH & DEVELOPMENT**

Research & Development Centre of your Company has been recognized by the Department of Scientific & Industrial Research, Ministry of Science & Technology, Government of India vide their letter no. F. No. TU/IV-RD/4371/2018 dated October 12, 2018. During the year, your company has incurred an amount of ₹ 308.68 lakhs towards revenue expenses and ₹ 43.54 lakhs towards capital expenditure totaling to ₹ 352.22 lakhs, which constitutes 2.89% of the Revenue from operations of the Company. Previous year, it was ₹ 219.10 lakhs and ₹ 27.48 lakhs towards revenue expenses and capital expenses, respectively, totaling to ₹ 246.58 lakhs, which constituted 1.93% of the revenue from operation of the Company.

#### **HUMAN RESOURCES & INDUSTRIAL RELATIONS**

We believe that in order to sustain growth under competitive conditions, the Human Capital of the Company should have high level of motivation and knowledge. The Company continues to focus and invest in human resources development to provide an open work culture and rewarding career opportunities to all its employees. During the year, your Company's HR division successfully recruited 48 people (replacements as well as new joining) in response to various business needs. Manpower strength as on 31.03.2019 was 350.

The overall employee relations were peaceful and harmonious throughout the year. The Company continued to create conducive work environment with opportunities for growth and learning, by implementing robust and comprehensive HR policies.

In order to support higher professional education of children of employees in staff and worker category, your Company had introduced **Shri RR Gupta Memorial Scholarship** during 2018-19. Under the scholarship, an amount of ₹ 1.00 lakh is granted to a student and paid over the tenure of the professional course in equal annual instalments upto five students. During the year, four students have been paid such scholarship.



#### **FUTURE OUTLOOK**

Your Company had envisaged a CAGR of 20% over a medium term. This needs to be re-calibrated due to COVID19 pandemic. During the current year, your Company's focus is to improve the operating Your Company has a strong manufacturing and marketing infrastructure with presence in five continents. Company's focus on R&D activities along with an experienced and motivated manpower will lead the Company to make inroads in major global markets and derive growth from the domestic market as well.

Roto Brand has seen tremendous acceptance in the market over last 5 years and the company is amongst Top 10 manufacturers of progressive cavity pumps globally. Strong marketing initiative should enable the company to improve its position to become a prominent Progressive Cavity pumps manufacturer figuring in top 5 and a major positive displacement pump player.

Your company is also looking for Inorganic opportunities in related products to strengthen its position in major positive displacement pump market and to contribute significantly to growth of the company going forward.

efficiency and profit margins although there would be some decline in topline. Implementation of SAP software, cost cutting and efficient inventory management are some of the steps are being adopted in this direction.

#### **CAUTIONARY STATEMENT**

Statements in the Management Discussion Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities law and regulations. Actual results may differ from those expressed in the statement. Important factors that could influence the Company's operations include changes in Government regulations, tax laws, economic development within and outside the Country and such other factors.

For and on behalf of the Board of Directors Harish Chandra Gupta

Chairman & Managing Director DIN: 00334405

Place: Noida Date: 13.08.2020



#### INDEPENDENT AUDITOR'S REPORT

To the Members of Roto Pumps Limited

# Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of **Roto Pumps Limited** ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information which are included the returns for the year ended on that date audited by the branch auditors of the Company's branches located at **Australia and United Kingdom.** 

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the branches the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit/loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

### **Emphasis of Matter**

We draw attention to Note 49 to the standalone financial statements, which describes the uncertainties arising due to COVID-19 pandemic on the Company's operations and estimates as assessed by the management. Our opinion is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in

forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no other key audit matters to communicate in our report.

# Other Information or another title if appropriate, such as "Information Other than the Financial Statements and Auditor's Report Thereon"

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

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

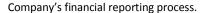
# Responsibilities of Management for the [Standalone] Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended]. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the





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

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit

and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

#### Other Matter

We did not audit the financial statements and other financial information of Two branches included in the accompanying standalone Ind AS financial statements of the Company whose financial statements and other financial information reflect total assets of Rs. 2543.88 lakhs as at March 31, 2020 and the total revenues of Rs. 5029.09 lakhs for the year ended on that date, as considered in the financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us by management, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors. Our opinion is not modified in respect of these matters.

#### **Report on Other Legal and Regulatory Requirements**

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the branches, as noted in the 'Other Matter' paragraph] we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
  - (c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
  - (d) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us;
  - (e) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with



- Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note No. 35.1 to the standalone Ind AS financial statements:
- The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For R.N. Marwah & Co. LLP Chartered Accountants (Firm's Registration No. 001211N/N500019)

Manoj Gupta Partner (Membership No. 096776) UDIN: 20096776AAAAAU3161

Place: Noida
Date: 27th June 2020

#### ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

- i. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
- ii. In respect of the Inventories:-

- (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however ,made a detailed examination of records with a view to determine whether they are accurate or complete.



- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2020 on account of dispute are given below:

S. No	Name Statute	of the		Forum where Disputes is pending	Amount (In Lacs)
1.	UP VA	AT Act,	Sales Tax	Add.	163.17
	2008		(Central)	Commissioner - II,	
				Appeal -3, Noida	

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and 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 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has

paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone 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 paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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

For R.N. Marwah & Co. LLP
Chartered Accountants
(Firm's Registration No. 001211N/N500019)

Manoj Gupta Partner (Membership No. 096776) UDIN: 20096776AAAAAU3161

Place: Noida Date: 27<sup>th</sup> June 2020





Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **ROTO PUMPS LIMITED** 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 **ROTO PUMPS LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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, 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Limitations of Internal Financial Controls over Financial Reporting**

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

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R.N. Marwah & Co. LLP
Chartered Accountants
(Firm's Registration No. 001211N/N500019)

Manoj Gupta Partner (Membership No. 096776)

Place: Noida

Date: 27th June 2020





# **STANDALONE BALANCE SHEET** AS AT 31<sup>ST</sup> MARCH 2020

(Amount in ₹)

PARTICULARS	Note No	As at 31ST MARCH, 2020	As at 31ST MARCH, 2019
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	42,31,61,362	45,14,09,103
(b) Capital work-in-progress	4	62,80,900	7,00,000
(c) Investment property	5	3,41,771	3,56,717
(d) Intangible assets	6	30,04,225	70,01,591
(e) Investment in Subsidiaries	7	12,19,40,001	9,08,60,501
(f) Deferred Tax Assets (Net)	19	93,20,059	60,66,669
TOTAL NON-CURRENT ASSETS		56,40,48,318	55,63,94,581
CURRENT ASSETS			
(a) Inventories	8	28,60,20,745	24,40,86,890
(b) Financial Assets			
(i) Trade receivables	9	27,60,77,363	35,63,96,121
(ii) Cash and cash equivalents	10	5,46,14,010	2,40,84,388
(iii) Bank balances other than (ii) above	11	2,37,51,019	2,29,20,366
(iv) Loans	12	84,59,824	74,29,301
(v) Other financial assets	13	5,97,994	35,60,378
(c) Other current assets	14	12,97,06,159	14,56,64,237
TOTAL CURRENT ASSETS		77,92,27,114	80,41,41,681
TOTAL ASSETS		1,34,32,75,432	1,36,05,36,262
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	15	3,09,07,610	3,09,07,610
b) Other Equity	16	92,15,09,827	81,23,99,118
TOTAL EQUITY		95,24,17,437	84,33,06,728
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	17	30,26,176	91,61,842
(b) Provisions	18	32,32,267	31,59,740
TOTAL NON-CURRENT LIABILITIES		62,58,443	1,23,21,582
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	20	15,71,36,232	24,33,87,646
(ii) Trade payables	21	7,98,84,475	10,69,51,932
(iii) Other financial liabilities (other than those specified in item (b))	22	1,02,29,518	1,34,99,475
(b) Other current liabilities	23	8,37,67,421	7,96,61,582
(c) Provisions	24	79,87,691	46,05,565
(d) Current Tax Liabilities (Net)	25	4,55,94,215	5,68,01,752
TOTAL CURRENT LIABILITIES		38,45,99,552	50,49,07,952
TOTAL EQUITY AND LIABILITIES		1,34,32,75,432	1,36,05,36,262
The Significant Accounting policies and accompaning notes	1-53		

As per our report of even date. For R.N Marwah & Co LLP **Chartered Accountants** (Registration No.0001211N/N500019)

(Manoj Gupta) **PARTNER** Membership No.096776 UDIN:20096776AAAAAU3161

PLACE: NOIDA DATE: 27th June, 2020 For and on behalf of the Board

(HARISH CHANDRA GUPTA) **Chairman & Managing Director** (DIN:00334405)

> (PRADEEP JAIN) **Chief Financial Officer** (PAN: AAEPJ6827A)

(ANURAG GUPTA) Jt. Manging Director (DIN:00334160)

(ASHWANI K VERMA) **Company Secretary** (M.No: F9296)



# STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(Amount in ₹)

PARTICULARS	Note	Year Ended 31st	Year Ended 31st March,
		March, 2020	2019
INCOME			
Revenue from Operations	26	1,21,66,63,888	1,27,76,00,600
Other Income	27	4,12,11,553	2,05,47,410
TOTAL INCOME		1,25,78,75,441	1,29,81,48,010
EXPENSES			
Cost of Materials consumed	28	42,88,89,973	46,34,81,099
Change in Inventories of Finished goods and Work in Progress	29	(3,55,34,808)	(2,95,63,676)
Employee Benefits Expense	30	32,50,49,548	30,48,95,199
Finance Costs	31	1,86,78,549	2,53,90,013
Depreciation & Amortisation Expense	32	6,82,53,089	7,43,91,058
Other Expenses	33	28,39,27,057	25,50,10,254
TOTAL EXPENSES		1,08,92,63,408	1,09,36,03,947
Profit before Tax		16,86,12,033	20,45,44,063
Tax expenses			
Current tax		4,55,94,215	5,68,01,752
Deferred Tax	19	(41,41,609)	(57,81,448)
Short/(Excess) Provisions- earlier years		(12,72,672)	5,43,364
Profit for the year		12,84,32,099	15,29,80,395
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of Defined benefit plans		(35,28,878)	(25,45,106)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurement of Defined benefit plans		(8,88,219)	(7,41,135)
Total comprehensive income for the year		12,40,15,002	14,96,94,154
Earnings per equity share:	34	8.31	9.90
Basic and Diluted (Face value Rs.2 per equity share)			
The Significant Accounting policies and accompaning notes mentioned are	1 to 53		
an intergral part of financial statements			

As per our report of even date.

For and on behalf of the Board

For R.N Marwah & Co LLP Chartered Accountants (Registration No.0001211N/N500019)

(Manoj Gupta) PARTNER Membership No.096776 UDIN:20096776AAAAAU3161

PLACE: NOIDA DATE: 27th June,2020 Chairman & Managing Director (DIN: 00334405) Jt. Manging Director (DIN: 00334160)

(PRADEEP JAIN)
Chief Financial Officer
(PAN: AAEPJ6827A)

(HARISH CHANDRA GUPTA)

(ASHWANI K VERMA) Company Secretary (M.No : F9296)

(ANURAG GUPTA)



# STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(Amount in ₹)

PARTICULARS	Year Ended	Year Ended
	31ST MARCH 2020	31ST MARCH,2019
(A) CASH FLOW FROM OPERATING ACTIVITIES:	3131 107 111011 2020	5151 W. W.C. 1,2015
Net Profit / (Loss) before tax	16,86,12,033	20,45,44,063
Adjustment for:	10,80,12,033	20,43,44,003
Depreciation	6,82,53,089	7,43,91,058
Finance Cost	1,86,78,549	2,53,90,013
Interest Income	(24,28,376)	(26,03,711)
Net (gains)/loss on disposal of property, plant and equipment	(1,71,041)	40,585
Remeasurement of defined benefit liabilities	(35,28,878)	(25,45,106)
Net (gains)/loss on fair valuation of derivative contracts	44,97,193	(34,22,928)
Operating Profit / (Loss) before Working Capital Changes	25,39,12,569	29,57,93,974
Movement in working capital	23,33,12,303	23,37,33,374
Adjustments for (increase)/decrease in operating assets:		
Inventories	(4,19,33,856)	(2,51,85,917)
Trade receivables	8,03,18,758	(5,33,12,072)
Loans	(10,30,523)	11,54,398
Other current financial assets	29,62,384	(28,98,596)
Other current assets	1,57,66,299	(1,59,26,922)
Adjustments for increase/(decrease) in operating liabilities:	1,57,00,233	(1,33,20,322)
Trade payables	(2,70,67,457)	(1,49,11,895)
Other current financial liabilities	14,51,125	(4,22,870)
Other current liabilities	40,17,694	1,17,20,953
Provisions	34,54,653	(45,21,598)
Cash generated from operations (A)	29,18,51,646	19,14,89,455
Direct Tax Paid (Net)	(5,35,91,367)	(5,85,20,966)
Net cash generated from operating activities	23,82,60,279	13,29,68,489
(B) CASH FLOW FROM INVESTING ACTIVITIES:	20,02,00,210	
Payment of Property , Plant and Equipment	(3,89,84,283)	(7,19,22,904)
Payment of Capital Work In Progress	(55,80,900)	16,29,165
Proceeds from disposal of Property , Plant and Equipment	15,04,500	5,75,000
Investment in Subsidiary	(3,10,79,500)	(1,69,84,000)
Interest Received	24,28,376	26,03,711
Net (Gain)/Loss on fair valuation of derivative contract	(44,97,193)	34,22,928
Net Cash used in Investing Activities (B)	(7,62,09,000)	(8,06,76,100)
(C) CASH FLOW FROM FINANCING ACTIVITIES:	(1,02,03,000)	(8,00), 0,100
Proceeds from Non Current borrowings	(1.09.56.749)	(2 17 94 027)
Proceeds from Current borrowings  Proceeds from Current borrowings	(1,08,56,748) (8,62,51,414)	(2,17,84,027) (3,71,439)
Interest Paid	(1,86,78,549)	(2,53,90,013)
Dividend & Dividend tax Paid	(1,49,04,293)	(2,53,90,013)
		(5,49,97,631)
Net Cash used in Financing Activities	(13,06,91,004)	
Net increase in Cash and Cash Equivalents (A+B+C)	3,13,60,275	(27,05,242)
Cash and Cash Equivalents as at the begining of the year (Note No -10 & 11)	4,70,04,754	4,97,09,996
Cash and Cash Equivalents as at the end of the year (Note No -10 & 11)	7,83,65,029	4,70,04,754

As per our report of even date.

For and on behalf of the Board

For R.N Marwah & Co LLP
Chartered Accountants
(Registration No 0001211NA)

(Registration No.0001211N/N500019)

(Manoj Gupta) PARTNER

Membership No.096776 UDIN:20096776AAAAAU3161

PLACE: NOIDA DATE : 27th June,2020 (HARISH CHANDRA GUPTA)
Chairman & Managing Director
(DIN: 00334405)

(PRADEEP JAIN) Chief Financial Officer (PAN : AAEPJ6827A) (ANURAG GUPTA)
Jt. Manging Director
(DIN: 00334160)

(ASHWANI K VERMA) Company Secretary (M.No : F9296)



# STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### A EQUITY SHARE CAPITAL

Particulars	(Amount in ₹)
Balance as at 31st March, 2019	3,09,07,610
Changes in equity share capital during the year 2019-20	-
Balance as at 31st March, 2020	3,09,07,610

#### B OTHER EQUITY

Particulars	ı	Reserves and Surp	lus	
	Securities	General	Retained	<b>Total Equity</b>
	Premium	Reserve	Earnings	
As at 1st April 2019	4,72,06,555	5,57,89,316	70,94,03,247	81,23,99,118
Profit for the year 2019-20			12,84,32,099	12,84,32,099
Other comprehensive income for the year 2019-				-
20 (net of tax)				
Remeasurement of Net defined benefit			(44,17,097)	(44,17,097)
liability/(asset) (net of tax)				
Total comprehensive income for the year	=	=	12,40,15,002	12,40,15,002
Less: Appropriations				
Payment of dividend	-	-	1,23,63,045	1,23,63,045
Payment of Dividend distribution tax on dividend	-	-	25,41,248	25,41,248
Transfer to General Reserves (from Retained	-	-	-	-
Earnings)				
As at 31st March, 2020	4,72,06,555	5,57,89,316	81,85,13,956	92,15,09,827



### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

#### **Company Overview**

Roto Pumps Limited referred to as "RPL" or "the Company" was incorporated on 31<sup>st</sup> July 1975. RPL is an enterprise listed on the BSE Ltd. The company is engaged in manufacturing of screw pumps and parts of pumps. The Company's products include progressive cavity pumps (PCP), twin screw pumps (TSP) and retrofit parts. The Company's products serve a cross section of industries including infrastructure, oil and gas, power, mining, paper and pulp which form critical part of the economy.

#### 1. Statement of Significant Accounting Policies

Basis of Preparation: The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Acts and Rules thereunder.

The Financial Statements have been prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value.

The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 'First Time Adoption of Indian Accounting Standards'. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the "Previous GAAP".

The Company's presentation and functional currency is Indian Rupees (Rs). All figures appearing in the financial statements are shown in absolute figures.

**Authorization of Financial Statements:** The financial statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 27<sup>th</sup> June, 2020.

#### 1.1. Use of Judgement and Estimates

The preparation of Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with Contingent Liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimates and judgements in applying accounting policies that have the most significant areas of estimates and judgements in applying accounting policies that have the most significant effect on the financial statements are as below:

- Financial Instruments;
- Estimates of useful lives and residual value of Property,
   Plant and Equipment and Intangible Assets;
- Valuation of Inventories;

- Measurement of Defined Benefit Obligations and actuarial assumptions;
- Provisions;
- Evaluation of recoverability of Deferred tax assets; and
- Contingencies

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods in which the estimates are revised and in any future periods affected.

#### 1.2. Property, Plant and Equipment

- 1.2.1. Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.
- 1.2.2. The initial cost of an asset comprises its purchase price (including non-refundable import duties and taxes), any costs directly attributable to bringing the asset at the location and condition necessary for it to be capable of operating in the manner intended by the management, the initial estimate of any decommissioning obligation, if any, and borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).
- 1.2.3. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company over the period.
- 1.2.4. Spare parts which meet the definition of Property, plant and equipment are capitalized as Property, plant and equipment in case the unit value of spare part is above the threshold limit. In other cases, the spare parts are inventoried on procurement and charged to Statement of Profit and Loss on consumption.
- 1.2.5. An item of Property, plant and equipment and any significant part initially recognized separately as part of Property, plant and equipment is de-recognized upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the assets is included in the Statement of Profit and Loss.
- 1.2.6. The residual value and useful lives of Property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in line with the revisions to accounting estimates.
- 1.2.7. The Company has elected to use exemption available under Ind AS 101 to continue with the carrying value for all its Property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition (1st April, 2016).

#### 1.3. Depreciation

Depreciation on Property, plant and equipment are provided on the Written down value, over the estimated useful lives of the assets (after retaining the estimated residual value of up-to 5%). These useful lives are determined are in line with the useful lives as prescribed in the Schedule III of the Act.



#### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

- 1.3.1. Components of the main assets that are significant in value and have different useful lives as compared to the main asset are depreciated over their estimated useful life. Useful life of such components has been assessed based on historical experience and internal technical assessment.
- 1.3.2. Depreciation on Spare parts specific to an item of Property, plant and equipment is based on life of the related Property, plant and equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.
- 1.3.3. Items of Property, plant and equipment costing not more than the threshold limit are depreciated at 100% in the year of acquisition.
- 1.3.4. Depreciation is charged on additions/ deletions on pro-rata basis from the date of addition/deletion.

#### 1.4. Intangible Assets

- 1.4.1. Intangible Assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Expenditure on internally generated intangibles, excluding development costs, are not capitalized and is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred. Development costs are capitalized if, and only if, technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the asset and the costs can be measured reliably.
- 1.4.2. Intangible assets with indefinite useful lives, such as right of way which is perpetual and absolute in nature, are not amortized, but are tested for impairment annually. The useful lives are reviewed at each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment losses on intangible assets with indefinite useful life are recognized in the Statement of Profit and Loss.
- 1.4.3. Expenditure incurred for creating/ acquiring other intangible assets above the threshold limit from which future economic benefits will flow over a period of time, is amortized over the estimated useful life of the asset or ten years, whichever is lower, on a straight line basis, from the time the intangible asset starts providing the economic benefit. In other cases, the expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred. The amortization period and the amortization method for an intangible asset with finite life are reviewed at each year end. The amortization expense on intangible assets with finite useful lives and impairment losses in case there is an indication that the intangible asset may be impaired, are recognized in the Statement of Profit and Loss.
- 1.4.4. The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all its intangible assets as recognized in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition (1<sup>st</sup> April, 2016).

### 1.5. Investment Property

- 1.5.1. Investment Property is property (land or a building or part of a building or both) held either to earn rental income or for capital appreciation or both, held for currently undetermined future use, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment Properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.
- 1.5.2. Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and carrying amount of the Investment Property is recognized in Statement of Profit and Loss.
- 1.5.3. On transition to Ind AS i.e. 1<sup>st</sup> April, 2016, the Company has re-classified certain items from Property, plant and equipment to investment property. For the same, Company has elected to use the exemption available under Ind AS 101 to continue carrying value for such assets as recognized in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at date of transition (1<sup>st</sup> April, 2016).

#### 1.6. Borrowing Costs

- 1.6.1. Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds.
- 1.6.2. Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowings costs are charged to the Statement of Profit and Loss.
- 1.6.3. Investment income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

#### 1.7. Non-current assets held for sale

- 1.7.1. Non-current assets classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.
- 1.7.2. Non-current assets classified as held for sale are measured at lower of carrying amount and fair value less costs to sell.
- 1.7.3. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortized.

#### 1.8. Leases

#### 1.8.1. Finance Lease

Lease Agreements are classified as finance lease, if substantially all the risks and rewards irrespective of whether title is transferred.

Land lease agreements classified as finance lease, are amortized over the period of the lease.

#### 1.8.2. Operating Lease

Lease agreements not classified as finance lease are considered as operating lease.

Payments made under operating lease are recognized in Statement of Profit and Loss with reference to lease terms and other relevant considerations. Lease incentives



#### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

received/ lease premium paid (if any) are recognized as an integral part of the total lease expense, over the term of the lease. Payments made under Operating Leases are generally recognized in Statement of Profit and Loss on a straight line basis over the term of the lease, unless such payments are structured to increase in line with expected general inflation.

#### 1.8.3. Determining whether the arrangement contains a lease

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those other elements on the basis of their relative fair values. In case of a finance lease, if the company concludes that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an equal to the fair value of the underlying assets; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the Company's incremental borrowing rate.

#### 1.9. Impairment of Non-financial assets

- 1.9.1. Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is higher of the assets or Cash-Generating Units (CGUs) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.
- 1.9.2. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

#### 1.10. Inventories

- 1.10.1. Inventories are stated at cost or net realizable value, whichever is lower. Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis and are determined on the following basis:
  - Raw materials, work in progress, stores, tools and other materials are determined on First in First out basis.
  - Finished goods are determined by considering the standard conversion cost.
- 1.10.2. Customs duties on raw materials/ finished goods lying in bonded warehouse are provided for at the applicable rates except where liability to pay duty is transferred to the consignee.
- 1.10.3. Excise duty till 30<sup>th</sup> June, 2017, on finished stocks lying at manufacturing locations is provided for at the assessable value applicable at each of the locations based on end use.
- 1.10.4. Raw materials held for use in the production of finished goods are not written down below cost except in cases

where raw material prices have declined and it is estimated that the cost of the finished goods will exceed their net realizable value.

1.10.5. Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

#### 1.11. Revenue Recognition

#### 1.11.1. Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of goods have been passed to the buyer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, revenue and the associated costs can be estimated reliably and it is probable that economic benefits associated with the transaction will flow to the Company.

Revenue from sale of goods includes excise duty till 30<sup>th</sup> June, 2017 and is measured at fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, taxes or duties collected on behalf of the government and applicable trade discounts or rebates.

Where the Company acts as an agent on behalf of a third party, the associated income is recognized on net basis.

#### 1.11.2. Sale of Services

Income from services rendered is recognized based on agreements/ arrangements with the customers as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably.

#### 1.11.3. Multiple Element Contracts

For revenue arrangements having more than one deliverable, at the inception of the arrangement, the Company evaluates all deliverables in the arrangement to determine whether they represent separately identifiable components of the following two conditions are met:

- The deliverable has value to the customer on a standalone basis and
- There is evidence of the fair value of the item.

The total arrangement consideration is allocated to each separate component based on its relative fair value.

#### 1.11.4. Interest and Dividend Income

Interest income is recognized using Effective Interest Rate (EIR) method.

Dividend is recognized when right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

- 1.11.5. Income from sale of scrap is accounted on billing basis and customer takes title.
- 1.11.6. The benefit under the Merchandise Exports from India Scheme (MEIS) as per the Export and Import Policy in respect of exports made under the said Schemes is accounted on an Lodgment of Claim filed and is included under the head "Other Income" as 'Export Incentives'.

#### 1.12. Classification of Income/ Expense



#### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

- 1.12.1. Income/ Expenditure (net) in aggregate pertaining to prior year (s) above the threshold limit are corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amount and/ or restating the opening Balance sheet for the earliest prior period presented.
- 1.12.2. Prepaid expenses up-to threshold limit in each case, are charged to revenue over the period.
- 1.12.3. Deposits places with Government agencies/ local authorities which are perpetual in nature are charged to revenue in the year of payment.

#### 1.13. Employee Benefits

#### 1.13.1. Short-term employee benefits

Short-term employee benefits are recognized as an expense at an undiscounted premium in the Statement of Profit and Loss of the year ended in which related services are rendered.

# 1.13.2. Post-Employment Benefits

#### **Defined Contribution Plans:**

Obligations for contributions to defined contribution plans such as pension are recognized as an expense in the Statement of Profit and Loss as the related service is provided. Prepaid contributions are recognized as an asset to the extent that cash fund in future payments is available.

#### **Defined Benefit Plans:**

The Company's net obligation in respect of defined benefit plans such as gratuity, other post-employment benefits etc., is calculated separately for each plan by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed at each reporting period end by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

The current service cost of the defined benefit plan, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The net interest is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This net interest is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurements which comprise of actuarial gains and losses, the return on plan assets (excluding amounts included in the net interest on net defined benefit liability (asset)) and the effect of the asset ceiling (if any, excluding amounts included in the net interest on the net defined benefit liability (asset)), are recognized in other comprehensive income.

#### 1.13.3. Other long-term employee benefits

Liability towards other long term employee benefits – leave encashment and long service awards etc., are determined on actuarial valuation by qualified actuary by using Projected Unit Credit Method.

The current service cost of other long terms employee benefits, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The interest cost is calculated by applying the discount rate to the balance of the obligation. This cost is included in employee benefit expense in the Statement of Profit and Loss. Remeasurements are recognized in the Statement of Profit and Loss.

#### 1.13.4. Termination benefits

Expenditures on account of Voluntary Retirement Scheme are charged to Statement of Profit and Loss.

#### 1.14. Foreign Currency Transactions

#### 1.14.1. Monetary Items

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in the Statement of Profit and Loss either as profit or loss foreign currency transaction and translation.

The Company has elected to continue the policy adopted under previous GAAP for accounting the foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items outstanding as on 31<sup>st</sup> March, 2018.

#### 1.14.2. Non-monetary items

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

#### 1.14.3. Foreign Branch Operation's Translations

The activities of foreign branches are an integral part of operations of the Company and hence the foreign branch financial statements are translated in accordance with accounting standard.

Income and Expenditure items by applying to the foreign currency amount, the exchange rate at the date of transaction. The rate used is an average rate for calendar month and used for all transaction occurring during that calendar month.

Property, plant and equipment are recorded at the exchange rate prevailing on the date of the transaction.

Depreciation on property, plant and equipment in Indian rupees, which are reported using the exchange rate at the date of transaction.



#### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Inventories related to stocks transfer from reporting enterprise are shown at the cost of reporting enterprises plus expenses incurred to bring the material at the shelf of foreign branch's warehouse and local bought out inventories are translated at the exchange rate prevailing at year end.

Other current assets and liabilities are converted at the exchange rate prevailing at the year end.

The exchange difference on translation of Foreign Branch financial statements are recognized in the Statement of Profit and Loss.

1.15. Investment in Subsidiaries, Joint Ventures and Associates Investments in equity shares of Subsidiaries, Joint Ventures and Associates are recorded at cost and reviewed for impairment at each reporting date.

#### 1.16. Government Grants

- 1.16.1. Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.
- 1.16.2. When the grant relates to an expense item, it is recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.
- 1.16.3. Government grants relating for Property, plant and equipment are presented as deferred income and are credited to the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

#### 1.17. Provisions, Contingent Liabilities and Commitments

- 1.17.1. Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- 1.17.2. The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.
- 1.17.3. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in provision due to the passage of time is recognized as a finance cost.
- 1.17.4. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.
- 1.17.5. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

#### 1.18. Fair Value Measurement

- 1.18.1. The Company measures certain financial instruments at fair value at each reporting date.
- 1.18.2. Certain accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial assets and liabilities.
- 1.18.3. 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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of the liability also reflects its non-performance risk.

- 1.18.4. The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognized in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.
- 1.18.5. While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:
- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 inputs for the assets or liability that are not based on observable market data (unobservable inputs)
- 1.18.6. When quoted prices in active market for an instrument are available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset and liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- 1.18.7. If there is no quoted price in an active market for an instrument is available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset and liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- 1.18.8. The Company regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

#### 1.19. Financial Assets

#### 1.19.1. Initial Recognition and measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets are initially recognized at fair value when the Company becomes a party to the contractually provisions of



#### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

#### 1.19.2. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, the Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit and loss.

#### **Debt instruments at amortized cost**

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

The asset held within business model whose objective is:

- To hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium or fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

#### <u>Debt instruments at Fair value through Other</u> <u>Comprehensive Income (FVOCI)</u>

A 'debt instrument' is measured at the fair value through other comprehensive income if both the following conditions are met:

The asset is held within business model whose objective is achieved by both

- Collecting contractual cash flows and selling financial assets and
- Contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognized in the Statement of Profit and Loss. Other net gains and losses are recognized in other comprehensive income.

# <u>Debt instruments at Fair value through Profit and Loss</u> (FVTPL)

Fair Value through Profit or Loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or as FVOCI, is classified as FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognized in the Statement of Profit and Loss.

#### **Equity Investments**

All equity investments within the scope of Ind AS 109 are measured at fair value. Such equity instruments which are held for trading are classified as FVTPL. For all other such equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income (OCI). Dividends on such equity instruments are recognized in the Statement of Profit or Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

#### 1.19.3. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognized (i.e. removed from the Company's Balance Sheet) when

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred not retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognized in the Statement of Profit and Loss. Gains and losses in respect of debt instruments are measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognized and accumulated in OCI are not reclassified to profit or loss on de-recognition.

#### 1.19.4. Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortized cost and debt instruments measured at FVOCI.

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets such as debt securities and bank balances, the loss allowance is measured at 12 month ECL only if



#### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

#### 1.20. Financial Liabilities

#### 1.20.1. Initial recognition and measurement

Financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value less, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

#### 1.20.2. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

# <u>Financial liabilities at Fair value through Profit and Loss</u> (FVTPL)

A financial liability is classified as at Fair Value through Profit or Loss (FVTPL) if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognized in Statement of Profit and Loss.

#### **Financial liabilities at Amortized Cost**

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortized cost using the effective interest rate ("EIR") method.

Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortization done using the EIR method is included as finance costs in the Statement of Profit and Loss.

#### 1.20.3. De-recognition

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

#### 1.21. Financial Guarantees

Financial guarantee contracts issued by the Company are those contracts that will require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognized less cumulative amortization.

#### 1.22. Derivative financial instruments

The Company uses derivative financial instruments to manage the exposure on account of fluctuation in interest rate and foreign exchange rates. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value with the changes being recognized in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

#### 1.23. Embedded Derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the classification requirements contained in Ind AS 109 are applied to the entire hybrid contract. Derivatives embedded in all other host contracts, including financial liabilities are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognized in Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

#### 1.24. Offsetting of financial instruments

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

#### 1.25. Taxes on Income

#### 1.25.1. Current Tax

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to complete the amount are those that are enacted or substantively enacted, by the end of the reporting period.

Current tax items are recognized in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

#### 1.25.2. Deferred Tax

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

Deferred tax liabilities are recognized for all taxable temporary differences.

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



#### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred Tax items are recognized in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### 1.26. Earnings per Share

- 1.26.1. Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.
- 1.26.2. For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effect of all dilutive potential equity shares.

#### 1.27. Classification of Assets and Liabilities as Current and Noncurrent

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act.

#### 1.28. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheque, draft on hand and Bank balances other than cash and cash equivalents include Earmarked balances with bank and Term deposits.

#### 1.29. Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

The Company has adopted the following materiality threshold limits in the preparation and presentation of financial statements as given below:

Threshold Item (1)	Accounting Policy Ref (2)	Threshold limit value (3)
Processing fees (including stamp duty) on Loan amount sanction for calculation of Effective Interest Rate (EIR) method.	Written off as expenses over the Loan Repayment Tenure by using the Effective Interest Rate Method.	More than 1% of the loan amount excluding taxes.
Capitalization of spare parts meeting the definition of Property, Plant and Equipment in each case	The Expenditure treated as revenue expenditure and charged to current year Profit & loss Account.  Capital Expenditure:-Capitalized  Revenue Expenditure:-Treated in current Statement of Profit and Loss	1.All Assets in relation to Property , Plant & Equipment below Rs 5,000/-(Five Thousand Only) In Case of Plant & Machinery 2. On Technical Decision Capital and Revenue nature is bifurcated. 2.1) Assets is defined as Capital Expenditure, when the expenditure enhances the revenue generating capacity of the assets so that useful life is extended. 2.2) Not Covered in point no 2.1 above, is treated as Revenue expenditure.
Income / expenditure (net) pertaining to prior year(s).	Below the Threshold limit value, it is treated as an expense in the Statement of Profit and Loss in Current Year.,	Rs.50,000/-(Fifty Thousand Only)
Provision for expenses payable & Prepaid Expenses	Provision for Expenses Payable is made for the amount above Threshold Limit. Bifurcation of Expenditure into Prepaid /Postpaid is made above the Threshold Limit.	Rs.10,000/-(Rupees Ten Thousand Only)
Fair valuation of Interest free Loan given to Employees.	Fair valuation is done for Interest free loan given to Employee above the threshold limit defined in Column No (3).	More than Rs.750000/- per employee.
Provision against Warranty Claim	Provision is made against warranty on the reporting date as per the threshold policy.	Average of past three years.



(Amount in ₹)

# FINANCIAL STATEMENTS

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

13,63,22,963 2,23,42,732 31,71,138 50,99,279 42,31,61,362 Balance as at 15,82,08,445 3,92,986 8,94,929 9,08,93,88 58,35,001 31st March, 1,73,54,262 14,525 98,23,106 10,69,056 2,67,19,791 19,15,213 15,14,511 54,23,823 6,42,40,778 Amortization 4,06,491 Depreciation/ **NET BLOCK** (4,84,548)(8,42,906) (6,005)(13,33,459)Disposals (1,17,54,409) 51,74,46,083 45,14,09,103 3,73,26,496 2,05,62,942 17,55,718 28,70,909 96,60,676 5,68,730 2,25,950 16,81,571 Additions (31st March 2019-Rs.39,33 75,24,264 14,29,64,360 3,12,53,026 76,52,193 30,10,083 Balance as at 8,23,02,269 17,49,93,977 4,07,511 13,01,420 31st March, 1,13,01,803 3,77,98,849 15,32,73,484 23,78,14,982 2,66,67,118 Balance as at | Depreciation/ | Eliminated on | Balance as at 12,34,246 2,36,74,557 15,66,277 2,41,14,767 31st March, ACCUMULATED DEPRECIATION/AMORTIZATION (18,46,466) (98,94,394) (13,549)Company Rs.67 disposals of 98,23,106 6,42,40,778 Amortization 10,69,056 14,525 15,14,511 54,23,823 1,73,54,262 2,67,19,791 19,15,213 4,06,491 2020 includes fixed assets held at Foreign Branches of the expenses 2,12,43,295 (1,30,87,868) 94,06,07,445 46,49,59,714 13,59,19,222 21,29,41,657 2,17,59,344 3,78,70,137 2,26,13,805 1,02,32,747 12,19,721 11,59,786 31st March, 6,01,41,581 3,17,66,397 Balance as at 10,21,95,692 31,14,81,929 37,41,37,945 2,72,85,905 16,27,232 2,95,09,558 24,61,206 31st March, DEEMED COST/GROSS BLOCK (23,31,014) (1,07,37,300)(19,554)Disposals Net Block of fixed assets as on 31st March 17,55,718 91,63,68,817 3,73,26,496 96,60,676 2,05,62,942 28,70,909 16,81,571 5,68,730 2,25,950 Additions Balance as at 35,59,06,017 9,25,35,016 31,09,13,199 2,88,95,488 16,27,232 2,92,83,608 6,91,23,163 24,61,206 2,56,23,888 1st March, 2019 Computers **Particulars** Equipment Machinery Plant and Furniture Buildings Buildings Vehicles Vechiles Finance Fixtures Lease) Office Other Total and

4	CAPITAL WORK-IN-PROGRESS		(Amount in ₹)
CARRYI	NG AMOUNT	As at 31st March, 2020	As at 31st March, 2019
Capital	work-in-progress	62,80,900	000'00'2

<u>ب</u>	INVESTIMENT PROPERTY	KOPEKIY										(An	(Amount In <)
Particulars	IO DE	ЕЕМЕD COST,	<b>DEEMED COST/GROSS BLOCH</b>	Ж	ACCUML	ACCUMULATED DEPRECIATION/AMORTIZATION	TION/AMORT	ZATION			<b>NET BLOCK</b>	<b>&gt;</b>	
	Balance	Additions	Additions Disposals	Balance	Balance	Depreciation/ Eliminated Balance Balance Additions Disposals Depreciation/ Balance	Eliminated	Balance	Balance	Additions	Disposals	Depreciation/	Balance
	as at 31st			as at 31st as at 31st	as at 31st	Amortization	Amortization on disposals as at 31st as at 31st	as at 31st	as at 31st			Amortization as at 31st	as at 31st
	March,			March,	March,	expenses	of assets	March,	March,			expenses	March,
	2019			2020	2019			2020	2019				2020
Investment	nvestment 10,47,204	-	1	10,47,204 6,90,487	6,90,487	14,946	-	7,05,433 3,56,717	3,56,717	1	-	14,946	14,946 <b>3,41,771</b>
Property													
Total	10,47,204	-	•	10,47,204 6,90,487	6,90,487	14,946	-	- 7,05,433 3,56,717	3,56,717	•	-	14,946	14,946 3,41,771
I) The fare va	The fare value of the investment property as at 31st I	stment prope	rty as at 31st	March 2020 is	Rs.23,93,54	March 2020 is Rs.23,93,541/ The fare value was arrived on the basis of the valuation report.	e was arrived o	n the basis of	f the valuatio	on report.			

9	INTANGIBLE ASSETS	<b>د</b>											_	(Amount in ₹)
Partic	Particulars	DEEMED COST/GROSS BLO	ST/GROSS	BLOCK		<b>ACCUMULA</b>	ACCUMULATED DEPRECIATION/AMORTIZATION   NET BLOCK	TION/AMOR	TIZATION	<b>NET BLOCK</b>				
		Balance as Additions	Additions	Disposals	Balance as	Balance as	Depreciation	Eliminated	Balance as	Balance as	Addition	Disposal	Disposals Balance as Balance as Depreciation Eliminated Balance as Balance as Addition Disposal Depreciation/ Balance as at	Balance as at
		at 31st			at 31st	at 31st		/ on disposals at 31st	at 31st	at 31st	S	S	Amortization 31st March,	31st March,
		Jarch, 2019			1arch, 2020 A	larch, 2019	Aarch, 2020 Aarch, 2019 Amortization of assets Aarch, 2020 Aarch, 2019	of assets	1arch, 2020 //	larch, 2019			expenses	2020
							expenses							
Software	vare	1	-	1,95,09,076	1,95,09,076 1,31,15,487	38,37,461	1	- 1,69,52,948 63,93,589	63,93,589	1		- 38,37,461	25,56,128	1
Techi	Technical Design and Drawings	1		10,70,334	9,55,110	67,383	1	10,22,493	1,15,224	'		67,383	47,841	1
Trade	<b>Frademark</b>	1		11,73,177	6,80,399	92,522	1	7,72,921	4,92,778	'		92,522	4,00,256	1
Total		'	-	2,17,52,587	2,17,52,587 1,47,50,996	39,97,366	•	- 1,87,48,362	70,01,591	1	•	39,97,366	30,04,225	1
I) Tra	) Trade Mark has been amortised over the period of 10 years.	l over the per	riod of 10 y	ears.										

PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹)



### **FINANCIAL STATEMENTS**

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

# 7 INVESTMENT IN SUBSIDARIES

		(
PARTICULARS	As at 31ST	As at 31ST
	MARCH, 2020	MARCH, 2019
Unquoted		
Investments measured at cost (fully paid) - Subsidaries		
3,50,000 shares (31st March, 2019: 2,25,000) of EURO 1 each in Roto Pumpen GmbH,Germany	2,62,51,001	1,64,03,501
5,25,000 shares (31st March, 2019: 5,25,000) of USD 1 each in Roto Pumps Americas INC, USA	3,40,49,000	3,40,49,000
12,00,000 shares (31st March, 2019: 8,00,000) of SGD 1 each in Roto Overseas Pte	6,16,40,000	4,04,08,000
Ltd,Singapore		
TOTAL	12,19,40,001	9,08,60,501

8 INVENTORIES (Amount in ₹)

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
a) Raw Materials	6,81,33,590	6,37,72,655
b) Work in Process	1,29,64,085	1,07,89,618
c) Finished Goods	18,18,12,808	14,42,15,669
d) Finished Goods-In Transit	1,12,16,338	1,55,74,160
e) Consumables Stores	23,88,364	18,62,313
f) Other Stores & Spares	29,69,800	22,74,485
g) Tools	53,73,493	44,62,809
h) Packing Material	9,72,683	10,66,620
i) Scrap and Wastage	1,89,584	68,560
TOTAL	28,60,20,745	24,40,86,889

- (i) The mode of valuation has been stated in Significant Accounting Policy
- (ii) Inventories have been hypothecated as security for borrowings.

#### 9 TRADE RECEIVABLES (Amount in ₹)

PARTICULARS	As at 31ST MARCH,2020	As at 31ST MARCH, 2019
Unsecured unless stated otherwise (Considered Good)		
Trade Receivables	27,64,43,180	35,84,33,199
Less - Allowance for bad and doubtful debts	(3,65,817)	(20,37,078)
TOTAL	27,60,77,363	35,63,96,121

- i) The average credit period for collection is 90 days.
- ii) No trade receivable are due from directors either severally or jointly with any other person.
- iii) Trade receivable includes Rs.80,759,753/- (As at 31st March, 2019: Rs.77,744,945/-), receivable from subsidiaries incorporated out side India.
- iv) Information about credit risk and market risk of trade receivables refer Note No 39
- v) Movement in expected credit loss allowance

(Amount in ₹)

PARTICULARS	As at 31ST MARCH, 2020	As at 31ST MARCH, 2019
Balance at the beginning of the year	(20,37,078)	(59,04,142)
Add: Provision made during the year	16,71,261	38,67,064
Balance at the end of the year	(3,65,817)	(20,37,078)

#### 10 CASH AND CASH EQUIVALENTS

PARTICULARS	As at 31ST MARCH,2020	As at 31ST MARCH,2019
i) Cash and cash equivalents		
a) Balance with banks	5,26,57,044	1,43,69,529
b) Cash in Hand	19,56,966	20,23,102
c) Remittance in Transit	-	76,91,757
TOTAL	5,46,14,010	2,40,84,388



### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

### 11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Amount in ₹)

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
a) Earmarked Balances with Bank -Unclaimed dividend a/c	13,35,817	12,54,423
b) Term Deposit(Restricted)- Margin Money against guarantees	2,24,15,202	2,16,65,943
TOTAL	2,37,51,019	2,29,20,366

12 LOANS (Amount in ₹)

PARTICULARS	AS AT 31ST MARCH,2020	AS AT 31ST MARCH, 2019
Unsecured and considered good		
a) Security Deposits	76,95,489	68,67,060
b) Staff Loans	7,64,335	5,62,241
TOTAL	84,59,824	74,29,301

### 13 OTHER FINANCIAL ASSETS

(Amount in ₹)

PARTICULARS	AS AT 31ST MARCH,2020	AS AT 31ST MARCH,2019
a) Interest accrued on Bank deposits	5,24,267	3,63,313
b) Interest accured on Security Deposits	73,727	69,603
c) Derivative carried at fair value	-	31,27,462
TOTAL	5,97,994	35,60,378

#### 14 OTHER CURRENT ASSETS

(Amount in ₹)

PARTICULARS	AS AT 31ST MARCH,2020	AS AT 31ST MARCH,2019
( Unsecured and considered good)		
a) Capital Advances	2,14,73,254	1,97,27,321
b) Deposit with GST & Other Authorities	3,70,45,408	6,90,15,088
c) Advance Income Tax & Tax Deducted at Source	4,09,16,337	4,28,54,050
d) Prepaid Expenses	1,04,66,887	94,62,725
e) Other Receivables	1,98,04,273	46,05,053
TOTAL	12,97,06,159	14,56,64,237

#### 15 EQUITY SHARE CAPITAL

(Amount in ₹)

EQUIT SHARE CAPITAL		(Amount mx)
PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH,2019
AUTHORISED SHARE CAPITAL 5,00,00,000 (AS AT 31st March, 2019: 5,00,00,000,) Equity Shares of Rs 2 each	10,00,00,000	10,00,00,000
ISSUED & SUBSCRIBED SHARE CAPITAL  1,55,00,305 (AS AT 31st March, 2019: 1,55,00,305,)  Equity Shares of Rs 2 each	3,10,00,610	3,10,00,610
PAID UP SHARE CAPITAL  1,54,53,805 (AS AT 31st March, 2019: 1,54,53,805)  Equity Shares of Rs 2 each	3,09,07,610	3,09,07,610
TOTAL	3,09,07,610	3,09,07,610

### 15.1 DETAILS OF SHAREHOLDER HOLDING MORE THAN 5% SHARES

NAME OF SHAREHOLDER	AS AT 31st March,2020		AS AT 31st M	larch,2019
	NUMBER OF SHARES HELD	% Held	NUMBER OF SHARES HELD	% Held
	IN THE COMPANY		IN THE COMPANY	
ANURAG GUPTA	10,85,335	7.02	10,85,335	7.02
NAND KISHORE GUPTA HUF	14,88,660	9.63	14,88,660	9.63
ARVIND VEER GUPTA	12,10,335	7.83	12,10,335	7.83
ASHA GUPTA	24,99,665	16.18	24,99,665	16.18
HARISH CHANDRA GUPTA	19,73,695	12.77	19,73,695	12.77
HARISH CHANDRA GUPTA HUF	10,71,100	6.93	10,71,100	6.93
NEERA GUPTA	8,48,575	5.49	8,48,575	5.49



#### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

- **15.2** During the period from 1st April 2019 to 31st March 2020 there is no Changes in Number of Shares oustanding at the end of the reporting period in comparison to number of Shares Oustanding at the beginning of the reporting period.
- **15.3** Application Money on 9,300 Equity Shares @ ₹ 10/- per Share alongwith premium @ Rs. 45/- per share aggregating to ₹ 5,11,500/- allotted on 11.11.1994 has not yet been dispatched and realised as the same was paid by an applicant through a forged stock invest which has been dishonoured by the bankers. During the Financial year 2014-2015 the Face Value of Shares is divided into ₹ 2/- per Share from ₹ 10/- per Share each.

16 OTHER EQUITY (Amount in ₹)

PARTICULARS	AS AT 31ST MARCH,2020		AS AT	31ST MARCH,2019
SECURITIES PREMIUM				
Opening Balance	4,72,06,555		4,72,06,555	
Add: Transferred during the year	-	4,72,06,555	ı	4,72,06,555
GENERAL RESERVE:				
Opening Balance	5,57,89,316		5,57,89,316	
Add: Transferred during the year	-	5,57,89,316	ı	5,57,89,316
RETAINED EARNINGS				
Opening Balance	70,94,03,247		56,71,61,245	
Add: Profit for the year	12,84,32,099		15,29,80,395	
Add :- Other Comprehensive Income				
Remeasurement of Defined Benefit Plan	(44,17,097)		(32,86,241)	
( Net of Taxes)				
	83,34,18,249		71,68,55,399	
Less: Appropriations				
Transferred to General Reserve	-		-	
Dividend	1,23,63,045		61,81,522	
Tax on Dividend	25,41,248	81,85,13,956	12,70,630	70,94,03,247
TOTAL		92,15,09,827		81,23,99,118

#### i) SECURITIES PREMIUM

Securities premium is used to record the Premium on issue of shares. This reserve is utilized in accordance with the provisions of the Act.

#### ii) GENERAL RESERVE

The general reserve is used from time to time to transfer profits from retained earnings for appropriations purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

#### iii) OTHER COMREHENSIVE INCOME

These are actuarial gains/losses on employee benefit obligations.

#### iv) DIVIDEND

The Company paid the dividend of Rs. 0.80 per Share in (2019-20) out of which Rs 0.30 per share is the interim dividend in comparision to Rs. 0.40 per Share in (2018-19) for face value of Rs. 2 per Share.

#### 17 NON CURRENT LIABILITIES - BORROWINGS

(Amount in ₹)

PARTICULARS	AS AT 31ST MARCH,2020	AS AT 31STMARCH,2019
Secured		
Term Loan from Others	29,43,292	82,04,238
Long Term Maturities of Finance Lease Obligations	82,884	9,57,604
TOTAL	30,26,176	91,61,842

#### **17.1** Terms of Repayment:

a) Term Loans from others consists of vehicle loans repayable in 36 monthly equal installments.

### 18 NON-CURRENT LIABILITIES PROVISIONS

PARTICULARS	AS AT 31ST MARCH,2020	AS AT 31ST MARCH,2019
Provision for Employee Benefits		
- Superannuation, Gratuity and Un-availed Leave	32,32,267	31,59,740
TOTAL	32,32,267	31,59,740



### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

### 19 DEFERRED TAX ASSETS/LIABILTIES

(Amount in ₹)

DELETITED 17 01 7 100 E 10 7 E17 E17 E17 E17 E17 E17 E17 E17 E17 E			(/ 4)
PARTICULARS		AS AT 31ST	AS AT
		MARCH, 2020	31ST MARCH, 2019
Defered Tax Liability			
Fair Valuation of Derivatives		-	9,96,757
	TOTAL DTL	(11,31,944)	9,96,757
<u>Deferred Tax Assets</u>			
Provision of Gratuity & Leave Encashment		11,74,968	11,04,685
Provision for Warranty		3,90,937	3,57,259
Provision for CSR Expenses		-	3,20,902
Allowance for Doubtful Trade Receivables		92,076	5,93,197
Fair Valuation of Derivatives		11,31,944	-
Carrying Value of Property, Plant & Equipment and Others		65,30,134	46,87,383
	TOTAL DTA	93,20,059	70,63,426
NET DEFERRED LIABILITIES/(ASSETS)		(93,20,059)	(60,66,669)

### i) Income Tax Recognised in Statement of Profit and Loss

(Amount in ₹)

moonie tan needgineed motatement et teet and 2000		(
Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Current Tax Expenses(A)		
Current Year	4,55,94,215	5,68,01,752
Short/(Excess) provision of earlier years	(12,72,672)	5,43,364
Deferred Tax expenses (B)		
Origination and reversal of temporary differences	-32,53,390	-50,40,313
Tax expense recognized in the income statement (A+B)	4,10,68,153	5,23,04,803

### ii) Income tax recognised in other comprehensive income

(Amount in ₹)

income tax recognised in other comprehensive income						(Amount in 1)
Particulars	For the year ended 31st March 2020		For the yea	r ended 31st	t March 2019	
		Tax	Net of Tax	Before tax	Tax	Net of Tax
	Before tax	(expenses)			(expenses)	
		benefit			benefit	
Items that will not be reclassified to profit & loss						
Remeasurement of the defined benefit plans	(35,28,878)	(8,88,219)	(44,17,097)	(25,45,106)	(7,41,135)	(32,86,241)
Equity instruments through other comprehensive income	-	-	-	-	-	-
TOTAL	(35,28,878)	(8,88,219)	(44,17,097)	(25,45,106)	(7,41,135)	(32,86,241)

### iii) Reconciliation of Effective Tax Rates

Particulars	For the yea	For the year ended 31st March 2020		r ended 31st March 2019
	%	Amount (Rs.)	%	Amount (Rs.)
Profit before Tax		16,86,12,033		20,45,44,063
Other Comprehensive Income		(35,28,878)		(25,45,106)
Tax using the company's domestic tax rate	25.17%	4,15,51,430	34.61%	5,88,22,096
Tax effect of				
Non-deductible tax expenses	-0.43%	7,27,781	-3.97%	81,11,385
(Profit) Loss on sale/discard/impairment of fixed assets	-0.03%	(43,051)	0.01%	11,818
Short/(Excess) provision of earlier years	-0.75%	(12,72,672)	0.27%	5,43,364
Interest on Income Tax	0.06%	1,04,665	0.51%	10,38,910
Effective Income Tax rate	24.36%	4,10,68,153	25.57%	52,304,803



#### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

#### iv) Movement of Deferred Tax (Assets) & Liabilities

(Amount in ₹)

Particulars	Balance as on 1st April 2019	Recognised in P&L during 2019- 20	Recognised in OCI during 2019-20	Balance as on 31st March 2020
Property, plant & equipment ( Includes Intangible Assets)	(46,87,383)	(18,42,751)	-	(65,30,134)
Employee benefit-Provision	(11,04,685)	8,17,936	(8,88,219)	(11,74,968)
Provision for Warranty	(3,57,259)	(33,678)	-	(3,90,937)
Provision for CSR	(3,20,902)	3,20,902	-	-
Allowance for doubtful trade receivables	(5,93,197)	5,01,121	-	(92,076)
Fair valuation of derivatives	9,96,757	(21,28,701)	=	(11,31,944)
Total (Assets)/Liabilities (Net)	(60,66,669)	(23,65,171)	(8,88,219)	(93,20,059)

### iv) Unrecognised Deferred Tax (Assets)/Liabilities

There are no temporary differences on which Deferred Tax (Assets)/Liabilities have not been recognised for the year ended 31st March 2020.

#### 20 CURRENT LIABILITIES - BORROWINGS

(Amount in ₹)

PARTICULARS	AS AT 31ST MARCH,2020	AS AT 31ST MARCH,2019
SECURED		
From Banks	15,71,36,232	24,33,87,646
TOTAL	15,71,36,232	24,33,87,646

#### **20.1 1. BANK OF INDIA**

The working capital loans are secured against hypothecation of stocks and book debts on Pari Passu basis with Citi Bank and IndusInd Bank and guaranteed by Chairman and Managing Director and Dy. Managing Director and Marketing Director as well as collaterly secured by;

- a) Equitable Mortgage of Immovable Factory Building located at Roto House, 14, NSEZ, Noida on Pari Passu basis with IndusInd Bank.
- b) Equitable Mortgage of Immovable Factory land and building located at B-14, Phase-II, Extension, Noida on Pari Passu basis with IndusInd Bank.
- c) Hypothecation of plant & machinery exclusively charged to Bank of India.

#### 2. CITI BANK

- a) Hypothecation of the stock and book debts of the company on Pari Passu basis with Bank of India & IndusInd Bank.
- b) Equitable mortgage of Immovable property land and building located at plot no. 31, Ecotech-XII, Greater Noida, U.P.

#### 3 INDUSIND BANK

a) Equitable Mortgage over the Immovable Factory Building situated at Roto House

#### 21 TRADE PAYABLES

(Amount in ₹)

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
Trade Payables to Micro and Small Enterprises (As per the	99,14,397	2,35,36,538
Intimation Received)		
Trade Payables to Others	6,99,70,078	8,34,15,394
TOTAL	7,98,84,475	10,69,51,932

Refer to Note no 39 for information about liquidity risk and market risk of trade payables.



### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

#### DUES TO MICRO AND SMALL ENTERPRISES (AS PER THE INTIMATION RECEIVED FROM SUPPLIERS)

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosure pursuant to said MSMED Act are as follows:

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
Principal amount due to suppliers and remaining unpaid AS AT year end	99,14,397	63,88,981
Interest due to suppliers and remaining unpaid AS AT year end	-	1,60,914
Principal amounts paid to suppliers, beyond the appointed day during the year	63,88,981	-
Interest paid , other than under Section 16 of MSMED Act, to suppliers,	-	-
beyond the appointed day during the year		
Interest paid , under Section 16 of MSMED Act, to suppliers, beyond the	1,60,914	-
appointed day during the year		
Interest due and payable towards suppliers, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

#### 22 OTHER FINANCIAL LIABILITIES

(Amount in ₹)

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
Current Maturities of long term borrowings	66,90,554	1,16,99,989
Current Maturities of finance lease obligations	8,33,416	5,45,063
Un-paid/ Unclaimed dividend	13,35,817	12,54,423
Derivative carried at fair value	13,69,731	-
TOTAL	1,02,29,518	1,34,99,475

#### 23 OTHER CURRENT LIABILITIES

(Amount in ₹)

PARTICULARS	AS AT 31ST MARCH,2020	AS AT 31ST MARCH,2019
Sales Tax & GST Payable	10,48,516	11,20,381
Service Creditors	1,99,87,125/-	1,74,42,710
Other PayableS	6,27,31,780/-	6,10,98,491
TOTAL	8,37,67,421	7,96,61,582

23.1 Other payable includes Rs.7,32,202/-for Capital liability(AS AT 31st March, 2019: Rs.6,44,057/-), and Rs.1,66,87,756/- on account of advance from customers (AS AT 31st March, 2019: Rs.1,13,78,179/-) and balance on account of other expenses payable.

#### 24 CURRENT LIABILITIES PROVISIONS

(Amount in ₹)

		,
PARTICULARS	AS AT 31ST MARCH,2020	AS AT 31ST MARCH,2019
Provision for Employee Benefits		
- Superannuation, Gratuity and Un-availed Leave	64,34,498	33,78,714
Provision for Warranty	15,53,193	12,26,851
TOTAL	79,87,691	46,05,565

#### 25 CURRENT TAX LIABILITIES (NET)

(Amount in ₹)

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
Provision for Income tax	4,55,94,215	5,68,01,752
TOTAL	4,55,94,215	5,68,01,752

#### 26 REVENUE FROM OPERATIONS

PARTICULARS	Year Ended	31ST MARCH,2020	Year End	ed 31ST MARCH,2019
Sale of Products				
Pumps	630,838,255		615,970,107	
Spares	576,975,148	1,207,813,403	652,435,552	1,268,405,659
Sale of Services				
Services - Repair & Maintenance	2,324,410		2,829,511	
Services - Commissioning & Installation	100,000	2,424,410	39,000	2,868,511
Other Operating Revenue		6,426,075		6,326,430
		1,216,663,888		1,277,600,600
GROSS REVENUE FROM OPERATIONS		1,216,663,888		1,277,600,600

i) In accordance with the Accounting Standard-18 Revenue Recognition and Schedule III of the Companies Act 2013, GST is not the part of Revenue therefore the sales amount is net of GST.



### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

### 26.1 PARTICULARS OF REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	Year Ended	31ST MARCH, 2020	Year Ende	ed 31ST MARCH, 2019
DOMESTIC				
Sale of Products				
-Pumps	25,21,59,975		23,62,44,633	
-Spares	18,32,33,463	43,53,93,438	17,78,25,603	41,40,70,236
Sales of Services				
- Services- Repairs & Maintenance	18,98,810		18,49,800	
- Services- Commissioning & Installation	1,00,000	19,98,810	39,000	18,88,800
Other Operating Revenue		64,26,075		63,26,430
		44,38,18,323		42,22,85,466
EXPORT				
Sales of Products				
-Pumps	37,86,78,280		37,97,25,474	
-Spares	39,37,41,685	77,24,19,965	47,46,09,949	85,43,35,423
Sales of Services				
- Services- Repairs & Maintenance	4,25,600		9,79,711	
- Services- Commissioning & Installation	-	4,25,600	-	9,79,711
		77,28,45,565		85,53,15,134
TOTAL		1,21,66,63,888		1,27,76,00,600

### 27 OTHER INCOME

( Amount in ₹)

PARTICULARS	Year Ended 3	1ST MARCH,2020	Year Ended	d 31ST MARCH,2019
Interest Income				
- On Bank Deposits	14,25,690		14,14,793	
- Others	10,02,686	24,28,376	11,88,918	26,03,711
Misc. Credit Balances Written Off		-		24,88,847
Foreign Exchange Diff Foreign Operations & Others		2,14,60,030		57,85,274
Profit on Sale/Impairment of Fixed Assets		1,71,041		-
Allowance for doubtful trade receivables		16,71,261		38,67,064
Gain on Valuation of Derivative		-		34,22,928
Export Incentive		1,13,64,000		20,25,562
Miscellaneous Receipts		41,16,845		3,54,024
TOTAL		4,12,11,553		2,05,47,410

### 28 COST OF MATERIALS CONSUMED

PARTICULARS	Year Ended	31ST MARCH, 2020	Year Ended 31	ST MARCH, 2019
i) RAW MATERIALS CONSUMED				
Opening Stock	2,56,16,712		2,51,36,614	
Add: Purchases& Expenses thereon	18,83,44,977		18,64,00,164	
Less: Closing Stock	2,85,05,432	18,54,56,257	2,56,16,712	18,59,20,066
ii) BOUGHT OUT COMPONENTS CONSUMED				
Opening Stock	3,81,55,944		4,28,58,586	
Add: Purchases& Expenses thereon	22,82,20,235		26,04,47,401	
Less: Closing Stock	3,96,28,158	22,67,48,021	3,81,55,944	26,51,50,043
iii) CONSUMABLE STORES AND SPARES				
Opening Stock	18,62,314		22,80,441	
Add: Purchases& Expenses thereon	1,72,11,745		1,19,92,863	
Less: Closing Stock	23,88,364	1,66,85,695	18,62,314	1,24,10,990
TOTAL		42,88,89,973		46,34,81,099



### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

### 28.1 Particulars of Raw Material and Components Consumed

(Amount in ₹)

Particulars	Year Ended 31ST MARCH, 2020	Year Ended 31ST MARCH, 2019
Mild Steel	55,51,894	53,75,461
Steel (SS & Alloy)	8,28,05,947	7,97,50,044
Iron & Metal Castings	4,86,70,537	4,42,07,783
Rubber & Chemicals	2,06,43,011	2,74,97,998
Pipes	1,40,47,779	1,60,63,002
Bought Out Materials & Components	22,67,48,021	26,51,50,043
Freight, Cartage, Clearing & Insurance	1,37,37,089	1,30,25,778
Other Consumables Store & Spares	1,66,85,695	1,24,10,990
TOTAL	42,88,89,973	46,34,81,099

### 29 CHANGE IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS

(Amount in ₹)

PARTICULARS	Year Ended 3	31ST MARCH, 2020	Year Ended 31	ST MARCH, 2019
OPENING STOCK:				
Finished Goods	15,97,89,829		12,81,18,988	
Work in Progress	1,07,89,618		1,28,67,743	
Scrap & Wastage	68,560	17,06,48,007	97,600	14,10,84,331
LESS: CLOSING STOCK:				
Finished Goods	19,30,29,146		15,97,89,829	
Work in Progress	1,29,64,085		1,07,89,618	
Scrap & Wastage	1,89,584	20,61,82,815	68,560	17,06,48,007
Net Change in Inventories		(3,55,34,808)		(2,95,63,676)

#### 30 EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

EIVII EO TEE DEIVETTIO EXI EIVOE		(ranount in v)
PARTICULARS	Year Ended 31ST MARCH, 2020	Year Ended 31ST MARCH,
		2019
Wages, Salary, Bonus Gratuity & Other Allowances	26,69,46,123	24,79,06,283
Contribution to Provident & Other Funds	1,79,95,283	1,71,55,091
Directors' Remuneration	3,00,78,069	2,96,85,121
Workmen & Staff Welfare	1,00,30,073	1,01,48,704
TOTAL	32,50,49,548	30,48,95,199

i) Contribution to Provident and other funds includes contribution to Provident fund for directors Rs.24,72,840/- (AS AT 31st March, 2019: Rs.20,85,120/-)

#### 31 FINANCE COST

(Amount in ₹)

PARTICULARS	Year Ended 31ST MARCH, 2020	Year Ended 31ST MARCH, 2019
INTEREST:		
On Term Loans	11,98,560	20,18,843
On Others borrowings	1,74,79,989	2,33,71,170
TOTAL	1,86,78,549	2,53,90,013

#### 32 DEPRECIATION & AMORTISATION EXPENSE

PARTICULARS	Year Ended 31ST MARCH, 2020	Year Ended 31ST MARCH, 2019
Depreciation on Property, plant & Equipment	6,42,55,722	7,04,28,987
Depreciation on Intangible assets	39,97,367	39,62,071
TOTAL	6,82,53,089	7,43,91,058



### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

### 33 OTHER EXPENSES (Amount in ₹)

PARTICULARS	Year Ended 31st MARCH,2020	Year Ended 31ST MARCH,2019
Power & Fuel	1,50,18,758	1,80,61,087
Machining & Electroplating	1,89,56,994	2,19,97,872
Tools	85,42,223	88,46,596
Repairs :		
Building	67,53,028	19,21,693
Plant & Machinery	83,11,401	81,44,241
Others	15,23,078	10,93,269
Insurance Charges	23,26,564	23,39,795
Travelling & Conveyance	4,58,01,750	3,93,11,834
Postage & Telephone	42,48,056	47,13,186
Professional & Consultancy	85,95,559	70,22,363
Vehicle Running & Maintenance	64,86,901	55,33,314
Rent	1,13,69,316	1,12,36,732
Rates & Taxes	24,05,806	32,91,855
Directors' Sitting Fees	7,70,000	8,50,000
Payment to Auditors :		
Audit Fee	5,00,000	4,00,000
Tax Audit Fee	1,50,000	1,50,000
GST Audit Fees	60,000	60,000
Foreign Branch Audit Fee	6,93,214	5,65,659
Cost Audit Fee	1,00,000	1,00,000
Out of Pocket Expenses	98,966	99,900
Packing & Forwarding Expenses	5,51,40,035	5,98,51,257
Commission & Discount	5,63,366	1,55,660
Advertisement & Publicity	1,41,51,717	49,08,521
Loss on sale of fixed assets	-	40,585
Bad Debts	1,51,05,845	62,87,369
Loss on fair valuation of derivative	44,97,193	-
CSR Expenditure	18,38,000	9,89,500
Testing & Inspection Expenses	21,40,600	34,54,531
Bank Charges & Commission	70,59,999	61,88,692
Claim & Free Replacement	17,66,867	20,49,381
Miscellaneous Expenses	3,89,51,821	3,53,45,362
TOTAL	28,39,27,057	25,50,10,254

#### **34** Earning per share (Amount in ₹)

Larning per share		(Amount in V)
Particulars	Year ended 31st March 2020	Year ended 31st March
		2019
Profit attributable to equity holders of the Company for basic and	12,84,32,099	15,29,80,395
diluted earnings per share		
Number of Equity Shares	1,54,53,805	1,54,53,805
Face Value per Share	2	2
Weighted average number of shares at the end of the year for basic	1,54,53,805	1,54,53,805
and diluted earnings per share		
Basic and Diluted Earning per Shares	8.31	9.90



#### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

#### 35 Contingent Liabilities & Commitments

#### 35.1 Contingent Liabilities (Amount in ₹)

Particulars	AS AT 31st, March 2020	AS AT 31st, March 2019
i) Disputed Sales Tax-Case	1,63,16,724	1,82,86,677
ii) Disputed Income Tax (appeals pending)	-	46,11,282
iii) Bank Guarantee/Letter of Credit	5,40,07,199	3,71,17,620
iv) Corporate Guarantee	31,62,234	1,53,354
v) Labour Cases	66,33,484	62,58,004
vi) Additional Demand from Greater Noida Industrial Development	-	1,10,00,000
Authority on Greater Noida Land		

Considering the facts in the current year the Contingent Liabilities for Disputed Income Tax has been disposed off on the ground of time barred as it is the disputed case related to long back earlier years and the company had not received any adjudicated order or intimation against it.

#### 35.2 Commitments

#### a) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.10,564,444/- AS AT 31st March 2020 (AS AT 31st March 2019: Rs 12,13,044/-)

#### b) Financial Guarantee

Term Deposits with Bank of India, Janpath Branch amounting to Rs 90,32,477/- (AS AT 31st March 2019: Rs.92,60,857/-) and Term Deposit with Indusind Bank, Barakhamba Road Branch amounting to Rs 35,66,338/- (AS AT 31st March 2019: Rs 33,20,700/-) are pledged with Bank of India & IndusInd Bank as Margin on Bank Guarantees, Letter of Credit and Foreign bills purchased by them.

Term Deposits with Citi Bank, Barakhamba branch amounting to Rs 90,84,386/-is pledged as Security with Goods & Service Tax Department.

The Company being engaged in the business of Engineering manufacturing, the provision of Section 186 of the Companies Act, 2013 are not applicable and accordingly, disclosure of details with respect to Loan given, guarantee given, security and investment made during the financial year 2019-2020 in terms of Section 186(4) of the Act is not applicable.

### 37 Capital Management

The Company's policy is to maintain a strong capital base so as to ensure that the Company is able to continue as going concern to sustain future development of the business. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market conditions. The policy is also adjusted based on underlying macro-economic factors affecting business environment, financial and market conditions. Its guiding Principles are as below:-

- i) Maintenance of financial strength to ensure the highest ratings;
- ii) Ensure financial flexibility and diversify sources at financing;
- iii) Manage Company exposure in forex to mitigate risks to earnings;
- iv) Leverage optimally in order to maximum shareholders returns while maintaining strength and flexibility of the balance sheet.

'The Gearing Ratio at the end of the reporting period are as under :

Particulars	AS AT 31st, March 2020	AS AT 31st, March 2019
Borrowings	16,76,86,379	26,47,94,540
Less :- Cash & Bank balances	5,46,14,010	2,40,84,388
Net debts	11,30,72,369	24,07,10,152
Total Equity	95,24,17,437	84,33,06,728
Net Debts to Equity ratio	12%	29%



#### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

#### 38 Financial Instruments

a) Fair value measurement hierarchy: (Amount in ₹)

Particulars		AS AT 31st March, 2020		
	Carrying amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial assets				
At FVTPL				
Derivative contracts	-	-	-	-
At FVTOCI				
	-	-	-	-
At Amortized cost				
Trade receivables	27,60,77,363	-	-	-
Cash and cash equivalents	5,46,14,010	-	-	-
Bank balances other than above	2,37,51,019	-	-	-
Other financial assets	90,57,818	-	-	-
Financial liabilities				
At FVTPL				
Derivative contracts	13,69,731	-	13,69,731	-
At Amortized cost				
Borrowings	16,01,62,408	-	-	-
Trade payables	7,98,84,475	-	-	-
Other Financial liabilities	88,59,787	-	-	-

Particulars		AS AT 31st March, 2019		
	Carrying amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial assets				
At FVTPL				
Derivative contracts	31,27,462	-	31,27,462	
At FVTOCI				
	-	-	-	
At Amortized cost				
Trade receivables	35,63,96,121	-	-	
Cash and cash equivalents	2,40,84,388	-	-	
Bank balances other than above	2,29,20,366	-	-	
Other financial assets	78,62,218	-	-	
Financial liabilities				
At FVTPL				
Derivative contracts	-		-	
At Amortized cost				
Borrowings	25,25,49,488	-	-	
Trade payables	10,69,51,932	-	-	
Other Financial liabilities	1,34,99,475	-	-	

**FVTPL** :- Fair Value through Profit & Loss A/c.

**FVTOCI** :- Fair Value through Other Comprehensive Income

The fair values of the financial assets and liabilities are defined as 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. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2019.

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. In the case of Derivative contracts, the Company has valued the same using the forward exchange rate AS AT the reporting date.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.



#### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

#### b) 'Calculation of fair values:

- i) Financial assets and liabilities measured at fair value AS AT Balance Sheet date:
  - The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.
- ii) Other financial assets and liabilities:-
  - -Cash and cash equivalents, trade receivables, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) have fair values that approximate to their carrying amounts due to their short-term nature.
  - -Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

#### 39 Financial Risk Management

#### Risk Management framework and policies

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

The Company has exposure to the following risks arising from financial instruments:

- A) Credit Risk
- B) Liquidity Risk
- C) Market Risk
- D) Interest Rate Risk

The table below explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact in the financial statements:-

Risk	Exposure arising from	Measurement	Management
Credit Risk	Trade receivables, cash and cash equivalents and derivative financial instruments	Credit ratings Ageing Analysis	No of overdue days
Liquidity Risk	Other liabilities	Maturity Analysis	Maintaining sufficient cash/ cash equivalents and marketable securities.
Market Risk -	Highly probable forecast transactions and	Sensitivity Analysis	Forward foreign exchange contracts
Foreign	financial assets and liabilities not		
Exchange	denominated in INR		

#### A) Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit Risk arises from credit exposures from customers, cash and cash equivalent with banks, security deposits and loans.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer and including the default risk of the industry, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company uses an allowance matrix to measure the expected credit losses of trade receivables. The loss rates are computed using a 'roll rate' method based on the probability of receivable progressing through successive stages of delinquency to write off.

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

#### **Ageing of Trade Receivables**

Particulars	AS AT 31st March 2020	AS AT 31st March 2019
Not due	8,45,20,048	19,42,12,064
0-3 months	11,68,85,969	11,87,19,652
3-6 months	4,78,36,869	3,38,40,186
6-12 months	2,48,82,245	55,52,750
beyond 12 months	19,56,345	61,08,547
TOTAL	27,60,81,476	35,84,33,199
Expected Credit Loss	(3,65,817)	(20,37,078)



#### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired. The derivative contracts are entered into with scheduled banks which have good credit ratings.

#### B) Liquidity Risk

Liquidity Risk is the risk that a company could encounter if it faces difficulty in meeting the obligations associated with financial liabilities by delivering cash and other financial asset or the risk that the Company will face difficulty in raising financial resources required to fullfill its commitments. The Company's exposure to liquidity risk is very minimal as it has a prudent liquidity risk management process in place which ensures maintaining adequate cash and marketable securities to pay its liabilities when they are due. To ensure continuity of funding, the Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Exposure to Liquidity Risk (Amount in ₹)

Particulars	AS AT 31st March 2020			
	Carrying amount			
	Within one Year	One to five years	More than five years	Total
Non-derivative financial liabilities				
Borrowings	15,71,36,232	30,26,176	-	16,01,62,408
Trade Payables	7,98,84,475	=	-	7,98,84,475
Other financial liabilities	88,59,787	-	-	88,59,787
<b>Derivative financial liabilities</b>				
Foreign exchange forward contract	13,69,731	=	-	13,69,731
TOTAL	24,72,50,225	30,26,176	-	25,02,76,401
5 1				·

AS AT 31st March ,2019			
Carrying amount			
Within one Year	One to five years	More than five years	Total
24,33,87,646	91,61,842	-	25,25,49,488
10,69,51,932	-	-	10,69,51,932
1,34,99,475	-	-	1,34,99,475
-	-	-	-
36,38,39,053	91,61,842	-	37,30,00,895
	Within one Year  24,33,87,646  10,69,51,932  1,34,99,475	Carrying amount  Within one Year  24,33,87,646 10,69,51,932 1,34,99,475	Carrying amount           Within one Year         One to five years         More than five years           24,33,87,646         91,61,842         -           10,69,51,932         -         -           1,34,99,475         -         -

#### C) Market Risk

The Company operates internationally and a major portion of the business is transacted in several currencies. Consequently the company is exposed to foreign exchange risk through its sales and services in the US and elsewhere, and purchases from the overseas suppliers in various foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward contract to mitigate the risk of changes in exchange rates on foreign currency exposure. The exchange rate between rupee and foreign currency has changed substantially in recent years and may fluctuate substantially in future. Consequently ,the results of the Company's operation are adversely affected as the rupee appreciates/ depreciates against these currencies. The Company exposure to foreign currency risk in respect of major currencies is given below:

Particulars	AS AT 31st March 2020	AS AT 31st March 2019
Trade Payables		
USD	-	148,956
EURO	1,02,472	-
Trade Receivables		
USD	11,75,41,356	11,01,27,154
EURO	-	7,697,849
Other Assets (Net)		
GBP	19,76,02,055	15,73,05,431
AUD	11,34,72,969	11,62,52,366
USD	29,76,382	19,90,507
EURO	5,65,812	1,15,009
Other Current Assets		
USD	9,30,801	18,68,756
Other Current Liabilities	, ,	. ,
USD	57,13,956	19,90,507
Net Exposure		
USD	11,57,34,583	10,69,73,529
EURO	4,63,340	78,12,858
GBP	19,76,02,055	15,73,05,431
AUD	11,34,72,969	11,62,52,366



#### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

#### **Foreign Currency sensitivity**

The sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments. The sensitivity to variations in respect of major currencies is given below. This analysis assumes that all other variables remain constant.

Particulars	AS AT 31st March 2020	AS AT 31st March 2019
USD - Increase by 5%	57,77,404	53,46,273
USD - Decrease by 5%	(57,77,404)	(53,46,273)
EURO - Increase by 5%	(33,414)	3,79,142
EURO - Decrease by 5%	33,414	(3,79,142)
GBP - Increase by 5%	98,80,103	78,65,272
GBP - Decrease by 5%	(98,80,103)	(78,65,272)
AUD - Increase by 5%	56,73,648	58,12,618
AUD - Decrease by 5%	(56,73,648)	(58,12,618)

The Company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rate variations. The counter party is generally a bank. These contracts are for a period between one day and one year. The above sensitivity does not include the impact of foreign currency forward contracts which largely mitigate the risk.

#### **Forward Foreign Exchange Contracts**

The Company has entered into short term Forward Exchange Contracts, being derivative instruments for hedge purposes and not intended for trading or speculation purposes, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain receivables. For the fair Value (Marked to Market) of foreign currency derivative contracts outstanding refer to Note No 22 & 13.

#### D) Interest Rate Risk

Interest Rate risk can be the cash flow interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments will fluctuate because of fluctuations in market interest rates.

#### 40 Related Party Disclosure

### 40.1 Remuneration paid to Key Managerial Personnel

Amount in ₹

Name	Designation	Nature of Transaction-Gross Salary	
		Year ended Year e	
		31st March 2020	31st March 2019
Mr. Harish Chandra Gupta	Chairman & Managing Director	1,32,44,403	1,29,65,425
Mr. Anurag Gupta	Jt.Managing Director	84,87,333	84,36,233
Mr.Arvind Veer Gupta	Dy.Managing Director	83,46,333	82,83,463
Mr Pardeep Jain	Chief Financial Officer	28,11,065	24,35,377
Mr.Ashwani Kumar Verma	Company Secretary	21,03,503	17,12,246

As the provision for the post-employment benefits such as Gratuity & Leave encashment are provided on an actuarial basis for the company as a whole, the amount pertaining to Key Managerial Personnel is not ascertainable and therefore not included above. But the actual payment made on behalf of Leave enchashment is considered in gross salary.

#### 40.2 Sitting Fees Paid to Non-Executive Directors

Name	Designation	Year ended Ye	
		31st March 2020	31st March 2019
Mr. B.S. Ramaswamy	Independent Director	-	1,60,000
Dr. Ramesh Chandra Vaish	Independent Director	1,60,000	1,70,000
Mr. Anand Bordia	Independent Director	1,70,000	1,30,000
Mrs. Asha Gupta	Non-Executive Director	1,60,000	1,20,000
Mrs. Annapurna Dixit	Independent Director	60,000	1,10,000
Mr. Basant Seth	Independent Director	1,70,000	1,60,000
Mr. Akhil Joshi	Independent Director	50,000	-



#### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

#### 40.3 Transactions with other related party

Amount in ₹

Particulars	Relationship	Nature of	Year ended	Year ended
		Transactions	31st March	31st March
			2020	2019
1. Revenue from Operation				
Roto Pumps North America Inc	Wholly Owned Subsidiary	Sales	8,49,25,532	13,24,88,575
Roto Pumps Africa (Pty) Ltd	Wholly Owned Subsidiary	Sales	2,38,94,441	1,60,80,714
2. Purchase of Materials				
Roto Pumps North America Inc	Wholly Owned Subsidiary	Purchase	12,90,226	21,544
		Materials		
3. Purchase of Investment				
Roto Pumpen GmbH	Wholly Owned Subsidiary	Purchase of	98,47,500	-
		Investment		
Roto Overseas Pte Ltd	Wholly Owned Subsidiary	Purchase of	2,12,32,000	-
		Investment		

The total no of issued Shares of Roto Pumps Africa (Pty) Ltd is 2000100 Shares of Rand 1 each out which 2000000 shares is with Roto Oveseas Pte Ltd and 100 shares is with Mr.Abdool Hamid Muhammed.

### 40.4 Balances Outstanding's with related party

Amount in ₹

Nature of outstanding balances	AS AT 31st March 2020	AS AT 31st March
		2019
Investment Subsidiary	12,19,40,001	9,08,60,501
Trade Receivables Subsidiary	8,07,59,753	7,77,44,945

#### 41 Employees Benefit

#### a) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised are charged off for the year are as under:

Amount in ₹

Particulars	Year ended 31st March 2020	Year ended 31st
		March 2019
Employer's Contribution to Provident fund	1,00,17,395	85,76,771
Employer's Contribution to Superannuation/NIC at foreign	68,19,320	73,53,881
branches		

#### b) Defined Benefit Plan

The present value of the defined benefit obligations and related current service cost were measured using the Projected unit credit method, with actuarial valuation being carried out at each Balance Sheet date.

**Investment Risk**: The Present Value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit.

**Interest Risk:** A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity Risk:** This risk effects Past Retirement Benefit plans, especially Pension and medical benefits. This Plan pays the benefit on Retirement, if not paid earlier, on account of resignation or death and hence the Longevity risk will not materially effect this Plan.



### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

In respect of Employees in India

Particulars		Gratuity Funded	Lea	ave Encashment
	As at 31st March	As at 31st March	As at 31st	As at 31st
	2020	2019	March 2020	March 2019
The principle assumptions used in actuarial valuation	Amount ₹	Amount ₹	Amount ₹	Amount ₹
	7.00%	7 750/	7.00%	7.75%
-Discount rate		7.75%		
-Expected rate on return of assets ( per annum)	7.00%	7.75%	7.00%	7.75%
-Expected rate of future salary increase	5.75%	5.75%	5.75%	5.75%
-Withdrawal Rate (per annum)	5.00%	5.00%	5.00%	5.00%
Change in Present value of Obligation				
-Present value of obligation as at the beginning of the year	2,59,47,753	2,27,07,783	74,01,818	74,14,619
-Interest Costs	18,16,343	17,59,853	5,18,127	5,74,633
-Current Service Cost	25,11,394	19,97,331	16,41,318	12,96,660
-Past Service Cost( vested benefit)	-	-	, ,	
-Benefits Paid	(7,20,282)	(7,92,000)	(20,07,911)	(39,22,383)
-Actuarial (Gain) / Loss on obligations	12,15,437	2,74,786	23,10,370	20,38,289
-Unpaid Liability				
-Present value of obligation as at end of the year	3,07,70,645	2,59,47,753	98,63,722	74,01,818
,				
Change in fair value of Plan Assets				
Fair Value of Plan Assets at the beginning of the period	2,32,02,861	1,90,66,283	85,38,601	54,02,852
Expected Return on Plan Assets	16,24,200	14,77,637	5,97,702	4,18,721
Contributions	27,50,000	36,50,000	-	27,50,000
Benefit Paid	(7,20,282)	(7,92,000)	(3,54,280)	-
Actuarial Gain/(Loss) on Plan Assets	14,935	(1,99,059)	(18,006)	(32,972)
Fair Value of Plan Assets at the end of the period	2,68,71,714	2,32,02,861	87,64,017	85,38,601
Actual Deturn on Dian Accets				
Actual Return on Plan Assets	16 24 200	14 77 627	F 07 702	4 10 721
Expected Return on Plan Assets	16,24,200	14,77,637	5,97,702	4,18,721
Actuarial Gains/(Losses) on Plan Assets	14,935	(1,99,059)	(18,006)	(32,972)
Actual Return on Plan Assets	16,39,135	12,78,578	5,79,696	3,85,749
Liability Recognised in balance Sheet				
-Present value of obligation as at end of the year	(3,07,70,645)	(2,59,47,753)	(98,63,722)	(74,01,818)
-Fair value of plan assets as at the end of the year	2,68,71,714	2,32,02,861	87,64,017	85,38,601
-Unfunded status		-	-	-
-Unrecognised Actuarial (Gain)/Loss	-	-	_	-
Net Assets/ (Liability) recognised in Balance Sheet	(38,98,931)	(27,44,892)	(10,99,705)	11,36,783
Expenses recognised in Profit and Loss Account				
-Current Service Cost	25,11,394	19,97,331	16,41,318	12,96,660
-Interest Costs	18,16,343	17,59,853	5,18,127	5,74,633
-Expected Return on Plan assets	(16,24,200)	(14,77,637)	(5,97,702)	(4,18,721)
-Past Service Cost( vested benefit) Recognised	-	-	-	-
-Net Actuarial (Gain)/ Loss recognised during the year	12,00,502	4,73,845	23,28,376	20,71,261
Total Expenses recognised in Profit and Loss a/c	39,04,039	27,53,392	38,90,119	35,23,833



#### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

#### 42. CSR Expenditure

a) Amount spent during the period

Particulars	Year ended 31st March 2020			Year ended 31st March 2019		
Defere the year and	Paid before the	Yet to be paid	Total	Paid before the	Yet to be paid	Total
Before the year end	year end			year end		
Expenditure on Coporate Social	5,00,000	13,38,000	18,38,000	10,00,000	=	10,00,000
Responsibility						

b) Amount for the FY 2017-2018 is Rs 11,02,000/- is yet to be paid but it is committed to the Round Table India Trust

#### 43 Earnings in Foreign Currency

Amount in ₹

	<u>'</u>			
Particulars	Year ended 31st March 2020		Year ended	31st March 2019
	Bill Value	FOB Value	Bill Value	FOB Value
Export of Goods				
Pumps	37,86,78,280	37,51,17,244	37,97,25,474	37,65,29,739
Spares	39,37,41,685	38,90,55,731	47,46,09,949	46,98,79,676
Others				
Service Charges	4,25,600	4,25,600	9,79,711	979711
Interest Income	-	-	-	-
TOTAL	77,28,45,565	76,45,98,575	85,53,15,134	84,73,89,711

Note: Export of goods includes sales at Foreign Branches Rs.50,12,67,460/- (Prev. Year Rs. 55,16,21,623/-)

Service Charges includes charges at Foreign Branches Rs.4,25,600/- (Prev. Year Rs.9,79,711/-)

#### 44 Expenditure in Foreign Currency

Amount in Amount in ₹

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Travelling Expenses	1,59,19,306	1,68,08,989
Expenses at Foreign Branch	21,19,04,990	23,19,51,273
Professional & Consultancy	14,78,128	6,88,624
Other Expenses	4,50,694	27,37,150
TOTAL	22,97,53,118	25,21,86,036

Note: Expenses at Foreign Branch includes Capital goods (net of sales) installed and used at Foreign Branch Rs.44,98,297/(Prev. Year Rs.16,28,552/-) and Consumption of Materials & Cosumables of Rs.8,06,06,321/- (Prev.Year Rs.10,47,51,312/-)

Remittance in foreign currency towards Dividend for 2018-2019 to Ms. Debra Pauly, U.K. of Rs.1,91,000/- on 382000 Equity Shares (Previous Year Rs.1,52,800/-). Interim Dividend of Rs.1,14,600/- for 2019-2020 is also paid.

### 46 Value of Imports (Calculated on CIF basis)

Amount in Amount in ₹

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Materials	2,17,49,099	2,98,50,072
Capital Goods	-	5,52,380
TOTAL	2,17,49,099	3,04,02,452

#### 47 Consumption of Indigenous/Imported Materials

a) Raw Materials and Components

Amount in Amount in ₹

Particulars	Year ended	d 31st March 2020	Year ended 3	1st March 2019
	Amount (Rs.) %		Amount (Rs.)	%
Indigenous	30,74,51,657	74.59%	31,46,87,324	60.76%
Imported	10,47,52,621	25.41%	13,63,82,785	30.24%
TOTAL	41,22,04,278	100%	45,10,70,109	100%

Note: Imported Raw Material and Components includes Rs.7,99,27,594/- ( Previous Year Rs.10,39,67,429/-) consumption at foreign branches.

### b) Consumable Stores

Particulars	Year ended 31st March 2020		Year ended 31st March 2019	
	Amount (Rs.)	%	Amount (Rs.)	%
Indigenous	1,60,06,968	95.93%	1,16,27,107	93.68%
Imported	6,78,727	4.07%	7,83,883	6.32%
TOTAL	1,66,85,695	100%	1,24,10,990	100%



#### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Note: Imported Consumables includes Rs.6,78,727/- (Previous Year Rs.7,83,883/-) consumption at foreign branches.

#### 48 Expenditure in Research & Development

n) Total revenue expenditure on Research and Development

Amount in Amount in ₹

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Cost of Materials Consumed	14,79,853	6,64,178.00
Salaries, Wages and other benefits	2,00,37,344	1,59,31,894
Depreciation Expenses	34,95,522	24,42,112
Other Expenditure directly related to R&D Unit	58,54,713	28,71,992
TOTAL	3,08,67,432	2,19,10,176

b) Total Capital expenditure during the year on Research and Development aggregates to Rs 43,53,608/- (Previous Year Rs 27,48,136/-

World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020 Consequent to this, Government of India declared lockdown on March 23, 2020 and the company temporarily suspended the operations of the Company in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc. during the lock down period.

However, The company has started it's normal operations after obtaining permissions from the appropriate government authorities. The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, inventory, trade receivables, Current and Non-Current Assets. Based on current indicators of future economic conditions, the company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

- The Company's operations predominantly comprises of only one segment- Pumps & Spares, therefore operationaly segment reporting does not apply.
- The Board of Directors of the company at its meeting held on 10th February 2020 had approved payment of dividend at rate Rs.0.30 per equity shares on 15453805 equity Shares of Par value Rs. 2/- each. The same has been paid on 5th March ,2020 to the equity shareholders of the company. Further the meeting held on 27th June 2020 the Board of Directors considered the difficult situation emerged due to COVID19 pandemic, and has recommended not to pay further dividend for the financial year ended 31st March, 2020.
- Previous Year's figures have been re-grouped/re-arranged wherever necessary to render them comparable with the current year's figures.
- Figures have been rounded off to the nearest rupee.

As per our report of even date.

For R.N Marwah & Co LLP Chartered Accountants (Registration No.0001211N/N500019)

(Manoj Gupta)
PARTNER
Membership No.096776
UDIN:20096776AAAAAU3161

PLACE: NOIDA DATE: 27th June,2020 For and on behalf of the Board

(HARISH CHANDRA GUPTA)
Chairman & Managing Director
(DIN: 00334405)

(PRADEEP JAIN) Chief Financial Officer (PAN : AAEPJ6827A) (ANURAG GUPTA)
Jt. Manging Director
(DIN: 00334160)



#### INDEPENDENT AUDITOR'S REPORT

To the Members of Roto Pumps Limited

# Report on the Audit of the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying consolidated Ind AS financial statements of (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet AS AT March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in 2020 Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, AS AT March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### **Basis for Opinion**

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

#### **Emphasis of Matter**

We draw attention to Note 44 to the consolidated financial statements, which describes the uncertainties arising due to COVID-19 pandemic on the Company's operations and estimates as assessed by the management. Our opinion is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no other key audit matters to communicate in our report.

#### Other Information

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

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial



statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the
  consolidated Ind AS financial statements, whether due to
  fraud or error, design and perform audit procedures
  responsive to those risks, and obtain audit evidence that is
  sufficient and appropriate to provide a basis for our opinion.
  The risk of not detecting a material misstatement resulting
  from fraud is higher than for one resulting from error, as
  fraud may involve collusion, forgery, intentional omissions,
  misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit

evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



#### Other Matter

We did not audit the financial statements and other financial information, in respect of three subsidiaries, whose Ind AS financial statements include total assets of Amount in ₹ 2,013.23 lakhs AS AT March 31, 2020, and total revenues of Amount in ₹ 2,214.18 lakhs and net cash outflows of Amount in ₹ 19.57 lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, [based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- We and the other auditors whose report we have relied upon 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 of the aforesaid consolidated Ind AS financial statements;
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors:
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements:
- In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed

under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act. Further this clause does not apply to the other subsidiary being a Limited Liability Partnership.

- With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary company, refer to our separate Report in "Annexure A" to this report;
- In our opinion the managerial remuneration for the year ended March 31, 2020
- has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act. Further this clause does not apply to the two subsidiaries of the company;
- 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
  - The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated Ind AS financial statements - Refer Note No. 35.1 to the consolidated Ind AS financial statements;
  - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2020.

For R.N. Marwah & Co. LLP **Chartered Accountants** (Firm's Registration No. 001211N/N500019)

> Manoj Gupta **Partner** (Membership No. 096776) UDIN:20096776AAAAAV8807

Place: Noida

Date: 27<sup>th</sup> June 2020



### Annexure A to the Independent Auditor's Report

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of ROTO PUMPS LIMITED ("the Holding Company") its subsidiaries companies which are companies incorporated outside India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated outside India, are 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 ("ICAI'). 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, the Holding Company and its subsidiary companies, which are companies incorporated outside India, have, 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 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For R.N. Marwah & Co. LLP Chartered Accountants (Firm's Registration No. 001211N/N500019)

Manoj Gupta Partner (Membership No. 096776) UDIN :20096776AAAAAV8807

Place: Noida Date: 27<sup>th</sup> June 2020

**A** E<sup>th</sup> ₹₽



### **CONSOLIDATED BALANCE SHEET** AS AT 31<sup>ST</sup> MARCH 2020

(Amount in ₹)

PARTICULARS	Note No	AS AT 31ST MARCH, 2020	(Amount in ₹)
ASSETS		, , , , , , , , , , , , , , , , , , , ,	,
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	42,74,41,805	45,22,23,721
(b) Capital work-in-progress	4	62,80,900	7,00,000
(c) Investment property	5	3,41,771	3,56,717
(d) Intangible assets	6	30,04,538	70,01,907
(e) Investment	7	1,22,34,648	, , , <sub>-</sub>
(f) Goodwill		78,49,589	78,49,589
(g) Deferred Tax Assets (Net)	19	1,06,54,570	61,76,323
TOTAL NON-CURRENT ASSETS		46,78,07,811	47,43,08,257
CURRENT ASSETS		, , , , ,	, ,,,,,
(a) Inventories	8	32,12,93,765	27,66,34,730
(b) Financial Assets		32,12,33,733	27,00,0 1,7 00
(i) Trade receivables	9	24,19,61,751	34,00,15,980
(ii) Cash and cash equivalents	10	8,25,02,933	2,95,29,031
(iii) Bank balances other than (ii) above	11	2,37,51,019	2,29,20,366
(iv) Loans	12	98,27,915	81,30,532
(v) Other financial assets	13	5,97,994	35,60,378
(c) Other current assets	14	13,11,06,251	14,65,35,606
TOTAL CURRENT ASSETS		81,10,41,628	82,73,26,623
TOTAL ASSETS			
		1,27,88,49,439	1,30,16,34,880
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	15	3,09,07,610	3,09,07,610
b) Other Equity	16	84,43,46,562	74,52,16,047
TOTAL EQUITY		87,52,54,172	77,61,23,657
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	17	54,60,415	91,61,842
(b) Provisions	18	32,32,267	31,59,740
TOTAL NON-CURRENT LIABILITIES		86,92,682	1,23,21,582
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	20	15,71,36,232	24,33,87,646
(ii) Trade payables	21	8,28,38,165	11,39,64,214
(iii) Other financial liabilities (other than those specified in item (b))	22	1,08,17,325	1,34,99,47
(b) Other current liabilities	23	8,98,11,108	8,09,30,989
(c) Provisions	24	86,49,205	46,05,565
(d) Current Tax Liabilities (Net)	25	4,56,50,550	5,68,01,752
TOTAL CURRENT LIABILITIES		39,49,02,585	51,31,89,641
TOTAL EQUITY AND LIABILITIES		1,27,88,49,439	1,30,16,34,880
The Significant Accounting policies and accompaning notes mentioned are an intergral part of consolidated financial statements	1 to 48	, ,,,,,,,,,,,	,, .,,

As per our report of even date. For R.N Marwah & Co LLP Chartered Accountants (Registration No.0001211N/N500019)

(Manoj Gupta) PARTNER

Membership No.096776 UDIN :20096776AAAAAV8807

PLACE: NOIDA DATE : 27th June,2020 For and on behalf of the Board

(HARISH CHANDRA GUPTA)
Chairman & Managing Director
(DIN: 00334405)

(PRADEEP JAIN) Chief Financial Officer (PAN : AAEPJ6827A) (ANURAG GUPTA)
Jt. Manging Director
(DIN: 00334160)



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹)

			(Amount in ₹)
PARTICULARS	Note No	Year Ended 31ST MARCH, 2020	Year Ended
INCOME		3131 WARCH, 2020	31ST MARCH, 2019
Revenue from Operations	26	1,32,62,72,695	1,35,04,48,862
Other Income	27	3,29,06,665	1,55,04,46,802
TOTAL INCOME	'		
		1,35,91,79,360	1,36,83,89,638
EXPENSES  Cost of Materials accounted	20	46.01.46.006	40 20 04 754
Cost of Materials consumed	28 29	46,81,46,906	49,38,04,751
Change in Inventories of Finished goods and Work in Progress	30	(3,82,59,989)	(4,38,73,403
Employee Benefits Expense		37,03,37,914	33,10,80,462
Finance Costs	31	1,90,48,116	2,53,90,013
Depreciation & Amortisation Expense	32	6,95,08,163	7,48,21,700
Other Expenses	33	31,35,51,267	27,36,60,890
TOTAL EXPENSES		1,20,23,32,377	1,15,48,84,42
Profit before Tax		15,68,46,983	21,35,05,213
Tax expenses			
Current tax		4,72,59,671	5,71,97,50
Deferred Tax	19	(53,68,424)	(58,91,101
Short/(Excess) Provisions- earlier years		(12,72,672)	5,43,36
Profit for the year before Non Controlling Interest		11,62,28,408	16,16,55,44
Share of (Profit)/Loss transferred to Non Controlling Interest			
Profit for the year		-	(18,41,805
Other Comprehensive Income		11,62,28,408	15,98,13,64
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of Defined benefit plans			
<ul> <li>Changes in Foreign Currency Monetary Item translation difference account (FCMITDA)</li> </ul>		(35,28,878)	(25,45,106
(ii) Income tax relating to items that will not be reclassified to profit or loss		22,23,497	(83,17,758
- Remeasurement of Defined benefit plans			
Total comprehensive income for the year		(8,88,219)	(7,41,135
Profit/Loss for the year attributable to		11,40,34,808	14,82,09,64
Owners of the Parent			
Non Controlling Interest		11,62,28,408	16,16,55,44
		-	(18,41,805
Other Comprehensive Income attributable to		11,62,28,408	15,98,13,64
Owners of the Parent		,,,	==,==,==,==
Non Controlling Interest		(21,93,600)	(1,16,03,999
		-	( , -,,
Total Comprehensive Income attributable to		(21,93,600)	(1,16,03,999
Owners of the Parent			
Non Controlling Interest		11,40,34,808	15,00,51,446
		-	(18,41,805
Earnings per equity share:		11,40,34,808	14,82,09,64
Basic and Diluted (Face value Rs.2 per equity share)	34	7.52	10.34
The Significant Accounting policies and accompaning notes 1 to 48 mentioned are an			
intergral part of financial statements			

As per our report of even date.
For R.N Marwah & Co LLP
Chartered Accountants
(Registration No.0001211N/N500019)
UDIN:20096776AAAAAV8807
(Manoj Gupta)
PARTNER
Membership No.096776

PLACE: NOIDA

DATE: 27th June, 2020

For and on behalf of the Board

(HARISH CHANDRA GUPTA) (ANURAG GUPTA)
Chairman & Managing Director
(DIN:00334405) (DIN:00334160)

(PRADEEP JAIN) Chief Financial Officer (PAN : AAEPJ6827A)



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(Amount in ₹)

PARTICULARS	Year Ended 31ST MARCH 2020	Year Ended 31ST MARCH,2019
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) before tax	15,68,46,983	21,35,05,213
Adjustment for :		, , -, -
Depreciation	6,95,08,163	7,48,21,706
Finance Cost	1,90,48,116	2,53,90,013
Interest Income	(24,28,376)	(26,09,941)
Net (gains)/loss on disposal of property, plant and equipment	(1,71,041)	40,585
Remeasurement of defined benefit liabilities	(35,28,878)	(25,45,106)
Net (gains)/loss on fair valuation of derivative contracts	44,97,193	(34,22,928)
Net gains/(loss) on foreign currency translation	22,23,497	(83,17,758)
Non Controlling Interest	,,	(18,41,805)
Operating Profit / (Loss) before Working Capital Changes	24,59,95,657	29,50,19,979
Movement in working capital	,,	-,,
Adjustments for (increase)/decrease in operating assets:		
Inventories	(4,46,59,035)	(3,94,95,646)
Trade receivables	9,80,54,229	(4,09,58,954)
Loans	(16,97,383)	11,12,782
Goodwill	(,,,	(78,49,589)
Other current financial assets	29,62,384	(28,98,596)
Other current assets	1,52,37,575	(1,62,22,480)
Adjustments for increase/(decrease) in operating liabilities:	1,32,37,373	(1,02,22,100)
Trade payables	(3,11,26,037)	(1,27,50,762)
Other current financial liabilities	14,53,075	(4,22,870)
Other current liabilities	87,91,975	1,09,31,398
Provisions	41,16,167	(55,16,561)
Non Controlling Interest	41,10,107	(79,69,759)
Cash generated from operations (A)	29,91,28,607	17,29,78,942
Direct Tax Paid (Net)	(5,52,00,489)	(5,89,16,719)
Net cash generated from operating activities	24,39,28,118	11,40,62,223
	24,33,20,110	11,40,02,223
(B) CASH FLOW FROM INVESTING ACTIVITIES:	(4.27.05.472)	/7 10 C4 222\
Payment of Property , Plant and Equipment	(4,37,05,172)	(7,19,64,233)
Payment of Capital Work In Progress	(55,80,900)	16,29,165
Proceeds from disposal of Property , Plant and Equipment	15,04,500	5,75,000
Investment in Subsidiary	(1,22,34,648)	25.00.044
Interest Received	24,28,376	26,09,941
Net (Gain)/Loss on fair valuation of derivative contract	(44,97,193)	34,22,928
Net Cash used in Investing Activities (B)	(6,20,85,037)	(6,37,27,199)
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Non Current borrowings	(78,34,703)	(2,17,84,027)
Proceeds from Current borrowings	(8,62,51,414)	(3,71,439)
Interest Paid	(1,90,48,116)	(2,53,90,013)
Dividend & Dividend tax Paid	(1,49,04,293)	(74,52,152)
Net Cash used in Financing Activities	(12,80,38,526)	(5,49,97,631)
Net increase in Cash and Cash Equivalents (A+B+C)	5,38,04,555	(46,62,607)
Cash and Cash Equivalents as at the begining of the year	5,24,49,397	5,71,12,004
(Note No -10 & 11)		
Cash and Cash Equivalents as at the end of the year	10,62,53,952	5,24,49,397
(Note No -10 & 11)		

As per our report of even date.

For R.N Marwah & Co LLP

**Chartered Accountants** 

(Registration No.0001211N/N500019)

(Manoj Gupta) PARTNER

Membership No.096776 UDIN:20096776AAAAAV8807

PLACE: NOIDA DATE : 27th June,2020 For and on behalf of the Board

(HARISH CHANDRA GUPTA)
Chairman & Managing Director

(DIN:00334405)

(PRADEEP JAIN)
Chief Financial Officer
(PAN: AAEPJ6827A)

(ANURAG GUPTA)
Jt. Manging Director
(DIN: 00334160)



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### A EQUITY SHARE CAPITAL

Particulars	(Amount in ₹)
Balance AS AT 31st March, 2019	30,907,610
Changes in equity share capital during the year 2019-20	-
Balance AS AT 31st March, 2020	30,907,610

#### B OTHER EQUITY

OTHER EQUITY				(Amount in ₹)
	Rese	erves and Surplus		<b>Total Equity</b>
Particulars	Securities	General	Retained	
	Premium	Reserve	Earnings	
AS AT 1st April 2019	4,72,06,555	5,57,89,316	64,22,20,176	74,52,16,047
Profit for the year 2019-20			11,62,28,408	11,62,28,408
Other comprehensive income for the year			, , ,	-
2019-20 (net of tax)				
Remeasurement of Net defined benefit			(44,17,097)	(44,17,097)
liability/(asset) (net of tax)				
Foreign Currency monetary item translation			22,23,497	22,23,497
difference				
account (FCMITDA)				
Total comprehensive income for the year	-	-	11,40,34,808	11,40,34,808
Less: Appropriations				
Payment of dividend	-	-	1,23,63,045	1,23,63,045
Payment of Dividend distribution tax on	-	-	25,41,248	25,41,248
dividend				
Transfer to General Reserves (from Retained	-	-	-	-
Earnings)				
AS AT 31st March, 2020	4,72,06,555	5,57,89,316	74,13,50,691	84,43,46,562



### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

#### **Company Overview**

Roto Pumps Limited referred to as "RPL" or "the Company" was incorporated on 31st July 1975. RPL is an enterprise listed on the BSE Ltd. The company is engaged in manufacturing of screw pumps and parts of pumps. The Company's products include progressive cavity pumps (PCP), twin screw pumps (TSP) and retrofit parts. The Company's products serve a cross section of industries including infrastructure, oil and gas, power, mining, paper and pulp which form critical part of the economy.

#### 1. Significant Accounting Policies

#### 1.1 Basis of Preparation and Presentation

The Consolidated Financial Statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivative instruments),
- ii. Defined Benefit Plan's Plan Assets and
- iii. Equity settled Share Based Payments

The Consolidated Financial Statements of the Group have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

The Consolidated Financial Statements comprises of Roto Pumps Limited and all its subsidiaries, being the entities that it controls. Controls are assessed in accordance with the requirement of Ind AS 110 - Consolidated Financial Statements.

#### 1.2 Principles of Consolidation

- (a) The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- (b) Profits or losses resulting from intra-group transactions that are recognized in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.
- (c) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Monetary translation difference account.
- (d) Goodwill represents the difference between the Company's share in the net worth of subsidiaries and

- the cost of acquisition at each point of time of making the investment in the subsidiaries.
- (e) The audited / unaudited financial statements of foreign subsidiaries / joint ventures / associates have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or Ind AS.
- (f) The differences in accounting policies of the Holding Company and its subsidiaries / associates are not material.
- (g) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- (h) The carrying amount of the parent's investment in each subsidiary is offset(eliminated) against the parent's portion of equity in each subsidiary.
- (i) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognized in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.
- (j) Investment in Associates and Joint Ventures has been accounted under the Equity Method as per Ind AS 28

   Investments in Associates and Joint Ventures.
   Investments in joint operations are accounted using the Proportionate Consolidation Method as per Ind AS 111 Joint Arrangements.
- (k) The Group accounts for its share of post-acquisition changes in net assets of associates and joint ventures, after eliminating unrealized profits and losses resulting from transactions between the Group and its associates and joint ventures.
- (I) Non-Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.
- (m) Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.

### 1.3 Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements



### FINANCIAL STATEMENTS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

AS AT 31st March, 2019

AS AT 31st March, 2020

(Amount in ₹)

52,92,538 (Amount in ₹) **Balance AS** AT 31st March, 2020 15,82,08,445 3,92,986 31,71,138 42,74,41,795 **NET BLOCK** 9,08,93,889 13,64,99,485 59,12,223 2,61,76,162 8,94,929 10,69,056 1,73,54,262 6,54,95,853 14,525 2,69,93,967 20,44,599 1,05,23,163 55,75,279 Depreciation/ Amortization 4,06,491 15,14,511 Disposals (8,42,906)(6,005)(13,33,459)(4,84,548) 4,20,47,386 Additions 2,10,23,469 57,46,425 96,60,676 30,50,034 16,81,571 3,16,481 5,68,7 45,22,23,721 3,17,95,806 14,29,54,531 30,10,083 78,17,783 **Balance AS** AT 31st 8,23,02,269 4,07,511 76,40,341 13,01,420 March, 2019 17,49,93,977 52,15,50,682 AT 31st March, 2020 1,13,01,803 15,32,73,484 23,85,91,875 **Balance AS** 12,34,246 2,44,14,120 2,78,76,829 3,91,77,281 2,41,14,767 ACCUMULATED DEPRECIATION/AMORTIZATION 15,66,277 (98,94,394) Eliminated on disposals of assets (13,549)(1,17,54,409) (18,46,466)6,54,95,853 Amortization 14,525 Depreciation/ 10,69,056 1,73,54,262 2,69,93,967 1,05,23,163 15,14,511 20,44,599 55,75,279 4,06,493 **Balance AS** 2,26,13,805 2,23,01,550 46,78,09,238 AT 31st March, 2019 1,02,32,747 13,59,19,222 12,19,721 21,34,44,374 3,85,48,512 11,59,786 2,23,69,521 31,14,81,929 37,50,91,360 3,03,26,343 2,72,85,905 94,89,92,477 March, 2020 10,21,95,692 16,27,232 6,53,53,443 33,169,367 **Balance AS** AT 31st 24,61,206 (23,31,014)4,20,47,386 (1,30,87,868) Disposals (1,07,37,300)(19,554)DEEMED COST/GROSS BLOCK 57,46,425 2,10,23,469 Additions 96,60,676 5,68,730 16,81,571 30,50,034 3,16,481 92,00,32,959 AT 31st **Balance AS** March, 2019 9,25,35,016 35,63,98,905 7,03,44,318 2,56,23,888 3,01,19,333 31,09,13,199 16,27,232 3,00,09,862 24,61,206 and Fixtures Computers Particulars Leasehold Equipment Machinery Furniture Buildings Plant and Vehicles Vechiles Finance

) Net Block of Fixed Assets as on 31st March, 2020 includes fixed assets held at Foreign Branches of the company Rs 67,28,359/- (31st March, 2019: Rs 39,33,950/ Total

CAPITAL WORK-IN-PROGRESS

4

Office

ease)

CARRYING AMOUNT

2

Capital Work-In-progress	07,80,900	nnn'nn'/
AVESTMENT PROPERTY		(Amount in ₹)

INVESTIVIENT PROPERTY	PROPERIT											₹)	(Amount In 4)
<b>Particulars</b>	Particulars   DEEMED COST/GROSS BLOCK	/GROSS BLOC	×		ACCI	ACCUMULATED DEPRECIATION/AMORTIZATION	RECIATION/AN	10RTIZATION					<b>NET BLOCK</b>
	<b>Balance AS</b> Additions	Additions	Disposals		Balance AS	Balance AS Balance AS Depreciation/ Eliminated Balance AS Balance AS	Eliminated	Balance AS	Balance AS	Additions	Disposals	Additions Disposals Depreciation/ Balance AS	<b>Balance AS</b>
	AT 31st			AT 31st		AT 31st Amortization on disposals	on disposals	AT 31st	AT 31st			Amortization	AT 31st
	March, 2019			March, 2020	larch, 2020 March, 2019	expenses		of assets   March, 2020   March, 2019	March, 2019			expenses	March,
													2020
Investment	10,47,204	1	1	10,47,204	10,47,204 6,90,487	14,946	-	7,05,433	7,05,433 3,56,717	-	-	14,946	14,946 <b>3,41,771</b>
Property													
Total	10,47,204	•	•	10,47,204	10,47,204 6,90,487	14,946	-	7,05,433	3,56,717	-	-	14,946	14,946 3,41,771
i) The fair val	1) The fair value of the Investment Pronecty AS AT 31st March 2020 is Rs 23 93 541/. The fair value was arrived on the hasis of the valuation report	ment Property	AS AT 31st N	1arch 2020 is R	c 23 93 541/-	The fair value wa	as arrived on th	hasis of the v	aluation report				

9	INTANGIBLE ASSETS	ASSETS											*	(Amount in ₹)
	Particulars	Particulars   DEEMED COST/GROSS BLOCK	T/GROSS BLO	CK		ACCL	ACCUMULATED DEPRECIATION/AMORTIZATION	RECIATION/AM	ORTIZATION					<b>NET BLOCK</b>
		Balance AS	Balance AS Additions	Disposals	Balance AS	Balance AS	Balance AS Depreciation/ Eliminated	Eliminated	Balance AS	Balance AS Balance AS		Disposals	Additions Disposals Depreciation/ Balance AS	<b>Balance AS</b>
		AT 31st			AT 31st	AT 31st AT 31st	Amortization on disposals AT 31st	on disposals	AT 31st	AT 31st			Amortization	AT 31st
		March, 2019			March, 2020	larch, 2020 March, 2019	expenses	of assets	of assets   March, 2020   March, 2019	March, 2019			expenses	March,
														2020
	Software	1,95,61,333	-	1	1,95,61,333	1,95,61,333 1,31,67,428	38,37,464	-	1,70,04,892	63,93,905	-	-	38,37,464	38,37,464 <b>25,56,441</b>
	Technical	10,70,334	1	1	10,70,334	9,55,110	67,383	1	10,22,494	1,15,224	-	1	62,383	47,841
	Design and													
	Drawings													
	Trademark	11,73,177	-	-	11,73,177	6,80,399	92,522	1	7,72,921	4,92,778	-	-	92,522	4,00,256
	Total	2,18,04,844	-	-	2,18,04,844	2,18,04,844 1,48,02,937	39,97,369	•	- 1,88,00,306 70,01,907	70,01,907	-	-	39,97,369	30,04,538

i) Trade Mark has been amortized over the period of 10 years.

Other

PROPERTY, PLANT AND EQUIPMENT

ო

(Amount in ₹)



### FINANCIAL STATEMENTS

**INVESTMENT IN SUBSIDARIES** 

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
Unquoted		
Investments measured at cost (fully paid) - Subsidaries		
7,00,000 shares of MYR 1 each in Roto Pumps (Malaysia) SDN. BHD.	1,22,34,648	-
TOTAL	1,22,34,648	-

During the year, the Company has set-up a stepdown wholly owned subsidiary, Roto Pumps(Malaysis) Sdn.Bhd. in Malaysia to carry on sales and marketing of the Company products in Malasia, Singapore and Indonesia with a share capital of RM7,00,000.00 on 26th February ,2020 under Roto Overseas Pte Ltd., administrative expenses of Rs 27,324.00

**INVENTORIES** 8 (Amount in ₹)

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
a) Raw Materials	6,81,33,590	6,37,72,656
b) Work in Process	1,29,64,085	1,07,89,618
c) Finished Goods	21,14,99,459	17,67,63,509
d)Finished Goods-In Transit	1,68,02,707	1,55,74,160
e) Consumables Stores	23,88,364	18,62,313
f) Other Stores & Spares	29,69,800	22,74,485
g) Tools	53,73,493	44,62,809
h) Packing Material	9,72,683	10,66,620
i)Scrap and Wastage	1,89,584	68,560
TOTAL	32,12,93,765	27,66,34,730

- (i) The mode of valuation has been stated in Significant Accounting Policy
- (ii) Inventories have been hypothecated as security for borrowings.

#### 9 TRADE RECEIVABLES (Amount in ₹)

PARTICULARS	AS AT 31ST MARCH, 2020	<b>AS AT 31ST MARCH, 2019</b>
Unsecured unless stated otherwise (Considered Good)		
Trade Receivables	24,23,27,568	34,20,53,058
Less - Allowance for bad and doubtful debts	(3,65,817)	(20,37,078)
TOTAL	24,19,61,751	34,00,15,980

- i) The average credit period for collection is 90 days.
- ii) No trade receivable are due from directors either severally or jointly with any other person.
- iii) Information about credit risk and market risk of trade receivables refer Note No 39 of Standalone Financial Statements
- iv) Movement in expected credit loss allowance

#### (Amount in ₹)

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
Balance at the beginning of the year	(20,37,078)	(59,04,142)
Add: Provision made during the year	16,71,261	38,67,064
Balance at the end of the year	(3,65,817)	(20,37,078)

#### 10 **CASH AND CASH EQUIVALENTS**

(Amount in ₹)

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
i) Cash and cash equivalents		
a) Balance with banks	8,05,43,627	1,96,10,865
b) Cash in Hand	19,59,306	22,26,409
c) Remittance in Transit	-	76,91,757
TOTAL	8.25.02.933	2.95.29.031

#### 11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
a) Earmarked Balances with Bank -Unclaimed dividend a/c	13,35,817	12,54,423
b) Term Deposit(Restricted)- Margin Money against guarantees	2,24,15,202	2,16,65,943
TOTAL	2,37,51,019	2,29,20,366



### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

12 LOANS (Amount in ₹)

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
Unsecured and considered good		
a) Security Deposits	90,63,580	75,68,291
b) Staff Loans	7,64,335	5,62,241
TOTAL	98,27,915	81,30,532

13 OTHER FINANCIAL ASSETS

(Amount in ₹)

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
a) Interest accrued on Bank deposits	5,24,267	3,63,313
b) Interest accured on Security Deposits	73,727	69,603
c) Derivative carried at fair value	-	31,27,462
TOTAL	5,97,994	35,60,378

14 OTHER CURRENT ASSETS

(Amount in ₹)

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
Unsecured and considered good		
a) Capital Advances	2,14,73,254	1,97,27,321
b) Deposit with GST & Other Authorities	3,77,62,411	6,98,86,457
c) Advance Income Tax & Tax Deducted at Source	4,09,16,337	4,28,54,050
d) Prepaid Expenses	1,04,72,364	94,62,725
e) Other Receivables	2,04,81,885	46,05,053
TOTAL	13,11,06,251	14,65,35,606

### 15 EQUITY SHARE CAPITAL

(Amount in ₹)

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2020
AUTHORISED SHARE CAPITAL 5,00,00,000 (AS AT 31ST March, 2019: 5,00,00,000,) Equity Shares of ₹ 2 each	10,00,00,000	10,00,00,000
ISSUED & SUBSCRIBED SHARE CAPITAL  1,55,00,305 (AS AT 31ST March, 2019: 1,55,00,305,) Equity Shares of ₹2 each	3,10,00,610	3,10,00,610
PAID UP SHARE CAPITAL  1,54,53,805 (AS AT 31ST March, 2019: 1,54,53,805) Equity Shares of ₹ 2 each	3,09,07,610	3,09,07,610
TOTAL	3,09,07,610	3,09,07,610

### 15.1 DETAILS OF SHAREHOLDER HOLDING MORE THAN 5% SHARES

			(* ************************************		
NAME OF SHAREHOLDER	AS AT 31ST N	AS AT 31ST MARCH, 2020		AS AT 31ST MARCH, 2019	
	NUMBER OF	% Held	NUMBER OF	% Held	
	SHARES HELD IN		SHARES HELD IN		
	THE COMPANY		THE COMPANY		
ANURAG GUPTA	1085335	7.02	1085335	7.02	
NAND KISHORE GUPTA HUF	1488660	9.63	1488660	9.63	
ARVIND VEER GUPTA	1210335	7.83	1210335	7.83	
ASHA GUPTA	2499665	16.18	2499665	16.18	
HARISH CHANDRA GUPTA	1973695	12.77	1973695	12.77	
HARISH CHANDRA GUPTA HUF	1071100	6.93	1071100	6.93	
NEERA GUPTA	848575	5.49	848575	5.49	

- During the period from 1st April 2019 to 31st March 2020 there is no Changes in Number of Shares oustanding at the end of the reporting period in comparison to number of Shares Oustanding at the beginning of the reporting period.
- Application Money on 9,300 Equity Shares @ ₹ 10/- per Share alongwith premium @ ₹ 45/- per share aggregating to ₹ 5,11,500/- allotted on 11.11.1994 has not yet been dispatched and realised as the same was paid by an applicant through a forged stock invest which has been dishonoured by the bankers. During the Financial year 2014-2015 the Face Value of Shares is divided into ₹ 2/- per Share from ₹ 10/- per Share each.



### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

### 6 OTHER EQUITY (Amount in ₹)

PARTICULARS	AS AT 31ST	AS AT 31ST MARCH, 2020 AS AT 31ST MAR		
SECURITIES PREMIUM				
Opening Balance	4,72,06,555		4,72,06,555	
Add: Transferred during the year	-	4,72,06,555	-	4,72,06,555
GENERAL RESERVE:				
Opening Balance	5,57,89,316		5,57,89,316	
Add: Transferred during the year	-	5,57,89,316	-	5,57,89,316
RETAINED EARNINGS				
Opening Balance	64,22,20,176		50,14,62,687	
Add: Profit for the year	11,62,28,408		15,98,13,640	
Add :- Other Comprehensive Income				
Remeasurement of Defined Benefit Plan ( Net of Taxes)	(44,17,097)		(32,86,241)	
Foreign Currency monetary item translation difference	22,23,497		(83,17,758)	
account (FCMITDA)				
	75,62,54,984		64,96,72,328	
Less: Appropriations				
Transferred to General Reserve	-		-	
Dividend	1,23,63,045		61,81,522	
Tax on Dividend	25,41,248	74,13,50,691	12,70,630	64,22,20,176
TOTAL		84,43,46,562		74,52,16,047

#### i) SECURITIES PREMIUM

Securities premium is used to record the Premium on issue of shares. This reserve is utilized in accordance with the provisions of the Act.

#### ii) GENERAL RESERVE

The general reserve is used from time to time to transfer profits from retained earnings for appropriations purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

#### iii) OTHER COMREHENSIVE INCOME

These are actuarial gains/ losses on employee benefit obligations.

#### iv) DIVIDEND

The Company paid the dividend of Rs. 0.80 per Share in (2019-20) out of which Rs 0.30 per share is the interim dividend in comparisons to  $\stackrel{?}{\sim}$  0.40 per Share in (2018-19) for face value of Rs. 2 per

#### 17 NON CURRENT LIABILITIES - BORROWINGS

(Amount in ₹)

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
Secured		
Term Loan from Others	53,77,531	82,04,238
Long Term Maturities of Finance Lease Obligations	82,884	9,57,604
TOTAL	54,60,415	91,61,842

### **17.1** Terms of Repayment:

a) Term Loans from others consists of vehicle loans repayable in 36 monthly equal installments.

#### 18 NON-CURRENT LIABILITIES PROVISIONS

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
Provision for Employee Benefits		
- Superannuation, Gratuity and Un-availed Leave	32,32,267	31,59,740
TOTAL	32,32,267	31,59,740



### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

**DEFERRED TAX ASSETS/LIABILTIES** (Amount in ₹) **AS AT 31ST MARCH, 2019 AS AT 31ST MARCH, 2020 Defered Tax Liability** Fair Valuation of Derivatives 9,96,757 **TOTAL DTL** 9,96,757 **Deferred Tax Assets** Provision of Gratuity & Leave Encashment 11,74,968 11,04,685 **Provision for Warranty** 3,90,937 3,57,259 **Provision for CSR Expenses** 3,20,902 Allowance for Doubtful Trade Receivables 92,076 5,93,197 Other Expenses 13,34,511 1,09,654 Fair Valuation of Derivatives 11,31,944 Carrying Value of Property, Plant & Equipment and 65,30,134 46,87,383 Others **TOTAL DTA** 1,06,54,570 71,73,080 (61,76,323) **NET DEFERRED LIABILITIES/(ASSETS)** (1,06,54,570)

#### 20 CURRENT LIABILITIES - BORROWINGS

(Amount in ₹)

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
SECURED		
From Banks	15,71,36,232	24,33,87,646
TOTAL	15,71,36,232	24,33,87,646

#### 20.1 1. BANK OF INDIA

The working capital loans are secured against hypothecation of stocks and book debts on Pari Passu basis with Citi Bank and IndusInd Bank and guaranteed by Chairman and Managing Director and Dy. Managing Director and Marketing Director as well as collaterly secured by;

- d) Equitable Mortgage of Immovable Factory Building located at Roto House, 14, NSEZ, Noida on Pari Passu basis with IndusInd Bank.
- e) Equitable Mortgage of Immovable Factory land and building located at B-14, Phase-II, Extension, Noida on Pari Passu basis with IndusInd Bank.
- f) Hypothecation of plant & machinery exclusively charged to Bank of India.

#### 2. CITI BANK

- a) Hypothecation of the stock and book debts of the company on Pari Passu basis with Bank of India & IndusInd Bank.
- b) Equitable mortgage of Immovable property land and building located at plot no. 31, Ecotech-XII, Greater Noida, U.P.

#### 3. INDUSIND BANK

a) Equitable Mortgage over the Immovable Factory Building situated at Roto House

#### 21 TRADE PAYABLES (Amount in ₹)

		, , ,
PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
Trade Payables to Micro and Small Enterprises (As per	99,14,397	2,35,36,538
the Intimation Received)		
Trade Payables to Others	7,29,23,768	8,34,15,394
TOTAL	8.28.38.165	10.69.51.932

#### DUES TO MICRO AND SMALL ENTERPRISES (AS PER THE INTIMATION RECEIVED FROM SUPPLIERS)

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act,2006 (MSMED Act). The disclosure pursuant to said MSMED Act are as follows: (Amount in ₹)

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
Principal amount due to suppliers and remaining unpaid AS AT year end	99,14,397	63,88,981
Interest due to suppliers and remaining unpaid AS AT year end	-	1,60,914
Principal amounts paid to suppliers, beyond the appointed day during	63,88,981	-
the year		
Interest paid , other than under Section 16 of MSMED Act, to suppliers,	-	-
beyond the appointed day during the year		
Interest paid , under Section 16 of MSMED Act, to suppliers, beyond the	1,60,914	-
appointed day during the year		
Interest due and payable towards suppliers, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-



### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

#### 22 OTHER FINANCIAL LIABILITIES

(Amount in ₹)

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
Current Maturities of long term borrowings	72,78,361	1,16,99,989
Current Maturities of finance lease obligations	8,33,416	5,45,063
Un-paid/ Unclaimed dividend	13,35,817	12,54,423
Derivative carried at fair value	13,69,731	-
TOTAL	1,08,17,325	1,34,99,475

#### 23 OTHER CURRENT LIABILITIES

(Amount in ₹)

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
Sales Tax & GST Payable	10,48,515	11,20,381
Service Creditors	2,20,12,298	1,76,00,216
Other Payables	6,67,50,295	6,22,10,392
TOTAL	8,98,11,108	8,09,30,989

23.1 Other payable includes Rs.7,32,202/-for Capital liability(AS AT 31ST March, 2019: Rs.6,44,057/-), and Rs.1,66,87,756/- on account of advance from customers (AS AT 31ST March, 2019: Rs.1,13,78,179/-) and balance on account of other expenses payable.

#### 24 CURRENT LIABILITIES PROVISIONS

(Amount in ₹)

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
Provision for Employee Benefits		
- Superannuation, Gratuity and Un-availed Leave	70,96,012	33,78,714
Provision for Warranty	15,53,193	12,26,851
TOTAL	86,49,205	46,05,565

### 25 CURRENT TAX LIABILITIES (NET)

(Amount in ₹)

PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
Provision for Income tax	4,56,50,550	5,68,01,752
TOTAL	4,56,50,550	5,68,01,752

#### 26 REVENUE FROM OPERATIONS

PARTICULARS	YEAR ENDED 31ST MARCH ,2020		YEAR E	NDED 31ST MARCH ,2019
Sale of Products		•		
Pumps	66,94,20,727		64,92,68,762	
Spares	64,77,59,409	1,31,71,80,136	69,17,01,519	1,34,09,70,281
Sale of Services				
Services - Repair & Maintenance	25,66,484		31,13,151	
Services - Commissioning & Installation	1,00,000	26,66,484	39,000	31,52,151
Other Operating Revenue		64,26,075		63,26,430
GROSS REVENUE FROM OPERATIONS		1,32,62,72,695		1,35,04,48,862

i) In accordance with the Accounting Standard-18 Revenue Recognition and Schedule III of the Companies Act 2013, GST is not the part of Revenue therefore the sales amount is net of GST.



### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

### 26.1 PARTICULARS OF REVENUE FROM OPERATIONS

(Amount in ₹)

PARTICULARS	YEAR ENDED	31ST MARCH ,2020	YEAR E	2019, NDED 31ST MARCH
DOMESTIC				
Sale of Products				
-Pumps	25,21,59,975		23,62,44,633	
-Spares	18,32,33,463	43,53,93,438	17,78,25,603	41,40,70,236
Sales of Services				
- Services- Repairs & Maintenance	18,98,810		18,49,800	
- Services- Commissioning & Installation	1,00,000	19,98,810	39,000	18,88,800
Other Operating Revenue		64,26,075		63,26,430
		44,38,18,323		42,22,85,466
EXPORT				
Sales of Products				
-Pumps	41,72,60,752		41,30,24,129	
-Spares	46,45,25,946	88,17,86,698	51,38,75,916	92,69,00,045
Sales of Services				
- Services- Repairs & Maintenance	6,67,674		12,63,351	
- Services- Commissioning & Installation	-	6,67,674	-	12,63,351
		88,24,54,372		92,81,63,396
TOTAL		1,32,62,72,695		1,35,04,48,862

27 OTHER INCOME

(Amount in ₹)

Villeane				(7 timodific fif x)
PARTICULARS	YEAR ENDED 3:	2020, YEAR ENDED 31ST MARCH		2019, MARCH
Interest Income				
- On Bank Deposits	14,25,690		14,14,793	
- Others	10,02,686	24,28,376	11,95,148	26,09,941
Misc. Credit Balances Written Off		-		24,88,847
Foreign Exchange Diff Foreign Operations & Others		1,31,08,186		31,31,103
Profit on Sale/Impairment of Fixed Assets		1,71,041		-
Allowance for doubtful trade receivables		16,71,261		38,67,064
Gain on Valuation of Derivative		-		34,22,928
Export Incentive		1,13,64,000		20,25,562
Miscellaneous Receipts		41,63,801		3,95,331
TOTAL		3,29,06,665		1,79,40,776

### 28 COST OF MATERIALS CONSUMED

PARTICULARS	YEAR ENDED 31	LST MARCH ,2020	YEAR ENDED 31	ST MARCH ,2019
i) RAW MATERIALS CONSUMED				
Opening Stock	2,56,16,712		2,51,36,614	
Add: Purchases& Expenses thereon	18,83,44,977		18,64,00,164	
Less: Closing Stock	2,85,05,432	18,54,56,257	2,56,16,712	18,59,20,066
ii) BOUGHT OUT COMPONENTS CONSUMED				
Opening Stock	3,81,55,944		4,28,58,586	
Add: Purchases& Expenses thereon	26,74,77,168		29,07,71,053	
Less: Closing Stock	3,96,28,158	26,60,04,954	3,81,55,944	29,54,73,695
iii) CONSUMABLE STORES AND SPARES				
Opening Stock	18,62,314		22,80,441	
Add: Purchases& Expenses thereon	1,72,11,745		1,19,92,863	
Less: Closing Stock	23,88,364	1,66,85,695	18,62,314	1,24,10,990
TOTAL		46,81,46,906		49,38,04,751



### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

### 28.1 Particulars of Raw Material and Components Consumed

(Amount in ₹)

PARTICULARS	2020, YEAR ENDED 31ST MARCH	2019, YEAR ENDED 31ST MARCH
Mild Steel	55,51,894	53,75,461
Steel (SS & Alloy)	8,28,05,947	7,97,50,044
Iron & Metal Castings	4,86,70,537	4,42,07,783
Rubber & Chemicals	2,06,43,011	2,74,97,998
Pipes	1,40,47,779	1,60,63,002
Bought Out Materials & Components	26,60,04,954	29,54,73,695
Freight, Cartage, Clearing & Insurance	1,37,37,089	1,30,25,778
Other Consumables Store & Spares	1,66,85,695	1,24,10,990
TOTAL	46,81,46,906	49,38,04,751

#### 29 CHANGE IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS

(Amount in ₹)

PARTICULARS	YEAR ENDED 3	2020, 31ST MARCH	YEAR END	2019, ED 31ST MARCH
OPENING STOCK:				
Finished Goods	19,23,37,669		14,63,57,101	
Work in Progress	1,07,89,618		1,28,67,743	
Scrap & Wastage	68,560	20,31,95,847	97,600	15,93,22,444
LESS: CLOSING STOCK:				
Finished Goods	22,83,02,167		19,23,37,669	
Work in Progress	1,29,64,085		1,07,89,618	
Scrap & Wastage	1,89,584	24,14,55,836	68,560	20,31,95,847
Net Change in Inventories		(3,82,59,989)		(4,38,73,403)

#### 30 EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

PARTICULARS	YEAR ENDED 31ST MARCH ,2020	2019, YEAR ENDED 31ST MARCH
Wages, Salary, Bonus Gratuity & Other Allowances	30,29,02,192	27,13,03,935
Contribution to Provident & Other Funds	1,90,03,543	1,71,55,091
Directors' Remuneration	3,43,67,300	3,02,82,244
Workmen & Staff Welfare	1,40,64,879	1,23,39,192
TOTAL	37,03,37,914	33,10,80,462

I) Contribution to provident and other funds includes contribution to provident fund for directors Rs.24,72,840/-

#### 31 FINANCE COST

(Amount in ₹)

PARTICULARS	YEAR ENDED 31ST MARCH ,2020	YEAR ENDED 31ST MARCH ,2019
INTEREST: On Term Loans On Others borrowings	11,98,560 1,78,49,557	20,18,843 2,33,71,170
TOTAL	1,90,48,116	2,53,90,013

### 32 DEPRECIATION & AMORTISATION EXPENSE

PARTICULARS	YEAR ENDED 31ST MARCH ,2020	YEAR ENDED 31ST MARCH ,2019
Depreciation on Property, plant & Equipment	6,55,10,796	7,08,59,633
Depreciation on Intangible assets	39,97,367	39,62,073
TOTAL	6,95,08,163	7,48,21,706



### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

3 OTHER EXPENSES (Amount in ₹)

PARTICULARS	YEAR ENDED 31ST MARCH ,2020	YEAR ENDED 31ST MARCH ,2019
Power & Fuel	1,46,02,051	56,58,602
Machining & Electroplating	-	40,585
Tools	1,54,52,634	65,35,271
Repairs :	44,97,193	-
Building	18,38,000	9,89,500
Plant & Machinery	21,40,600	34,54,531
Others	73,59,215	64,68,146
Insurance Charges	17,66,867	20,49,381
Travelling & Conveyance	4,69,86,758	3,79,98,311
Postage & Telephone	31,35,51,267	27,36,60,896
Professional & Consultancy	1,46,02,051	56,58,602
Vehicle Running & Maintenance	-	40,585
Rent	1,54,52,634	65,35,271
Excise Duty	44,97,193	-
Rates & Taxes	18,38,000	9,89,500
Directors' Sitting Fees	21,40,600	34,54,531
Payment to Auditors :	73,59,215	64,68,146
Audit Fee	17,66,867	20,49,381
Tax Audit Fee	4,69,86,758	3,79,98,311
GST Audit Fees	31,35,51,267	27,36,60,896
Foreign Branch Audit Fee	1,46,02,051	56,58,602
Cost Audit Fee	-	40,585
Out of Pocket Expenses	1,54,52,634	65,35,271
Packing & Forwarding Expenses	44,97,193	-
Commission & Discount	18,38,000	9,89,500
Advertisement & Publicity	21,40,600	34,54,531
Loss on sale of fixed assets	73,59,215	64,68,146
Bad Debts	17,66,867	20,49,381
Loss on fair valuation of derivative	4,69,86,758	3,79,98,311
CSR Expenditure	31,35,51,267	27,36,60,896
Testing & Inspection Expenses	1,46,02,051	56,58,602
Bank Charges & Commission	-	40,585
Claim & Free Replacement	1,54,52,634	65,35,271
Miscellaneous Expenses	44,97,193	-
TOTAL	18,38,000	9,89,500

**34** Earning per share (Amount in ₹)

rundan (rundan		
Particulars	Year ended 31st	Year ended 31st March
	March 2020	2019
Profit attributable to equity holders of the Company for basic and diluted earnings per share	11,62,28,407	15,98,13,640
Number of Equity Shares	1,54,53,805	1,54,53,805
Face Value per Share	2	2
Weighted average number of shares at the end of the year for basic and diluted earnings per share	1,54,53,805	1,54,53,805
Basic and Diluted Earning per Shares	7.52	10.34



### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

#### 35 Contingent Liabilities & Commitments

35.1 Contingent Liabilities (Amount in ₹)

Particulars	AS AT 31st, March	AS AT 31st, March 2019
	2020	
i) Disputed Sales Tax-Case	16,316,724	18,286,677
ii) Disputed Income Tax (appeals pending)	-	4,611,282
iii) Bank Guarantee/Letter of Credit	54,007,199	37,117,620
iv) Corporate Guarantee	3,162,234	153,354
v) Labour Cases	6,633,484	6,258,004
vi) Additional Demand from Greater Noida Industrial Development Authority	-	11,000,000
on Greater Noida Land		

Considering the facts in the current year the Contingent Liabilities for Disputed Income Tax has been disposed off on the ground of time barred as it is the disputed case related to long back earlier years and the company had not received any adjudicated order or intimation against it.

#### 35.2 Commitments

#### a) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 10,564,444/- AS AT 31ST March 2020 (AS AT 31ST March 2019: ₹ 12,13,044/-)

#### b) Financial Guarantee

Term Deposits with Bank of India, Janpath Branch amounting to ₹ 90,32,477/- (AS AT 31ST March 2019: ₹ 92,60,857/-) and Term Deposit with Indusind Bank, Barakhamba Road Branch amounting to ₹ 35,66,338/- (AS AT 31ST March 2019: ₹ 33,20,700/-) are pledged with Bank of India & IndusInd Bank as Margin on Bank Guarantees, Letter of Credit and Foreign bills purchased by them. Term Deposits with Citi Bank, Barakhamba branch amounting to ₹ 90,84,386/-is pledged as Security with Goods & Service Tax Department.

'The Company being engaged in the business of Engineering manufacturing, the provision of Section 186 of the Companies Act, 2013 are not applicable and accordingly, disclosure of details with respect to Loan given, guarantee given, security and investment made during the financial year 2019-2020 in terms of Section 186(4) of the Act is not applicable.

### 37 Capital Management

"The Company's policy is to maintain a strong capital base so as to ensure that the Company is able to continue as going concern to sustain future development of the business. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market conditions. The policy is also adjusted based on underlying macro-economic factors affecting business environment, financial and market conditions. Its guiding Principles are as below:-

- i) Maintenance of financial strength to ensure the highest ratings;
- ii) Ensure financial flexibility and diversify sources at financing;
- iii) 'Manage Company exposure in forex to mitigate risks to earnings;
- iv) 'Leverage optimally in order to maximum shareholders returns while maintaining strength and flexibility of the balance sheet.

The Gearing Ratio at the end of the reporting period are as under:

Particulars	AS AT 31st, March 2020	AS AT 31st, March
		2019
Borrowings	17,07,08,424	26,47,94,540
Less :- Cash & Bank balances	8,25,02,933	2,95,29,031
Net debts	8,82,05,491	23,52,65,509
Total Equity	87,52,54,172	77,61,23,657
Net Debts to Equity ratio	10%	30%



### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

38 Financial Instruments

a) Fair value measurement hierarchy: (Amount in ₹)

Fair value measurement hierarchy:	(Amount in ₹)			
Particulars	1	AS AT 31ST March, 202		
	Carrying amount		put used in	
		Level 1	Level 2	Level 3
Financial assets				
At FVTPL				
Derivative contracts	-	-	-	-
At FVTOCI				
	-	-	-	-
At Amortized cost				
Trade receivables	24,19,61,751	-	-	-
Cash and cash equivalents	8,25,02,933	-	-	-
Bank balances other than above	2,37,51,019	-	-	-
Other financial assets	1,04,25,909	-	-	-
Financial liabilities				
At FVTPL				
Derivative contracts	13,69,731	_	13,69,731	
At Amortized cost	13,03,731	_	13,03,731	
Borrowings	16,25,96,647			_
Trade payables	8,28,38,166	_	_	
Other Financial liabilities	94,47,594	-	_	_
Other Financial habilities	94,47,394	-	-	-
Particulars		AS AT 31ST March, 201	9	
	Carrying amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial assets				
At FVTPL				
Davis atis a contracta				
Derivative contracts	3,127,462	-	3,127,462	-
At FVTOCI	3,127,462	-	3,127,462	-
	3,127,462	-	3,127,462	-
	3,127,462	-	3,127,462	-
At FVTOCI	3,127,462 - 340,015,980	- - -	3,127,462	-
At FVTOCI At Amortized cost	-	- - -	3,127,462	- - -
At FVTOCI  At Amortized cost Trade receivables	340,015,980	- - - -	3,127,462 - - - -	- - - -
At FVTOCI  At Amortized cost Trade receivables Cash and cash equivalents	340,015,980 29,529,031	- - - - -	3,127,462 - - - - -	- - - - -
At FVTOCI  At Amortized cost Trade receivables Cash and cash equivalents Bank balances other than above Other financial assets	340,015,980 29,529,031 22,920,366	- - - - -	3,127,462 - - - - -	- - - - -
At FVTOCI  At Amortized cost Trade receivables Cash and cash equivalents Bank balances other than above Other financial assets  Financial liabilities	340,015,980 29,529,031 22,920,366	- - - - -	3,127,462 - - - - -	- - - - -
At FVTOCI  At Amortized cost Trade receivables Cash and cash equivalents Bank balances other than above Other financial assets  Financial liabilities At FVTPL	340,015,980 29,529,031 22,920,366	- - - - -	3,127,462	- - - - -
At FVTOCI  At Amortized cost Trade receivables Cash and cash equivalents Bank balances other than above Other financial assets  Financial liabilities At FVTPL Derivative contracts	340,015,980 29,529,031 22,920,366	- - - - -	3,127,462	- - - -
At FVTOCI  At Amortized cost Trade receivables Cash and cash equivalents Bank balances other than above Other financial assets  Financial liabilities At FVTPL Derivative contracts At Amortized cost	340,015,980 29,529,031 22,920,366 8,563,448	- - - - -	3,127,462	- - - -
At FVTOCI  At Amortized cost Trade receivables Cash and cash equivalents Bank balances other than above Other financial assets  Financial liabilities At FVTPL Derivative contracts At Amortized cost Borrowings	340,015,980 29,529,031 22,920,366 8,563,448	- - - - -	3,127,462	-
At FVTOCI  At Amortized cost Trade receivables Cash and cash equivalents Bank balances other than above Other financial assets  Financial liabilities At FVTPL Derivative contracts At Amortized cost	340,015,980 29,529,031 22,920,366 8,563,448	- - - - -	3,127,462	-

FVTPL :- Fair Value through Profit & Loss A/c.

#### **FVTOCI** :- Fair Value through Other Comprehensive Income

The fair values of the financial assets and liabilities are defined as 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. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2019.

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs



### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

required to fair value an instrument are observable, the instrument is included in level 2. In the case of Derivative contracts, the Company has valued the same using the forward exchange rate AS AT the reporting date.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### B) Calculation of fair values:

- i. Financial assets and liabilities measured at fair value AS AT Balance Sheet date:
  - The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.
- ii. Other financial assets and liabilities:-
  - -Cash and cash equivalents , trade receivables, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) have fair values that approximate to their carrying amounts due to their short-term nature.
  - -Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

#### 39 Financial Risk Management

#### Risk Management framework and policies

The Company does not have material financial risk in respect to business activities of Subsidiary Companies which effects the consolidated financial statements , thus financial risk of holding company are disclosed in standalone financial statements. (Refer to Note No 39 of Standalone Financial Statements).

#### 40 Related Party Disclosure

#### 40.1 Remuneration paid to Key Managerial Personnel

(Amount in ₹)

Name	Designation	Nature of Transaction-Gross Salar		
		Year ended	Year ended	
		31st March 2020	31st March 2019	
Mr. Harish Chandra Gupta	Chairman & Managing Director	1,32,44,403	1,29,65,425	
Mr. Anurag Gupta	Jt.Managing Director	84,87,333	84,36,233	
Mr.Arvind Veer Gupta	Dy.Managing Director	83,46,333	82,83,463	
Mr.Shah Deepak	Director	77,381	77,190	
Mr.Abdool Hamid Muhammed	Director	-	4,58,100	
Mr.Ravin Munsook Sewnarain	Director	42,11,850	61,833	
Mr Pardeep Jain	Chief Financial Officer	28,11,065	24,35,377	
Mr.Ashwani Kumar Verma	Company Secretary	21,03,503	17,12,246	

As the provision for the post-employment benefits such as Gratuity & Leave encashment are provided on an actuarial basis for the company as a whole, the amount pertaining to Key Managerial Personnel is not ascertainable and therefore not included above. But the actual payment made on behalf of Leave enchashment is considered in gross salary.

#### 40.2 Sitting Fees Paid to Non-Executive Directors

(Amount in ₹)

Name	Name Designation		Year ended
		31st March 2020	31st March 2019
Mr. B.S. Ramaswamy	Independent Director	-	1,60,000
Dr. Ramesh Chandra Vaish	Independent Director	1,60,000	1,70,000
Mr. Anand Bordia	Independent Director	1,70,000	1,30,000
Mrs.Asha Gupta	Non-Executive Director	1,60,000	1,20,000
Mrs. Annapurna Dixit	Independent Director	60,000	1,10,000
Mr. Basant Seth	Independent Director	1,70,000	1,60,000
Mr. Akhil Joshi	Independent Director	50,000	-

#### 41 Employees Benefit

#### a) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised are charged off for the year are as under:

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Employer's Contribution to Provident fund	1,00,17,395	85,76,771
Employer's Contribution to Superannuation/NIC	68,19,320	73,53,881
at foreign branches		



### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

#### b) Defined Benefit Plan

The present value of the defined benefit obligations and related current service cost were measured using the Projected unit credit method, with actuarial valuation being carried out at each Balance Sheet date.

Investment The Present Value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit.

**Interest** A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an **Risk** increase in the return on the plan's debt investments.

Longevity This risk effects Past Retirement Benefit plans, especially Pension and medical benefits. This Plan pays the benefit on Retirement, if not paid earlier, on account of resignation or death and hence the Longevity risk will not materially

effect this Plan.

Salary Risk The Gratuity benefit, being based on last drawn salary, will be critically effected in case of increase in future salaries

being more than assumed.

### In respect of Employees in India

Particulars	Gratuity	Funded	Leave En	cashment
	AS AT 31ST AS AT 31ST		AS AT 31ST	AS AT 31ST
	March 2020	March 2019	March 2020	March 2019
The principle assumptions used in actuarial valuation				
-Discount rate	7.00%	7.75%	7.00%	7.75%
-Expected rate on return of assets ( per annum)	7.00%	7.75%	7.00%	7.75%
-Expected rate of future salary increase	5.75%	5.75%	5.75%	5.75%
-Withdrawal Rate (per annum)	5.00%	5.00%	5.00%	5.00%
Change in Present value of Obligation				
-Present value of obligation AS AT the beginning of the	2,59,47,753	2,27,07,783	74,01,818	74,14,619
year				
-Interest Costs	18,16,343	17,59,853	5,18,127	5,74,633
-Current Service Cost	25,11,394	19,97,331	16,41,318	12,96,660
-Past Service Cost( vested benefit)	-	-		
-Benefits Paid	(7,20,282)	(7,92,000)	(20,07,911)	(39,22,383)
-Actuarial (Gain) / Loss on obligations	12,15,437	2,74,786	23,10,370	20,38,289
-Unpaid Liability	-	-	-	-
-Present value of obligation AS AT end of the year	3,07,70,645	2,59,47,753	98,63,722	74,01,818
Change in fair value of Plan Assets				
Fair Value of Plan Assets at the beginning of the period	2,32,02,861	1,90,66,283	85,38,601	54,02,852
Expected Return on Plan Assets	16,24,200	14,77,637	5,97,702	4,18,721
Contributions	27,50,000	36,50,000	-	27,50,000
Benefit Paid	(7,20,282)	(7,92,000)	(3,54,280)	-
Actuarial Gain/(Loss) on Plan Assets	14,935	(1,99,059)	(18,006)	(32,972)
Fair Value of Plan Assets at the end of the period	2,68,71,714	2,32,02,861	87,64,017	85,38,601
Actual Return on Plan Assets				
Expected Return on Plan Assets	16,24,200	14,77,637	5,97,702	4,18,721
Actuarial Gains/(Losses) on Plan Assets	14,935	(1,99,059)	(18,006)	(32,972)
Actual Return on Plan Assets	16,39,135	12,78,578	5,79,696	3,85,749
Liability Recognised in balance Sheet				
-Present value of obligation AS AT end of the year	(3,07,70,645)	(2,59,47,753)	(98,63,722)	(74,01,818)
-Fair value of plan assets AS AT the end of the year	2,68,71,714	2,32,02,861	87,64,017	85,38,601
-Unfunded status	-	-	-	-
-Unrecognised Actuarial (Gain)/Loss	-	-	-	-
Net Assets/ (Liability) recognised in Balance Sheet	(38,98,931)	(27,44,892)	(10,99,705)	11,36,783
Expenses recognised in Profit and Loss Account				
-Current Service Cost	25,11,394	19,97,331	16,41,318	12,96,660
-Interest Costs	18,16,343	17,59,853	5,18,127	5,74,633
-Expected Return on Plan assets	(16,24,200)	(14,77,637)	(5,97,702)	(4,18,721)
-Past Service Cost( vested benefit) Recognised	-	- · · · · · · · · · · · · · · · · · · ·	-	-
-Net Actuarial (Gain)/ Loss recognised during the year	12,00,502	4,73,845	23,28,376	20,71,261
Total Expenses recognised in Profit and Loss a/c	39,04,039	27,53,392	38,90,119	35,23,833



#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

#### 42 CSR Expenditure

a) Amount spent during the period

(Amount in ₹)

Particulars	Year ended 31st March 2020				Year ended 3	1st March 2019
	Paid before the	Yet to be	Total	Paid before the	Yet to be	Total
	year end	paid		year end	paid	
Expenditure on Coporate	-	18,38,000	18,38,000	10,00,000	-	10,00,000
Social Responsibility						
before the year end						

b) Amount for the FY 2017-2018 is Rs 11,02,000/- out of which Rs 5,00,000 is paid in the current year and balance Rs 6,02,000/- is yet to be paid.

# 43 Additional Information as required under Schedule III of the Companies Act 2013, of enterprises consolidated as wholly owned Subsidiary.

Subsidiary.				
Name of entity in the group	AS AT 31ST March 2020			
	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit for the year	
		net assets		profit for the year
Parent				
Roto Pumps Limited	108.82%	95,24,17,437	110.50%	12,84,32,099
Foreign Subsidaries				
Roto Pumpen Gmbh	0.41%	35,58,858	-5.73%	(66,56,502)
Roto Pumps Americas Inc.	3.85%	3,37,02,006	2.24%	26,06,301
Roto Overseas Pte.Ltd	6.54%	5,72,51,211	-7.01%	(81,53,491)
Total Eliminations	-19.61%	(17,16,75,341)		
TOTAL	100.00%	87,52,54,171	100.00%	11,62,28,407

- World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020 .Consequent to this, Government of India declared lockdown on March 23, 2020 and the company temporarily suspended the operations of the Company in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc. during the lock down period. However, The company has started it's normal operations after obtaining permissions from the appropriate government authorities. The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, inventory, trade receivables, Current and Non-Current Assets. Based on current indicators of future economic conditions, the company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated AS AT the date of approval of these financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.
- The Company's operations predominantly comprises of only one segment- Pumps & Spares, therefore operationaly segment reporting does not apply.
- The Board of Directors of the company at its meeting held on 10th February 2020 had approved payment of dividend at rate Rs.0.30 per equity shares on 15453805 equity Shares of Par value Rs. 2/- each. The same has been paid on 5th March ,2020 to the equity shareholders of the company. Further the meeting held on 27th June 2020 the Board of Directors considered the difficult situation emerged due to COVID19 pandemic, and has recommended not to pay further dividend for the financial year ended 31st March, 2020.



### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

- 47 Previous Year's figures have been re-grouped/re-arranged wherever necessary to render them comparable with the current year's figures.
- **48** Figures have been rounded off to the nearest rupee.

As per our report of even date.
For R.N Marwah & Co LLP
Chartered Accountants
(Registration No.0001211N/N500019)

(Manoj Gupta) PARTNER Membership No.096776

**PLACE: NOIDA** 

DATE: 27th June, 2020

For and on behalf of the Board

(HARISH CHANDRA GUPTA) (ANURAG GUPTA)
Chairman & Managing Director
(DIN: 00334405) (DIN: 00334160)

(PRADEEP JAIN) (ASHWANI K VERMA)
Chief Financial Officer Company Secretary
(PAN : AAEPJ6827A) (M.No : F9296)





#### ROTO PUMPS LTD.

#### Global Headquarters

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