

# EVOLUTION AND GROWTH



**JOST'S ENGINEERING COMPANY LIMITED**

ANNUAL REPORT 2019-2020

## JOST'S ENGINEERING COMPANY LIMITED

### Annual Report 2019-20

#### Board of Directors

Mr. Jai Prakash Agarwal, Chairman  
Mr. Vishal Jain, Vice Chairman & MD  
Mr. F.K. Banatwalla  
Mr. Marco Wadia  
Mr. Shailesh Sheth  
Mrs. Shikha Jain

#### Registered Office:

Great Social Building,  
60, Sir Phirozeshah Mehta Road,  
Mumbai – 400001.  
Tel: 91-22-6237 8200  
Fax: 91-22-6237 8201  
CIN: L28100MH1907PLC000252  
Website: [www.josts.com](http://www.josts.com) Email: [jostsho@josts.in](mailto:jostsho@josts.in)

#### Chief Financial Officer

Mr. Kshitiz Bilala – upto 17<sup>th</sup> December, 2019

#### Company Secretary

Mrs. Babita Kumari – upto 29<sup>th</sup> February, 2020

#### Thane Factory

C-7, Road No. 12,  
Wagle Industrial Estate,  
Thane – 400604.  
Tel: 91-22-6267 4000

#### Bankers

HDFC Bank Ltd.  
The Zoroastrian Co-operative Bank Ltd.  
Bank of Maharashtra

#### Regional Sales Offices:

- Bengaluru
- Kolkata
- New Delhi
- Pune
- Secunderabad
- Baroda
- Chandigarh
- Chennai

#### Solicitors

M/s. Crawford Bayley and Company

#### Auditors

M/s. Singhi & Co. Chartered Accountants

#### Registrar and Share Transfer Agents

M/s. Computech Sharecap Limited  
Unit: Jost's Engineering Company Ltd.  
147, Mahatma Gandhi Road,  
3rd Floor, Opp. Jehangir Art Gallery,  
Fort, Mumbai- 400 001.  
Tel. : 91-22-2263 5000/ 01/ 02  
Fax : 91-22-2263 5005

#### Annual General Meeting – Through Video Conferencing

Day & Date: Friday,  
4<sup>th</sup> September, 2020  
Time: 4.00 P.M.

#### Contents

#### Page No.

❖ Notice	1-18
❖ Directors' Report	19-44
❖ Management Discussion Analysis Report	45-50
❖ Corporate Governance Report	51-76
❖ Chairman's Statement	77-78
❖ Auditors' Report on Standalone Financial Statements	79-90
❖ Standalone Balance Sheet	91
❖ Standalone Statement of Profit and Loss	92
❖ Standalone Statement of Cash Flow	93-94
❖ Standalone Statement of Changes in Equity	95
❖ Notes to Standalone Financial Statements	96-146
❖ Auditors' Report on Consolidated Financial Statements	147-157
❖ Consolidated Balance Sheet	158
❖ Consolidated Statement of Profit and Loss	159
❖ Consolidated Statement of Cash flow	160
❖ Consolidated Statement of Changes in equity	161
❖ Notes to Consolidated Financial Statements	162-213

## NOTICE

Notice is hereby given that the Hundred and Thirteenth Annual General Meeting of the members of Jost's Engineering Company Limited will be held on Friday, the 4<sup>th</sup> September, 2020 at 4.00 P.M. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") ("hereinafter referred to as "electronic mode"), to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2020 together with the reports of the Auditors and Board of Directors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mrs. Shikha Jain (DIN 00242232), who retires by rotation and being eligible offers herself for reappointment.
4. To ratify the appointment of M/s Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) as the Statutory Auditors of the Company and to fix their remuneration and in this connection, 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 Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment (s) thereof for the time being in force), the appointment of M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) as the Statutory Auditors of the Company to hold office from the conclusion of 113<sup>th</sup> Annual General Meeting until the conclusion of the 114<sup>th</sup> Annual General Meeting of the Company be and is hereby ratified at such remuneration as may be mutually agreed upon between the Auditors and the Board of Directors of the Company based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company."

### SPECIAL BUSINESS

5. 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 Sections 196, 197, 198 and 203 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals as may be necessary, approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Vishal Jain (DIN:00709250) as a Vice Chairman and Managing Director of the Company, for the further period of 3 (Three) years with effect from 4<sup>th</sup> October, 2020, on the terms and conditions and remuneration embodied in the agreement dated 15<sup>th</sup> June, 2020 entered into between the company and Mr. Vishal Jain and as set out in the Explanatory statement annexed to the notice convening this meeting.

**RESOLVED FURTHER THAT** the Board of Directors or Committee thereof be and is hereby authorized to vary or revise from time to time, the remuneration of Mr. Vishal Jain to the extent the Board of Directors may deem appropriate, provided that such variation or revision is within the overall limits of Managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or committee thereof be and is hereby authorized to do such acts, deeds, matters and things as may be necessary, desirable or expedient for giving effect to this resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 185 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies Amendment Act, 2017 and rules made thereunder (including any statutory Modification (s) or re-enactment (s) thereof, for the time being in force and subject to such other consents, permissions, approvals as may be required in that behalf, the approval of the members of the company be and is hereby accorded to the Board of Directors of the Company to advance loan including any book debt not exceeding Rs. 1.00 Crore (Rupees one Crore) to company’s subsidiary, namely, MHE Rentals India Private Limited, in their absolute discretion deem beneficial and in the interest of the Company, provided that such loan is utilized by the subsidiary company for its principle business activities.

**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 considered necessary, incidental and ancillary in order to give effect to this resolution.”

7. 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 188 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations), consent of the members be and is hereby accorded to the Board of Directors of the Company to enter into Contracts / arrangements / transactions with M/s MHE Rentals India Private Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1) (zb) of listing regulations, during the financial year 2020-21, on such terms and conditions as the Board of directors may deem fit upto maximum aggregate value of Rs.2250 Lakhs as set out in the explanatory statement annexed to the notice convening this meeting.

**RESOLVED FURTHER THAT** the Board of Directors or committee thereof, be and is hereby, authorized to do all such acts, matters, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By order of the Board

-  
Mr. Jai Prakash Agarwal  
Chairman

Thane,  
15<sup>th</sup> June, 2020

**Registered Office:**  
Great Social Building,  
60 Sir Phirozeshah Mehta Road,  
Mumbai-400 001.

**Notes:**

1. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under item no. 5, 6 & 7 of the Notice set out above, is annexed hereto as 'Annexure-I'. The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard – 2 on "General Meetings" issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment / re-appointment at this Annual General Meeting ("AGM") are annexed as 'Annexure II' to this Notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 1<sup>st</sup> September, 2020 to 4<sup>th</sup> September, 2020 (both days inclusive) for the purpose of payment of dividend, if declared at the Meeting.
4. (i) The Dividend, after declaration, will be paid to those shareholders whose names appear on the Register of Members on 4<sup>th</sup> September, 2020. The dividend in respect of shares held in the electronic form will be paid to the beneficial owners of shares whose names appear in the list furnished by the Depositories as at the end of business hours on 31<sup>st</sup> August, 2020.  
  
(ii) The payment of dividend will be made through National Electronic Clearing System (NECS). Members holding shares in demat/electronic form are hereby informed that bank particulars registered with their respective depository accounts will be used by the Company for payment of dividend through NECS. The Company or its Registrars cannot act on any request received directly from the Members holding shares in demat/electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

The members holding shares in physical form and desirous of receiving dividend through NECS, are requested to provide their bank account number, name and address of the bank quoting their folio number directly to the Company's Registrar and Share Transfer Agent, namely, M/s. Computech Sharecap Limited, latest by 24<sup>th</sup> August, 2020, failing which dividend will be paid by DD / Cheque.

5. Members may please note that pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders, w.e.f. 1<sup>st</sup> April, 2020 and the Company is required to deduct tax at source from dividend paid to the shareholders (Resident Shareholders as well as Non- Resident Shareholders) at the prescribed rates. For various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. Therefore, the shareholders holding shares in Dematerialized form or physical form are requested to register their PAN with the Depository Participants or RTA, failing which the TDS will be deducted at higher rate as prescribed.

A resident individual shareholder, with valid PAN and who is not liable to pay income tax, may submit a declaration in form 15G/15H to avail the benefit of non-deduction of TDS by sending these declarations to RTA, namely, Computech Sharecap Limited, unit Jost's Engineering Company Limited, P. Jampal Building, 147 Mahatma Gandhi Road, 3rd

Floor, Opp. Jehangir Art Gallery, Fort, Mumbai 400 001, Email Id; [helpdesk@computechsharecap.in](mailto:helpdesk@computechsharecap.in) on or before 15<sup>th</sup> August, 2020.

6. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, the dividends which remain unpaid/unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, the Company has transferred to IEPF all unclaimed / unpaid dividends in respect of the financial years upto 31<sup>st</sup> March, 2012. Shareholders who have not encashed their dividend warrant(s) so far, for the financial years ended 31<sup>st</sup> March, 2013 to 31<sup>st</sup> March, 2019 are requested to make their claim to the Company immediately quoting their folio numbers. It may also be noted that according to the provisions of Section 205C of the Companies Act, 1956, once the unclaimed dividend is transferred to IEPF, as above, no claim shall lie in respect thereof against the Fund or the Company.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid/unclaimed amounts lying with the Company as on 14<sup>th</sup> August, 2019 (date of the last Annual General Meeting) on the website of the Company ([www.josts.com](http://www.josts.com)) as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).

7. The Company has appointed M/s. Computech Sharecap Limited, Tampilbar Building, 147 Mahatma Gandhi Road, 3rd Floor, Opp. Jehangir Art Gallery, Fort, Mumbai 400 001 as Registrar and Share Transfer Agents for share registry work both for physical and electronic mode. The Members are therefore, requested to address the correspondence relating to the share registry both in physical and electronic mode to the said Registrar and Share Transfer Agents. Members may also please note that the Company's shares are available for demat with both the depositories, namely, Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL).
8. Electronic copy of the Annual Report 2019-20 is being sent to the members whose E-mail Ids are registered with the Company's Registrars and Share Transfer Agents / Depository Participants for receiving documents electronically. The members who register their E-mail Ids for receiving documents electronically will be entitled to receive such documents in the physical form, upon request.
9. Instructions for shareholders attending the AGM through VC/OAVM are as under:
  - (i) As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. This AGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in this AGM through VC/OAVM.
  - (ii) The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the note no. 9 (vii) of the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 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 a first come first served basis.

- (iii) The Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- (iv) Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- (v) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.josts.com](http://www.josts.com) . The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- (vi) This AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
- (vii) Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholders/members login where the EVSN of Company will be displayed.
- (viii) Shareholders are encouraged to join the Meeting through Laptops / iPad for better experience.
- (ix) Further, shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (x) Please note that Participants 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 any kind of aforesaid glitches.
- (xi) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request latest by 24<sup>th</sup> August, 2020 mentioning their name, demat account number/folio number, email id, mobile number at (cs@mherentals.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries latest by 24<sup>th</sup> August, 2020 mentioning their name, demat account number/folio number, email id, mobile number at (cs@mherentals.com). These queries will be replied to by the company suitably.
- (xii) Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

## 10. Voting Options:

### (i) Remote e-voting and E-voting at the meeting

In compliance with the provisions of Section 108 of the Companies Act, 2013, 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 members facility to exercise their right to vote on resolutions proposed to be considered at this AGM by remote e-voting (i.e. voting electronically from a place other than the venue of general meeting) as well as e-voting at this AGM.

The Company has engaged the services of Central Depository Services (India) Limited (CDSL) for facilitating voting by electronic means.

### Instructions for shareholders voting electronically are as under:

- (a) The voting period begins on Monday, 31<sup>st</sup> August, 2020 (10.00 A.M) and ends on Thursday, 3<sup>rd</sup> September, 2020 (5.00 P.M). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 28<sup>th</sup> August, 2020 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (b) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- (c) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (d) Click on “Shareholders” module.
- (e) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

### OR

Alternatively, if you are registered for CDSL’s **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL’s **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (f) Next enter the Image Verification as displayed and Click on Login.
- (g) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (h) If you are a first-time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical



	<p>shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
<p>Dividend Bank Details <b>OR</b> Date of Birth (DOB)</p>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (e).</li> </ul>

- (i) After entering these details appropriately, click on “SUBMIT” tab.
- (j) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (k) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (l) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (m) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (n) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (o) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (p) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (q) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

- (r) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (s) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (t) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address [helpdesk@computechsharecap.in](mailto:helpdesk@computechsharecap.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (u) If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

**(ii) E-Voting during the AGM**

- a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- b. Only those shareholders, who are 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 available during the AGM. Page 8 of 213

- c. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- d. Shareholders 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.

**(iii) Other Instructions:**

- a. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on cut-off date i.e. 28<sup>th</sup> August, 2020. 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. 28<sup>th</sup> August, 2020 only shall be entitled to avail the facility of remote e-voting or voting at the meeting.
  - b. Any person, who acquires shares of the Company and becomes a member of the company after dispatch of the Notice and holding shares as on the cut-off date, i.e. 28<sup>th</sup> August, 2020, may obtain the login ID and password by sending a request at [helpdesk@compuotechsharecap.in](mailto:helpdesk@compuotechsharecap.in).
  - c. The Board of Directors of the Company have appointed M/s. Sandeep Dar & Co., Company Secretaries, Navi Mumbai, to act as the Scrutinizer. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the Meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses (not in the employment of the Company) and make, not later than 48 hours of the conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman.
  - d. The Results of the e-voting will be declared not later than 48 hours of conclusion of the Annual General Meeting. The declared results along with the Scrutinizer's Report will be available on the Company's website [www.josts.com](http://www.josts.com) and on the website of CDSL and will also be forwarded to the Stock Exchange where the Company's shares are listed. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the Annual General Meeting.
- (iv)** The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents, M/s. Compuotech Sharecap Limited, Unit: Jost's Engineering Company Limited, quoting their folio numbers.
- (v)** The Members who continue to hold shares in physical form are requested to intimate any change in their address immediately to the Company's Registrar and Share Transfer Agents, M/s. Compuotech Sharecap Limited, Unit: Jost's Engineering Company Limited, quoting their folio numbers. The Members holding shares in dematerialized form are requested to get their change of address recorded with the concerned depository participants.

**11.** Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting on the resolutions proposed in this notice:

- a. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
- b. For Demat shareholders -, please provide Demat account details (CDSL-16-digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **Company/RTA email id**.

## **Annexure – ‘I’ to the Notice**

### **Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business**

#### **Item No.5**

On recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, at their Meeting held on 15th June, 2020, has re-appointed Mr. Vishal Jain as Vice Chairman and Managing Director of the Company for further period of three years with effect from 4th October, 2020. The terms and conditions of the re-appointment of Mr. Vishal Jain as aforesaid have been embodied in the Agreement dated 15<sup>th</sup> June, 2020, entered into between the Company and Mr. Vishal Jain.

The salient terms and conditions specified in the said Agreement are as follows:

1. Period: - 3 years with effect from 4th October, 2020.

2. Remuneration Payable: -

- i. (a) Basic Salary Rs. 1,30,000/- per month
- (b) House Rent allowance Rs. 65,000/- per month
- (c) Special Allowance Rs. 1,55,000/- per month
- Total Monthly Salary Rs. 3,50,000/- (Subject to tax)

ii. Perquisites:

- a) Reimbursement of Petrol / diesel expenses

As per the rules of the Company.

- b) Reimbursement of Entertainment and Travelling Expenses

The Company shall reimburse actual entertainment and travelling expenses incurred by the Managing Director in connection with the Company's business.

iii. Privilege Leave (PL):

- (a) PL with pay, as per Company's Rules.
- (b) Accumulation of PL and encashment, as per Company's Rules.

iv. Provident Fund and Gratuity:

- a. Company's contribution to Provident Fund @ 12% of basic salary.
- b. Gratuity at the rate of 15 (Fifteen) days basic salary for every completed year of service or part thereof in excess of six months.

3. The Managing Director shall not be liable to retire by rotation so long as he continues to hold the office as Managing Director.

4. The terms and conditions of the said appointment and remuneration shall be in accordance with Schedule V and other applicable provisions of the Companies Act, 2013, or any amendments or re-enactment thereof.

5. The terms and conditions of the Agreement may be altered or varied from time to time by the Board of Directors in consultation with the Nomination and Remuneration Committee of the Board of Directors of the Company.

6. Either party may terminate the said Agreement by giving to other, advance notice of 3 months.

7. The Agreement and the terms and conditions thereof are subject to the approval of the shareholders of the Company in General Meeting and also of the Central Government under the relevant provisions of Companies Act, 2013, if necessary.

Mr. Vishal Jain, 47, is BE, MBA. Before he was re-appointed as Vice Chairman and Managing Director, he has been Vice Chairman and Managing Director of the Company since 4<sup>th</sup> October, 2017. He has over 18 years' experience in roles spanning supply chain management, financial advisory and wealth management.

The Board considers the re- appointment of Mr. Vishal Jain as beneficial and in the interest of the Company and recommends the resolution as set out in item no. 5 for your approval.

A statement containing additional information as per Schedule V of the Companies Act, 2013, in respect of Ordinary Resolution at item no. 5, is annexed hereto as Annexure III.

The Agreement dated 15<sup>th</sup> June, 2020 entered into between the Company and Mr. Vishal Jain is available for electronic inspection without any fee by the members from the date of circulation of the AGM notice upto the date of AGM i.e. 4<sup>th</sup> September, 2020. Members seeking to inspect such agreement may send an email to [cs@mherentals.com](mailto:cs@mherentals.com).

Except Mr. Vishal Jain and Mrs. Shikha Jain and their relatives, none of the other directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested in the resolution set out at item no. 5 of this Notice.

#### **Item No. 6**

The Company is expected to render support for the business requirements of the Subsidiary Company, namely, MHE Rentals India Private Limited.

Owing to certain restrictive provisions contained in the section 185 of the Companies Act, 2013 (Act) the Company is unable to extend financial assistance by way of loan to its subsidiary.

However, in terms of amended section 185 of the Act, which was notified by the Ministry of Corporate Affairs on 7<sup>th</sup> May, 2018, the Company may advance loan to any Body Corporate pursuant to Section 185(2) of the Act, subject to the condition that approval of the Shareholders of the Company is obtained by way of passing a Special Resolution and requisite disclosures are made in the Explanatory Statement.

Therefore, the Board of Directors of the Company seek approval of the members of the Company.

The Board of Directors of the Company recommends resolution as set out in Item No.6.

Mr. Jai Prakash Agarwal and Mr. Vishal Jain, the Directors of the Company, hold together 34.96 % Equity Shares of Company's Subsidiary, namely, MHE Rentals India Private Limited.

None of the directors and Key Managerial Personnel and their relatives, except Mr. Jai Prakash Agarwal, Mr. Vishal Jain, Mrs. Shikha Jain and Mr. Shailesh Sheth, Directors of the Company are concerned or interested in the resolution, financially or otherwise.

## Item No. 7

Section 188 of the Act and applicable rules framed thereunder and Regulation 23 of Listing Regulations, provide that any related party transaction will require approval of the shareholders through Ordinary Resolution, if the aggregate value of transaction(s) exceeds 10% or more of the Annual turnover of the Company as per the last Audited Financial Statements of the Company. The Aggregate value of the proposed transaction(s) with MHE Rentals India Private Limited, (Subsidiary Company) may exceed the said threshold limit, and is expected to be around Rs.2250 Lakhs during the Financial year 2020-21.

Accordingly, transaction(s) to be entered into comes within the meaning of Related Party transaction(s) in terms of provisions of the Act and applicable rules framed thereunder read with Listing Regulations.

Hence, approval of the members of the company is being sought for the said related party transaction(s) proposed to be entered into between the company and the said subsidiary during the financial Year 2020-21.

Pursuant to Rule 15 of Companies (Meetings of the Board and its Powers) Rules, 2014, as amended, particulars of transaction(s) proposed to be entered into with the said subsidiary, are as follows:

<b>Name of Related Party</b>	<b>Name of Director(s) / KMP(s) who is/are related</b>	<b>Nature of Relationship</b>	<b>Nature of Transaction</b>	<b>Estimated transaction value for the financial year ending 31<sup>st</sup> March, 2021 (Rs. Lakhs)</b>
MHE Rentals India Private Limited (MHE Rentals), Subsidiary Company	Mr. Jai Prakash Agarwal (Director)	Mr. Jai Prakash Agarwal is a member holding more than 2% Shares in MHE Rentals.	i) Sale of goods/ service by the Company to MHE Rentals.	1000.00
	Mr. Vishal Jain (Director)	Mr. Vishal Jain is a Director in MHE Rentals and is holding more than 2% Shares in MHE Rentals.	ii) Purchase of goods/ services by the company from MHE Rentals.	100.00
	Mr. Shailesh Sheth (Director)	Mr. Shailesh Sheth is a Director in MHE Rentals and does not hold any shares in MHE Rentals	iii) Corporate Guarantee to be issued of by the Company in connection with Loan obtained/ to be obtained by MHE Rentals.	1000.00
			iv) Commission expected to be received by the Company from MHE Rentals.	50.00
			v) Short term loans /advances to be given by the Company to MHE Rentals.	100.00

Mr. Jai Prakash Agarwal and Mr. Vishal Jain directors of the company, hold 15,05,500 (15.07%) equity shares and 19,87,800 (19.89%) equity shares respectively, in MHE Rentals India Private Limited.

Except Mr. Jai Prakash Agarwal, Mr. Vishal Jain and Mr. Shailesh Sheth, none of the other Directors or Key Managerial Personnel or their relatives, is concerned or interested in the said resolution.

The Board of Directors recommends passing of the resolution as set out at item No.7 of the notice as an Ordinary Resolution.

As per the Act and Regulation 23 of Listing Regulations, related party(ies) of the Company shall abstain from voting on said resolution.

By order of the Board

Jai Prakash Agarwal  
Chairman

Thane,  
15<sup>th</sup> June, 2020

**Registered Office:**  
Great Social Building,  
60 Sir Phirozeshah Mehta Road,  
**Mumbai-400 001.**



**Annexure “II” to the Notice**

**Details of Directors seeking appointment/ re-appointment at the Annual General Meeting**

<b>Particulars</b>	<b>Mr. Vishal Jain (Husband of Mrs. Shikha Jain)</b>	<b>Mrs. Shikha Jain (Wife of Mr. Vishal Jain)</b>
Date of Birth	14th June, 1973	17th November, 1974
Date of Appointment	<ul style="list-style-type: none"> <li>• 21st January, 2015 as Non-Executive Director - Promoter.</li> <li>• 4<sup>th</sup> October, 2017 as Vice Chairman and Managing Director for a period of 3 years from 4<sup>th</sup> October, 2017 to 3<sup>rd</sup> October, 2020.</li> <li>• The Board of Directors of the Company has re-appointed Mr. Vishal Jain as Vice Chairman and Managing Director for further period of 3 years w.e.f. 4<sup>th</sup> October, 2020 to 3<sup>rd</sup> October, 2023 at its meeting held on 15<sup>th</sup> June, 2020, subject to approval of Shareholders at this AGM.</li> </ul>	<ul style="list-style-type: none"> <li>• 12th August, 2016 as Non-Executive Director - Promoter</li> </ul>
Qualifications	Bachelor of Engineering, Master of Business Administration	Bachelor of Commerce
Expertise in specific functional areas	Experience in Role Spanning Supply Chain Management, Financial Advisory and Wealth Management	-
Directorships held in other public companies (excluding foreign companies and section 8 companies).	<ul style="list-style-type: none"> <li>• Career Point Limited</li> </ul>	-
Membership/ Chairmanships of committees of other public companies (including only Audit Committee and Stakeholders Relationship Committee).	-	-
Number of shares held in the Company as on 31 <sup>st</sup> March, 2020.	118,215 Equity Shares	112,821 Equity Shares

## Annexure 'III' to Notice

The statement containing additional information as required in Schedule V of the Act:

### I. General Information:

#### 1. Nature of Industry:

Manufacturers, traders and service providers of Material Handling Equipment and traders of Engineered Products.

#### 2. Date or expected date of commencement of commercial production:

The company is in operation since 1907.

#### 3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

#### 4. Financial performance based on given indicators.

(Rs. In lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2020 (Standalone)	Year ended 31 <sup>st</sup> March, 2020 (Consolidated)
Revenue from operations and other income	10,355.92	11,514.18
Profit/(loss) before exceptional items and tax	541.46	460.75
Exceptional items*	383.77	383.77
Profit/(loss) before tax	157.69	76.98
Tax Expense	53.65	53.65
Profit/(loss) after tax	104.04	23.33

\* Exceptional item includes payment towards settlement of Central Excise and Service Tax dispute under Sabka Vishwas Amnesty Scheme, 2019.

#### 5. Foreign investments or collaborations, if any:

The Company (Jost's Engineering Company Limited) has no foreign collaborations and hence there is no equity participation by foreign collaborators in the Company.

### II. Information about the Appointee

#### 1. Background Details

The Board of Directors at its meeting held on 4<sup>th</sup> October, 2017 had appointed Mr. Vishal Jain as Vice Chairman and Managing Director of the Company for a period of 3 years from 4<sup>th</sup> October, 2017 to 3<sup>rd</sup> October, 2020. This appointment of Vice Chairman and Managing Director was approved by the members at their 111<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> July, 2018.

The Board of Directors of the Company has re-appointed Mr. Vishal Jain as Vice Chairman and Managing Director for a further period of 3 years from 4<sup>th</sup> October, 2020 to 3<sup>rd</sup> October, 2023 subject to approval of the members at the AGM scheduled to be held on 4<sup>th</sup> September, 2020. Mr. Vishal Jain, 47, is BE, MBA. He has over 18 years' experience in roles spanning supply chain management, financial advisory and wealth management.

## 2. Past Remuneration

The following remuneration was paid for the financial years 2017-18, 2018-19 and 2019-20.

Particulars	2017-18		2018-19	2019-20
	1 <sup>st</sup> Apr,17 – 3 <sup>rd</sup> Oct, 17	4 <sup>th</sup> Oct, 17 – 31 <sup>st</sup> Mar, 18		
<b>Basic Salary</b>	Nil	Rs. 6/-	Rs. 12,00,000/-	Rs. 12,00,000/-
<b>Other Allowances</b>	Nil	Nil	Rs. 24,00,000/-	Rs. 24,00,000/-
<b>Perquisites and other benefits</b>	Nil	Nil	Nil	Nil
<b>Sitting Fees</b>	Rs.95,000/-	Rs.1,15,000/-	Nil	Nil
<b>Commission</b>	Nil	Nil	Nil	Nil

## 3. Recognition or Awards:

During the Financial Year 2017-18, the Company has received Sales Award from Foreign Principal, namely, M/s. Megger Sweden AG for significant sale of their products in India.

## 4. Job Profile and his suitability:

As stated above, Mr. Vishal Jain has vast experience in the field of roles spanning supply chain management, financial advisory and wealth management. Ever since he joined the Board, he has been actively looking after the Engineered Product Division (EPD). EPD division has contributed to a large extent in the profit for the year ended 31/03/2020. He is also actively involved in the business activity for Material Handling Division of the Company which has improved over the last three years.

## 5. Remuneration Proposed

i. (a) Basic Salary	Rs. 1,30,000/- per month
(b) House Rent allowance	Rs. 65,000/- per month
(c) Special Allowance	Rs. 1,55,000/- per month
<b>Total Monthly Salary</b>	<b>Rs. 3,50,000/- (Subject to tax)</b>

### ii. Perquisites:

- c) Reimbursement of Petrol / diesel expenses

As per the rules of the Company.

- d) Reimbursement of Entertainment and Travelling Expenses

The Company shall reimburse actual entertainment and travelling expenses incurred by the Managing Director in connection with the Company's business.

### iii. Privilege Leave (PL):

- (a) PL with pay, as per Company's Rules.  
(b) Accumulation of PL and encashment, as per Company's Rules.

### iv. Provident Fund and Gratuity:

- a. Company's contribution to Provident Fund @ 12% of basic salary.  
b. Gratuity at the rate of 15 (Fifteen) days basic salary for every completed year of service or part thereof in excess of six months.

**6. Comparative remuneration Profile with respect to industry, size of the company, profile of the position and person:**

The Nomination and Remuneration Committee of the Board while approving the proposed remuneration to the Managing Director have taken into consideration the various factors such as the remuneration that is being paid to the managerial personnel in the industry to which the company belongs, the size of the company, the profile of the position etc.

**7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:**

Besides the remuneration proposed, Mr. Vishal Jain does not have any pecuniary relationship with the Company. He is the husband of Mrs. Shikha Jain, who is a Director of the Company. Mr. Vishal Jain holds 1,18,215 Shares (12.67%) and Mrs. Shikha Jain holds 1,12,821 Shares (12.09%) in the company.

**III. Other Information**

**1. Reason of loss or inadequate profits**

The reason being the sluggish demand, especially for Engineering and Capital Goods Industry to which Company belongs. Further, tough competition - Global and Local, continued to put pressure on margins and market share. Due to the nationwide lockdown from March, 2020 which is the peak of demand months for Material handling equipments, making the severe impact on the financial performance.

**2. Steps taken or proposed to be taken for improvement**

The Company has embarked on a series of strategic and operational measures that is expected to result in the improvement in present position. The inherent strengths of the Company, especially its reputation as a premium producer, powerful brands and deep Pan-India distribution network are also expected to enable the Company to position itself during adversities. Given the unprecedented situation, growth forecasts will largely rely on COVID-19's spread. The unavailability of labor and a downturn in discretionary spending foresees a challenging period for the economy as a whole. The growth in the medium to long term will be better led by gradual pick up in Government's spending for infrastructure.

**3. Expected increase in productivity and profits in measurable terms**

The Company has profit before tax of Rs. 157.69 Lakhs for the year 2019-20. The company expects to grow further in 2020-21 post COVID-19 pandemic.

**IV. Disclosures**

The Disclosures required to be made pursuant to Schedule V of the Companies Act, 2013 have been made in the Corporate Governance Report which is annexed to the Directors' Report for the year ended 31<sup>st</sup> March, 2020.

On behalf of the Board of Directors

Jai Prakash Agarwal  
Chairman

Thane,  
15<sup>th</sup> June, 2020

## DIRECTORS' REPORT

The Directors present herewith Annual Report together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2020.

	Year ended 31-3-2020	Previous Year ended 31-3-2019
	Rs. lakhs	Rs. lakhs
<b>1. Standalone Financial Results</b>		
<b>Profit/(Loss) before exceptional items and Tax</b>	<b>541.46</b>	<b>363.29</b>
Exceptional Items	383.77	-
<b>Profit Before tax</b>	<b>157.69</b>	<b>363.29</b>
Less: Tax Expense:		
Current Tax	76.22	75.38
Deferred Tax	(10.68)	(134.15)
Short/(Excess) Provision for Income tax of earlier years	(11.89)	10.80
	-----	-----
<b>Profit/(Loss) after tax</b>	<b>104.04</b>	<b>411.26</b>
Balance brought forward from previous year	1257.35	868.58
Amount available for appropriation	1361.39	1279.84
Less: Dividend paid during the year	27.98	18.66
Dividend distribution tax paid during the year	5.75	3.83
General Reserve	-	-
	-----	-----
<b>Balance carried forward</b>	<b>1327.66</b>	<b>1257.35</b>
	=====	=====

### 2. Dividend

The Directors are pleased to recommend a dividend of Rs. 3/- per share (30%) on Equity Shares of Rs.10/- each for the year ended 31<sup>st</sup> March, 2020.

### 3. Operations:

Income for the year under review, was Rs. 10,355.92 Lakhs as against Rs. 10,745.08 Lakhs in the previous year. The profit before tax was Rs. 157.69 Lakhs as against Rs. 363.29 Lakhs in the previous year. Generally, business should continue to progress. Barring unforeseen circumstances, there should be improved results in the current financial year 2020-21.

#### **4. Performance of Subsidiary Company**

##### **MHE Rentals India Private Limited.**

This Subsidiary is engaged in equipment rental business. For the year ended 31st March, 2020, the turnover was Rs. 1228.39 lakhs as against Rs. 912.45 Lakhs in the previous year, the loss for the year ended 31<sup>st</sup> March, 2020 was Rs. 78.28 lakhs as against loss of Rs. 97.92 Lakhs in the previous year.

#### **5. Consolidated Financial Statements**

The Consolidated Financial Statements of the Company are prepared in terms of requirement of Companies Act, 2013 and in accordance with the relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

Pursuant to Section 129(3) of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries / Associate Companies / Joint Ventures is given in Form AOC – 1, which is attached to the Financial Statements of the Company.

#### **6. Material Subsidiary**

MHE Rentals India Private Limited is a Material Subsidiary of the Company as per the threshold laid down by the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, as amended. The Board of Directors of the Company has approved a policy for determining material subsidiaries which is in line with the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy has been approved by the Board of Directors of the Company, effective from 1<sup>st</sup> April, 2019. The policy has been uploaded on the company's website at ([www.josts.com](http://www.josts.com)).

#### **7. Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.**

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as Annexure "A" to the Directors' Report.

#### **8. Directors' Responsibility Statement**

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge, state and confirm:

- (i) that in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2020 and of the profit of the Company for the year ended on that date;
- (iii) that the Directors have 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 the Company and for preventing and detecting fraud and other irregularities;

- (iv) the annual accounts have been prepared on a going concern basis;
- (v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) that 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.

## **9. Particulars of employees**

The information pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not given as no employee, employed throughout the financial year 2019-20, was in receipt of the remuneration of Rs.102 lakhs or more and no employee, employed for the part of the financial year 2019-20 was in receipt of remuneration of Rs.8.50 lakhs or more per month.

## **10. Extract of Annual Return**

The extract of the Annual Return in Form MGT-9 as provided under sub-section (3) of Section 92 of the Companies Act, 2013, is annexed as Annexure “B” to the Directors' Report.

## **11. Deposits**

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

## **12. Particulars of Loans, Guarantees and Investments**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, have been disclosed in the Financial Statements at the appropriate places.

## **13. Code of Conduct (Code) for Board Members and Senior Management**

The Company has adopted, the Code for enhancing further ethical and transparent process in managing the assets and affairs of the Company. This Code has been posted on the website of the Company ([www.josts.com](http://www.josts.com)).

## **14. Vigil Mechanism / Whistle Blower Policy**

In compliance with the provisions of Section 177 of the Companies Act, 2013, and Rule 7 of the Companies (Meetings of Board and its powers) Rules, 2014, the Company has established Vigil Mechanism / Whistle Blower Policy to encourage Directors and Employees of the Company to bring to the attention of any of the following persons, i.e. the Chairman of the Audit Committee, Company Secretary and HR Head, the instances of unethical behavior, actual or suspected incidence of fraud or violation of the Code of Conduct for Directors and Senior Management (Code) that could adversely impact the Company's operations, business performance or reputation. The Policy and the Code has been posted on the website of the

Company ([www.josts.com](http://www.josts.com)).

## 15. Risk Management Policy

The Company has developed and implemented, a Risk Management Policy in compliance with the provisions of Section 134 (3) (n) of the Companies Act, 2013.

Risk Management is an organization-wide approach towards identification, assessment, communication and management of risk in a cost-effective manner – a holistic approach to managing risk. Generally, this involves reviewing operations of the organization, identifying potential threats to the organization and the likelihood of their occurrence and then making appropriate actions to address the most likely threats.

The Policy provides for constitution of Risk Management Core Group (RMCG) consisting of Functional / Departmental / Product line heads and headed by Chairman of the Company.

The RMCG shall be collectively responsible for developing the Company's Risk Management principles and Risk Management expectations, in addition to those specific responsibilities as outlined in the Policy. The RMCG will provide updates to the Audit Committee and Board of Directors of the Company on key risks faced by the Company, if any, and the relevant mitigant actions.

The major risks such as Operational Risk, Financial Risk, External Environment and Strategic Risk have been identified and the Risk Management process has been formulated.

The Risk Management Policy has been posted on the website of the Company ([www.josts.com](http://www.josts.com)).

## 16. Nomination and Remuneration Policy

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee has framed Nomination and Remuneration Policy (the Policy). The Policy applies to the Board of Directors, Key Managerial Personnel and the Senior Management Personnel. The Policy lays down criteria for selection and appointment of Board Members, Key Managerial Personnel and Senior Management Personnel and also lays down a framework in relation to remuneration of the aforesaid persons.

The Nomination and Remuneration Policy has been posted on the website of the Company ([www.josts.com](http://www.josts.com)).

## 17. Prevention of Sexual Harassment

The Company has constituted an “Internal Complaints Committee” in compliance with the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, no complaints of Sexual Harassment were reported to the Board.

## 18. Committees of the Board

The Board of Directors have constituted the following Committees in compliance with the



Companies Act, 2013. These Committees deal with specific areas and activities which concern the Company.

(i) Audit Committee	Mr. F. K. Banatwalla - Chairman Mr. Shailesh Sheth - Member Mr. Jai Prakash Agarwal - Member
(ii) Nomination and Remuneration Committee	Mr. Shailesh Sheth - Chairman Mr. Marco Wadia - Member Mr. F. K. Banatwalla - Member
(iii) Share Transfer and Stakeholders Relationship Committee	Mr. Shailesh Sheth - Chairman Mr. F. K. Banatwalla - Member Mr. Jai Prakash Agarwal - Member

## 19. Independent Directors' Meeting

During the year under review, the Independent Directors had a separate Meeting on 6<sup>th</sup> February, 2020, and have inter-alia, reviewed the performance of non-independent directors, the performance of the Chairperson of the Company, and assessed the quality, quantity and timeliness of flow of information between the management and the Board so as to enable the Board to effectively and reasonably perform their duties.

## 20. Meetings of the Board

During the year under review, 4 Board Meetings and 7 Committee Meetings were convened and held. The details of the same forms a part of the Corporate Governance Report.

## 21. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, the Board of Directors of the company at its meeting held on 6<sup>th</sup> February, 2020 has evaluated the performance of the Independent Directors, Committees of the Board and the Board as a whole and found the performance to be satisfactory.

The Nomination and Remuneration Committee at its meeting held on 6<sup>th</sup> February, 2020 evaluated the performance of the Vice Chairman and Managing Director and found the performance to be satisfactory.

## 22. Related Party Transactions

The Company has formulated a Policy on Related Party Transactions and manner of dealing with related party transactions which is available on the Company's website [www.josts.com](http://www.josts.com).

All related party transactions entered into during FY 2019-20 were on an arm's length basis and in the ordinary course of business. No material related party transactions were entered into during the financial year 2019-20. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company.

## 23. Auditors

### (i) Statutory Auditors

M/s. Singhi & Co., Chartered Accountants, (Firm's Registration No. 302049E) was appointed as the Statutory Auditors of the Company, at the 110<sup>th</sup> Annual General Meeting, held on 20<sup>th</sup> July, 2017 to hold office, from the conclusion of the 110<sup>th</sup> Annual General meeting till the conclusion of the 115<sup>th</sup> Annual General Meeting, subject to ratification by the members every year. Necessary resolution for ratification of the appointment of M/s Singhi & Co., Chartered Accountants as the Statutory Auditors is included in the Notice of the 113<sup>th</sup> Annual General Meeting.

The reports of the Statutory Auditors, M/s. Singhi & Co., Chartered Accountants, on the Standalone and Consolidated Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2020, form part of this Annual Report. The Statutory Auditors have submitted an unmodified opinion on the audit of financial statements for the year ended 31<sup>st</sup> March, 2020 and there is no qualification, reservation or adverse remarks given by the Auditors in their Report.

### (ii) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s, Sandeep Dar & Co., Company Secretaries, as Secretarial Auditor, to undertake the Secretarial Audit for the year ended 31<sup>st</sup> March, 2020. The Secretarial Audit Report is annexed as Annexure "C" to the Directors' Report. The Company has complied with applicable Secretarial Standards.

#### **Explanation to the observations made by the Secretarial Auditor in its report**

With regard to the observations made by the Secretarial Auditor in its Report, we wish to state as under:

1. Ref: Para I of the Report:
  - a. The Company Secretary and Compliance Officer of the Company has resigned and ceased in the employment of the Company w.e.f. 1<sup>st</sup> March, 2020. The Company has six months' time to fill up the vacancy caused by the resignation of Company Secretary and Compliance Officer. However, due to nationwide lockdown due to COVID-19 pandemic the company was unable to fill up the said vacancy. On lifting of the nationwide lockdown, the company will put in its best efforts to fill in the vacancy by appointing a suitable candidate as early as possible.
  - b. The Chief Financial Officer of the Company has resigned and ceased in the employment of the Company w.e.f. 17<sup>th</sup> December, 2019. The Company has six months' time to fill up the vacancy caused by the resignation of Chief Financial Officer. However, due to nationwide lockdown due to COVID-19 pandemic the company was unable to fill up the said vacancy. On lifting of the nationwide

lockdown, the company will put in its best efforts to fill in the vacancy by appointing a suitable candidate as early as possible.

2. Ref: Para V (i) of the Report:

- a. The Compliance Officer of the Company has resigned and ceased in the employment of the Company w.e.f. 1<sup>st</sup> March, 2020. The Company has six months' time to fill up the vacancy caused by the resignation of Compliance Officer. However, due to nationwide lockdown to contain the spread of COVID-19 pandemic the company was unable to fill up the said vacancy. On lifting of the nationwide lockdown, the company will put in its best efforts to fill in the vacancy by appointing a suitable candidate as early as possible.
- b. The Company has re-appointed the Independent Directors by passing a resolution at the Annual General Meeting of the Members held on 14<sup>th</sup> August, 2019 for further period of 5 consecutive years w.e.f. 1<sup>st</sup> April, 2019. The Familiarization program to be imparted to the Independent Directors pursuant to Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was to be conducted in a phased manner and on need basis during the Month of February/March, 2020. However, the company was unable to impart familiarization program due to nationwide lockdown to contain the spread of COVID-19 pandemic. On lifting of the lockdown, the company will conduct Familiarization program for the Independent Directors in a phased manner.

**24. Disclosure pursuant to Section 197 (12) of the Companies Act, 2013, and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014**

Disclosure with respect to the remuneration of Directors, Key Managerial Personnel and Employees as required under Section 197 (12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure "D" to the Directors' Report.

**25. Management Discussion and Analysis Report**

The Management discussion and Analysis Report on the Operations of the Company, as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as Annexure "E" and forms an integral part of this Report.

**26. Corporate Governance**

The Corporate Governance Report for the year ended 31<sup>st</sup> March, 2020 alongwith Certificate of Compliance of conditions of the Corporate Governance received from the practicing Company Secretary, M/s Sandeep Dar & Company as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) is annexed as Annexure 'F' and forms an integral part of this Report.

**Practicing Company Secretary's observations on the above report:**

The Company Secretary has given his observation that the Company has not conducted familiarization program for Independent Directors pursuant to Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements). In this regard, we wish to state as under:

The Company has re-appointed the Independent Directors by passing a resolution at the Annual General Meeting of the Members held on 14<sup>th</sup> August, 2019 for further period of 5 consecutive years w.e.f. 1<sup>st</sup> April, 2019. The Familiarization program to be imparted to the Independent Directors pursuant to Regulation 25(7) of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 was to be conducted in a phased manner and on need basis during the Month of February/March, 2020. However, the company was unable to impart familiarization program due to nationwide lockdown due to COVID-19 pandemic. On lifting of the lockdown, the company will conduct Familiarization program for the Independent Directors in a phased manner.

## **27. Internal Control System and Adequacy**

The Company has an adequate internal control system commensurate with its size and nature of its business. The Internal Audit is entrusted to Internal Auditors, namely, M/s. Uday & Uday, Chartered Accountants, who submit their report periodically to the Audit Committee. Audit observations and corrective actions taken by the Management are presented to the Audit Committee.

## **28. Significant and Material Orders passed by the Regulators or Courts**

There are no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations. However, members' attention is drawn to the statement on 'Contingent Liabilities' in the notes forming part of the Financial Statements.

## **29. Directors**

- (i) In accordance with Article 168 of the Articles of Association of the Company, Mrs. Shikha Jain, Director (DIN: 06778623) liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment.
- (ii) All the Independent Directors have given declarations that they meet the criteria of Independence as laid down under section 149(7) of the Companies Act, 2013.

## **30. Key Managerial Personnel**

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company as on 31<sup>st</sup> March, 2020 are:

Mr. Vishal Jain – Vice Chairman and Managing Director

Mr. Kshitiz Bilala – Chief Financial Officer, ceased in the employment with effect from 17<sup>th</sup> December, 2019.

Mrs. Babita Kumari- Company Secretary, ceased in the employment with effect from 1<sup>st</sup> March, 2020.

### **31. Acknowledgements**

The Board of Directors wish to place on record their appreciation for the continued support and co-operation by the bankers, customers, suppliers and other stakeholders. The Directors also thank the employees at all levels for their hard work, dedication and support.

On behalf of the Board of Directors

Jai Prakash Agarwal  
Chairman

Thane,  
15<sup>th</sup> June, 2020.

## Annexure “A” to the Directors’ Report

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo Pursuant to Provisions of Section 134 of the Companies Act, 2013, read with Rule 8 (3) of Companies (Accounts) Rules, 2014.

#### (A) Conservation of Energy

##### (i) The steps taken or impact on conservation of energy

Regular monitoring of all equipments and devices which consume electricity, continues to be in place in the factory. Water consumption is also monitored as regular function of maintenance Dept., though our type of business does not consume much water.

##### (ii) The steps taken by the Company for utilizing alternate sources of energy

All lighting fixtures have been changed to LED on the shop floor as well as offices.

##### (iii) The capital investment on energy conservation equipment.

Air compressor, air conditioners, lighting devices have all been replaced by more energy efficient ones.

#### (B) Technology Absorption

##### (i) The efforts made towards technology absorption

This is ongoing process for all our manufactured products. Installed racks and trolleys on shop floor for better storage of material.

##### (ii) The benefits derived like product improvement, cost reduction, product development or import substitution

Product quality improvements is at the heart of Technology upgrades.

##### (iii) In the case of imported technology (imported during the last three years reckoned from the beginning of the financial year).

- |   |                  |
|---|------------------|
| (a) The details of technology imported  | - Not Applicable |
| (b) The year of import  | - Not Applicable |
| (c) Whether the technology been fully absorbed  | - Not Applicable |
| (d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof | - Not Applicable |

##### (iv) The expenditure incurred on Research and Development

Rs. 35.00 Lakhs

**(C) Foreign Exchange Earnings and Outgo**

Foreign Exchange Earnings – Rs. 876.74 Lakhs

Foreign Exchange Outgo – Rs. 1391.12 Lakhs

On behalf of the Board of Directors

Thane, 15<sup>th</sup> June, 2020

Chairman

**Annexure 'B' to the Directors' Report**

**FORM NO.MGT-9  
EXTRACT OF ANNUAL RETURN  
As on the financial year ended on 31<sup>st</sup> March, 2020**

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

---

**I. REGISTRATION AND OTHER DETAILS:**

- i. CIN : L28100MH1907PLC000252
- ii. Registration Date : 9<sup>th</sup> May, 1907.
- iii. Name of the Company : Jost's Engineering Company Limited
- iv. Category / Sub-Category of the Company : Company Limited by shares/Indian Non- Government Company
- v. Address of the Registered office and contact details : Great Social Building,  
60 Sir Phirozeshah Mehta Road,  
Mumbai-400 001.  
Tel.No.022-62378200  
Fax No.022-62378201
- vi. Whether listed company Yes / No : Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any : M/s. Computech Sharecap Limited  
Unit: Jost's Engineering Company Limited  
147, Mahatma Gandhi Road,  
3rd Floor, Opp. Jehangir Art Gallery,  
Fort, Mumbai-400 001.  
Tel.No.022-22635000 / 01 / 02  
Fax No.022-22635005

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main products / Services	NIC Code of the products / services	% to total turnover of the Company
1	Sale of Material Handling Equipments (Manufactured 42.95%, Traded goods 5.61%)	28162	48.56%
2	Sale of Traded Goods – Engineered Products	–	36.25%



### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
1.	MHE Rentals India Private Limited	U71290MH2016 PTC311695	Subsidiary	60.23	2(87)

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

#### i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1) Indian</b>									
a) Individual/HUF	461572	0	461572	49.48	461572	0	461572	49.48	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	0	0	0	0	0	0
e) Financial Institutions/Banks	0	0	0	0	0	0	0	0	0
f) Any Other(specify)	0	0	0	0	0	0	0	0	0
<b>Subtotal (A)(1):</b>	<b>461572</b>	<b>0</b>	<b>461572</b>	<b>49.48</b>	<b>461572</b>	<b>0</b>	<b>461572</b>	<b>49.48</b>	<b>0</b>
<b>2) Foreign</b>									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>Subtotal (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>461572</b>	<b>0</b>	<b>461572</b>	<b>49.48</b>	<b>461572</b>	<b>0</b>	<b>461572</b>	<b>49.48</b>	<b>0</b>
<b>B. Public Shareholding</b>									

<b>1) Institutions</b>										
a) Mutual Funds/UTI	0	0	0	0	0	0	0	0	0	0
b) Banks/FI	5	590	595	0.06	5	590	595	0.06	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0	0
d) State Govt	0	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
i) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0	0
j) Others (specify)	0	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):</b>	<b>5</b>	<b>590</b>	<b>595</b>	<b>0.06</b>	<b>5</b>	<b>590</b>	<b>595</b>	<b>0.06</b>	<b>0</b>	<b>0</b>
<b>2) Non-Institutions</b>										
a) Bodies Corp.										
i) Indian	14832	330	15162	1.63	16136	180	16316	1.75	0.12	
ii) Overseas	0	0	0	0	0	0	0	0	0	0
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	198494	24381	222875	23.89	219345	22890	242235	25.97	2.08	
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	215974	0	215974	23.15	181545	0	181545	19.46	-3.69	
c) Others (Specify)	0	0	0	0	0	0	0	0	0	0
i. Clearing Member	0	0	0	0	0	0	0	0	0	0
ii. Non-Resident Indians (Repat)	0	0	0	0	0	0	0	0	0	0
iii. Non-Resident Indians (Non Repat)	16535	160	16695	1.79	30450	160	30610	3.28	1.49	
iv. Trust	0	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):</b>	<b>445835</b>	<b>24871</b>	<b>470706</b>	<b>50.46</b>	<b>447476</b>	<b>23230</b>	<b>470706</b>	<b>50.46</b>	<b>0</b>	<b>0</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>445840</b>	<b>25461</b>	<b>471301</b>	<b>50.52</b>	<b>447481</b>	<b>23820</b>	<b>471301</b>	<b>50.52</b>	<b>0</b>	<b>0</b>
<b>C. Shares held by</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Custodian for GDRs & ADRs									
Grand Total (A)+(B)+(C)	907412	25461	932873	100	909053	23820	932873	100	0

ii) Shareholding of Promoters

Sr.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of Total Shares of the company	% of shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the company	% of shares Pledged/encumbered to total shares	
1	Mr. Jai Prakash Agarwal	132991	14.26	-	132991	14.26	-	-
2	Mrs. Krishna Agarwal	48800	5.23	-	48800	5.23	-	-
3	Mr. Vishal Jain	118215	12.67	-	118215	12.67	-	-
4	Mrs. Shikha Jain	112821	12.09	-	112821	12.09	-	-
5	Mr. Rajendra Kumar Agarwal	20740	2.22	-	20740	2.22	-	-
6	Mrs. Anita Agarwal	20740	2.22	-	20740	2.22	-	-
7	M/s. J. P. Agarwal & Sons HUF	7265	0.78	-	7265	0.78	-	-

iii) Change in Promoters' Shareholding – There was no change in the Shareholding of the promoters during the year.

iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Transaction Details			Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	Date	Purchase	Sale	No. of Shares	% of total shares of the company
1.	Sharad Kanayalal Shah	71794	7.70%	23.08.19	1200	-		
				30.08.19	621	-	73615	7.89
2.	Akshay Rajan Raheja	46604	5.00	-	-	-	46604	5.00
3.	Viren Rajan Raheja	46604	5.00	-	-	-	46604	5.00
4.	Varsha Sharad Shah	27475	2.95%	-	-	-	27475	2.95

5.	Amit Khemka	10748	1.15%	05.04.19	7758	-		
				26.04.19	421	-		
				03.05.19	700	-		
				10.05.19	442	-		
				17.05.19	600	-		
				24.05.19	700	-		
				31.05.19	200	-		
				07.06.19	100	-		
				14.06.19	602	-		
				21.06.19	266	-		
				28.06.19	239	-		
				05.07.19	484	-		
				12.07.19	162	-		
				26.07.19	106	-		
				02.08.19	100	-		
				07.08.19	109	-		
				16.08.19	44	-		
				23.08.19	500	-		
				30.08.19	146	-	24427	2.62
6.	Saraiya Bhavin Ramakant	11894	1.27%	-	-	-	11894	1.27
7.	Jigna Kanayalal Shah	11603	1.24%	-	-	-	11603	1.24
8.	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	8578	0.92%	19.07.19		100 (Refund)		
				15.11.19	596	-	9074	0.97
9.	Priya Singh Agarwal	-	-	20.12.19	805	-		
				27.12.19	192	-		
				31.12.19	57	-		
				03.01.20	157	-		
				10.01.20	2786	-		
				17.01.20	180	-		
				31.01.20	20	-		
				07.02.20	188	-		
				14.02.20	834	-		
				21.02.20	1458	-		

				28-02-20	2323	-	9000	0.96
10.	Mustali Mohsin Roowala	7283	0.78%	-	-	-	7283	0.78

v) **Shareholding of Directors and Key Managerial Personnel**

Sr.No.	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Mr. Jai Prakash Agarwal</b> – Director				
	At the beginning of the year	132991	14.26	132991	14.26
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	0	0	0	0
	At the end of the year	132991	14.26	132991	14.26
2.	<b>Mr. Vishal Jain</b> – Director				
	At the beginning of the year	118215	12.67	118215	12.67
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	0	0	0	0
	At the end of the year	118215	12.67	118215	12.67
3.	<b>Mr. Marco Wadia</b> – Director				
	At the beginning of the year	61	0.01	61	0.01
	Date wise Increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	61	0.01	61	0.01
4.	<b>Mr. Shailesh Sheth</b> – Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0
5.	<b>Mr. F. K. Banatwalla</b> – Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0

6.	<b>Mrs. Shikha Jain – Director</b>				
	At the beginning of the year	112821	12.09	112821	12.09
	Date wise Increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	112821	12.09	112821	12.09
7.	<b>Mr. Kshitiz Bilala – CFO (Ceased to be in the employment w.e.f. 17<sup>th</sup> December, 2019)</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0
8.	<b>Mrs. Babita Kumari – Company Secretary (Ceased to be in the employment w.e.f. 1<sup>st</sup> March, 2020)</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0

## V. INDEBTEDNESS

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

(Rs.in lakhs)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
I) Principal Amount	911.73	179.82	0	1091.55
II) Interest due but not paid	0	0	0	0
III) Interest accrued but not due	0	0	0	0
<b>Total (I+II+III)</b>	<b>911.73</b>	<b>179.82</b>	<b>0</b>	<b>1091.55</b>
<b>Change in Indebtedness during the financial year</b>				
▪ Addition	490.22	0	0	490.22
▪ Reduction	0	(126.87)	0	(126.87)
<b>Net Change</b>	<b>490.22</b>	<b>(126.87)</b>	<b>0</b>	<b>363.35</b>
<b>Indebtedness at the end of the financial year</b>				

I) Principal Amount	1401.83	52.95	0	1454.78
II) Interest due but not paid	0.12	0	0	0.12
III) Interest accrued but not due	0	0	0	0
<b>Total (I+II+III)</b>	<b>1401.95</b>	<b>52.95</b>	<b>0</b>	<b>1454.90</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration of Managing Director, Whole-time Director and / or Manager

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Mr. Vishal Jain (Vice Chairman and Managing Director)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36.00
	(b) Value of Perquisites u/s 17 (2) Income-tax Act, 1961	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00
2.	Stock Option	0.00
3.	Sweat Equity	0.00
4.	Commission	0.00
	- as % of profit	0.00
	- others, specify	0.00
5.	Others, please specify	0.00
	<b>Total (A)</b>	<b>36.00</b>
	Ceiling as per the Act *	

\* Ceiling as per Section II Part II of Schedule V of the Companies Act, 2013.

### B. Remuneration to other Directors

(Rs. in Lakhs)

Sr.No	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. F. K. Banatwalla	Mr. Marco Wadia	Mr. Shailesh Sheth	
(1)	<b>Independent Directors</b>				
	<input type="checkbox"/> Fee for attending board / committee meetings	1.80	0.75	1.80	4.35
	<input type="checkbox"/> Commission	0	0	0	0
	<input type="checkbox"/> Others, please specify	0	0	0	0
	<b>Total (1)</b>	<b>1.80</b>	<b>0.75</b>	<b>1.80</b>	<b>4.35</b>

(Rs. in Lakhs)

Sr.No	Particulars of Remuneration	Name of Directors		
(2)	<b>Other Non-Executive Directors</b>	<b>Mr. Jai Prakash Agarwal</b>	<b>Mrs. Shikha Jain</b>	<b>Total Amount</b>
	<input type="checkbox"/> Fee for attending board / committee meetings	1.80	0.25	2.05
	<input type="checkbox"/> Commission	0	0	0
	<input type="checkbox"/> Others, please specify	0	0	0
	Total (2)	1.80	0.25	2.05
	Total (B) = (1+2)			6.40
	Total Managerial Remuneration			6.40
	Overall Ceiling as per the Act (1% of the net profit calculated under Section 198 of the Companies Act, 2013)			

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

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Kshitiz Bilala- Chief Financial Officer (Ceased in the employment w.e.f 17 <sup>th</sup> December, 2019)	Mrs. Babita Kumari- Company Secretary (Ceased in the employment w.e.f.-1 <sup>st</sup> March, 2020)	Total Amount
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27.74	6.13	33.87
	(b) Value of Perquisites u/s 17 (2) Income-tax Act, 1961	0.21	0	0.21
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission			
	- as % of profit	0	0	0
	- others, specify	0	0	0



5.	Others, please specify	0	0	0
	<b>Total</b>	<b>27.95</b>	<b>6.13</b>	<b>34.08</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment / Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	}		NONE		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	}		NONE		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	}		NONE		
Punishment					
Compounding					



## Annexure 'C' to the Directors' Report

FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

To,  
The Members,  
**JOST'S ENGINEERING COMPANY LIMITED**  
Great Social Bldg.,  
60 Sir P. M. Road,  
Fort, Mumbai 400001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Jost's Engineering Company 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2020 (hereinafter referred to as "Audit Period") 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 the Company 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;
  - (a) *Pursuant to provisions of Section 203(1)(ii), the Company had not appointed Company Secretary for the period starting from March 01, 2020 to March 31, 2020.*
  - (b) *Pursuant to provisions of Section 203(1)(iii), the Company had not appointed Chief Financial Officer for the period starting from December 18, 2019 to March 31, 2020.*
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

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

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

- (a) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (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;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(a) ***Pursuant to Regulation 6, the Company had not appointed Compliance Officer from March 01, 2020 to March 31, 2020.***

(b) ***Pursuant to Regulation 25(7), the Company has not conducted the Familiarization Programme for Independent Directors.***

VI. The Following other laws specifically applicable to the industry to which the Company belongs and compliances of which is relied upon the representation by the management.

- (a) The Factories Act, 1948
- (b) Micro, Small and Medium Enterprises Development Act, 2006
- (c) The Payment of Wages Act, 1936;
- (d) The Employees' Provident Funds and Misc. Provisions Act, 1952;
- (e) The Payment of Bonus Act, 1965;
- (f) The Payment of Gratuity Act, 1972;
- (g) Trade Union Act, 1926
- (h) Employees State Insurance Act, 1948
- (i) Minimum Wages Act, 1948
- (j) Environment (Protection) Act, 1986
- (k) The Contract Labour (Regulation and Abolition) Act, 1970



(l) The Apprentice Act, 1961

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited.

**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 Audit Period 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 clarification 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 which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report** that during the audit period no specific events/actions occurred having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **Sandeep Dar & Co.**  
Company Secretaries

**CS Sandeep Dar**  
Membership No: 3159  
COP No: 1571  
UDIN: F003159B000342300

Date: June 15, 2020  
Place: Navi Mumbai

## Annexure “D” to the Directors’ Report

Disclosure pursuant to Section 197 (12) of Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided below:

**(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year 2019-20:**

Name of the Directors	Nature of Directorship	Ratio
Mr. Jai Prakash Agarwal	Non-Executive Director	0.39:1
Mr. Marco Wadia	Non-Executive Independent Director	0.16:1
Mr. Shailesh Sheth	Non-Executive Independent Director	0.39:1
Mr. F. K. Banatwalla	Non-Executive Independent Director	0.39:1
Mr. Vishal Jain	Vice Chairman and Managing Director	7.83:1
Mrs. Shikha Jain	Non-Executive Director	0.05:1

**Notes:**

1. Directors’ Remuneration includes sitting fees for attending board / committee meetings.
2. Employees for the above purpose, includes all employees excluding employees governed under collective bargaining.
3. For computing median remuneration, the employees who have worked for the complete financial year 2019-20 have been considered.

**(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, in the financial year 2019-20:**

Name	Designation	Percentage Increase in remuneration
Mr. Jai Prakash Agarwal	Non-Executive Director	-
Mr. Marco Wadia	Non-Executive Independent Director	-
Mr. Shailesh Sheth	Non-Executive Independent Director	-
Mr. F. K. Banatwalla	Non-Executive Independent Director	-
Mr. Vishal Jain	Vice Chairman and Managing Director	-
Mrs. Shikha Jain	Non-Executive Director	-
Mr. Kshitiz Bilala*	Chief Financial Officer	-
Mrs. Babita Kumari**	Company Secretary	-

**Notes:** 1.\*For part of the year (i.e ceased in the employment with effect from 17<sup>th</sup> December, 2019) and therefore the percentage increase in his case is not applicable.

2. \*\* For part of the year (i.e ceased in the employment with effect from 1<sup>st</sup> March, 2020) and therefore the percentage increase in her case is not applicable.

**(iii) The percentage increase in the median remuneration of employees in the financial year 2019-20: NIL**

There is no increase in the median remuneration of employees for the financial year 2019-20 as compared to median remuneration of employees for the financial year 2018-19.

**(iv) The number of permanent employees on the rolls of Company:**

236 as on 31<sup>st</sup> March, 2020.

**(v) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

There is no average percentage increase in the financial year 2019-20, in the salaries of employees other than Managerial Personnel as compared to the average percentage increase of the previous financial year 2018-19. For computing average percentage increase in the salaries of the employees, the employees who have worked for the complete financial year 2018-19 and 2019-20 have been considered to make the figures comparable.

**(vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company:**

The remuneration is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

**Jai Prakash Agarwal**  
Chairman

Thane,  
15<sup>th</sup> June, 2020.



## Annexure 'E' to the Directors' Report

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### A. Industry structure and developments

The company has two divisions, namely, Material Handling Division and Engineering Products Division. The activities being carried out in these two divisions are explained below:

- **Material Handling Division (MHD)**

In MHD, the company manufactures various types of material handling equipments such as pallet truck, platform truck, tow truck, hand pallet truck, electric pallet truck, stacker, racking system, electric forklift, diesel Forklift, reach truck etc. The company also carries out the trading activities in these material handling equipments.

MHD provides innovative solutions for internal material handling needs for its customers so that it improves the efficiency of their processes. Effectiveness is visible when customers save their labor cost, material, time and space. For more than fifty years, the Company has been catering the industries in fields of material storage, material transportation, loading/unloading and stacking/retrieving operations, hence immensely benefiting the industry.

- **Engineering Products Division (EPD)**

In EPD, the Company deals in various product lines such as sound and vibration, environmental simulation, process control instrumentation, components, electrical, nano technology and analytical solutions, heat and combustion, auto and auto ancillaries, oil and gas etc. The company is committed to provide environment-friendly technology that helps environment and also assists the customers to enhance the performance of their product and processes.

The Company is associated with some of the world's leading brands that provide advanced engineering solutions for the demanding industry applications. The solution is a blend of innovation and global leadership with our principles of expertise, know-how and reach in the Indian market. The Company provides complete engineered products that give technical and commercial support in sales, commissioning and after sales service.

India's engineering sector has witnessed a remarkable growth over the last few years driven by increased investment in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy. The sector has been de-licensed and enjoys 100 per cent FDI. Government has planned an investment of Rs 100 lakh crore (US\$ 1.43 trillion) in infrastructure sector over the next five years.

Aerospace & Defense sectors is expected to grow in line with planned satellite launch missions, modernization of aircraft & helicopter programs and various defense equipment &



system manufacturing. Increased private partnership and also getting these systems & components manufacturing & testing from private industry as well government labs promises good business potential. Power segment will continue to grow related to various augmentation, upgradation and modernization plans of Generation, Transmission and Discoms.

Automotive segment is expected to face continued slowdown challenges due to various impacting factors related to policy matter as well as usage pattern. Similarly, slow progress in education sector is anticipated.

## **B. Opportunities and threats**

As global industry soothsayers point out, industrialization is set to post good growth over the coming years, there is every possibility that the material handling equipment industry will also take giant leaps ahead. Material handling equipment market share in India is anticipated to grow significantly due to an attractive economic landscape, and significant demand for goods movement. The increase in manufacturing activities in the region will also augment sales. The need for safe working environments in industrial facilities, developments in areas such as wireless technologies, robotics, and flexible electronics will fuel the material handling equipment market size. Furthermore, with the expectation that good number of international firms will establish their manufacturing activities in India and expansion of various international firms in the region will drive demand.

With the government's ambitious 'Make in India' plan taking root, the industry is expecting to see good growth in manufacturing and consequently in logistics and distribution activities for the next few years. Manufacturing will continue to remain one of the biggest demand drivers of the warehousing sector. With the government's renewed focus on incentivizing the manufacturing sector, the logistics market will reap the benefits in the coming years.

## **C. Risks and concerns.**

In these uncertain times of Covid-19, the company is operating in an increasingly volatile, uncertain, complex and ambiguous world with rapid changes in all domains potentially impacting the company. These changes bring in new opportunities for the company but also bring about multi-dimensional risks, which need to be judiciously managed.

Risk management is, thus an integral part of the company's strategy. We proactively identify potential risks and accordingly devise our short-term and long-term actions to mitigate any risk which could materially impact the company's long-term goals.

**Economic Risk:** A slump in economic growth may severely impact the infrastructure sectors, ultimately affecting the Company's performance.

**Mitigation:** The Company has strategies in place for countering economic slowdown. With the government emphasizing investment in infrastructure, the company has numerous long-term growth opportunities.





**Credit Risk:** Delays in payment by customers may hamper the company’s cash flow. These factors influence the Company’s finances, affecting several other capital-dependent activities.

**Mitigation:** The Company has put tremendous emphasis on controlling its working capital to overcome this. The Company has built strong processes to continuously track debtor’s profile, cash inflow and minimize such risks.

**Cost Risk:** The rise in the price of raw materials and competitive pricing may threaten the business.

**Mitigation:** The Company has made efforts over the years to implement cost optimization techniques by building long term relationship with vendors. In addition, the Company has created a team dedicated to tracking the pricing of various materials.

**HR Risk:** The Company’s operations may get affected due to not having the right people in place with the skills required to compete, innovate or grow.

**Mitigation:** The most significant commodity in company’s business is the labor force. The business focuses on creating a group of driven people who are passionate and zealous about working hard and excelling in industry. We pay attention to each employee’s needs, ensure a good working environment and encourage integrity and productivity. Training and team-building exercises are carried out regularly to minimize fatigue and increase performance.

**D. Segment-wise or product-wise financial and operational performance.**

• **Material Handling Division (MHD)**

MHD was on right path on achieving its target. However, it took a serious hit in the midst of the government ordering due to nationwide lockdown to contain COVID-19’s spread. The lockdown coincided with the peak of demand months for Material handling equipments, making the severe impact on the financial performance.

**Operational Review:**

During the year, Revenue has declined by 20%. The reason for decline is lockdown by government to contain COVID-19 in the mid of March-20.

Contribution has marginally increased to 34% against 30% in FY19.

**Financial Review:**

<b>Particulars</b>	<b>FY20</b>	<b>FY19</b>
Revenue (Rs in lacs)	5,241	6,552
Contribution (Rs in lacs)	1,796	1,972
Margin (%)	34	30

- **Engineering Products Division (EPD)**

Engineering Product Division has given a revenue growth of 21% in FY20. Revenue growth in the EPD business was provided by Power, Defense, Infrastructure and Heavy Engineering Segments. Automotive sector though on slow pace also contributed to a reasonable level.

Operational Review:

During the year, Revenue has increased by 21%.

Contribution has marginally reduced to 46% against 49% in FY19.

Financial Review:

Particulars	FY20	FY19
Revenue (Rs in lacs)	5,081	4,186
Contribution (Rs in lacs)	2,317	2,046
Margin (%)	46	49

## E. Outlook

Given the unprecedented situation, growth forecasts will largely rely on COVID-19's spread. The unavailability of labor and a downturn in discretionary spending foresees a challenging period for the economy as a whole. The growth in the medium to long term will be better led by gradual pick up in Government's spending for infrastructure.

Our Prime Minister has announced Aatmanirbhar bhara abhiyan to support the Indian economy to overcome the impact of COVID-19 on economy. As a part of this scheme government has announced various steps specially for MSME's. Government has disallowed tender by foreign companies upto Rs 200 Crore, through this scheme's government has instilled a lot of faith in India's backbone – the MSME ecosystem. Also, our finance minister has announced that government and central public sector enterprises will release all pending MSME payments in 45 days. Josts being a registered MSME will definitely be going to benefit from the same. India's growth is seen recovering sharply to 7.4% in the next fiscal year. The IMF sees India's FY20 growth at 4.2%, down from 4.8% estimated in January, 2020.

Material Handling division has a lot of growth potential in the infrastructure and construction sector and is expected to benefit significantly from this. The impetus for the infrastructure sector also augurs well for the division, as this can result in demand. The Division has taken steps which will help boost operational performance and profitability in the future.

Engineering Product division is reasonably good presence in both private and government sector. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy. Capacity creation in sectors such as infrastructure, Power, mining, Oil & gas, refinery, steel, automotive and consumer durables is driving demand in the engineering sector. Space, Aerospace, Defense, Power and Engineering sectors promise good growth potential in view of capital expenditure and projects planned in these sectors. The Company will continue to add partners selectively in its distribution business.

**F. Internal control systems and their adequacy.**

Company has an adequate system for internal controls to ensure effectiveness and efficiency of the operations, timely preparation and delivery of accounting records in adherence to the Company’s policies. It plays a significant role in the process of risk identification and its mitigation. During the year, such controls were tested, and no reportable material weaknesses in the design or operation were noticed.

The Company has appointed external auditors to monitor the internal control system efficiently. The findings of the internal audit report are then provided to the senior management for their appropriate corrective action in case of any deficiency. A risk-based program of internal audits provides assurance to the Audit Committee regarding the adequacy and effectiveness of internal controls. The Company has laid down properly documented policies, guidelines and procedures for this purpose.

**G. Material developments in Human Resources / Industrial Relations front, including number of people employed.**

Great Brands and Great People have always been company’s biggest asset. Sustainable, profitable growth can only be achieved in an organization which focuses on performance culture and where employees are engaged and empowered to be the best they can be.

We recognize and appreciate the role of Human Resource as a strategic business partner. Its role in supporting and driving business strategy is as important as product or technology innovation. It is our continuous endeavor to provide the right talent the right position at the right place and at the right time. We also ensure that the work environment is conducive for growth of employees and enables the factors which help in operating business without any obstruction/impediments. In the year 2019-2020 we have taken significant HR initiatives which have impacted people and business in a Positive and Big way. The Company has on its roll, 236 permanent employees as on 31<sup>st</sup> March, 2020.

**H. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.**

Particulars	FY 20	FY 19	% change Y-o-Y
Debtors Turnover Ratio	3.14	3.20	-2%
Inventory Turnover Ratio	6.85	7.07	-3%
Interest Coverage Ratio	2.43	4.22	-42%
Current Ratio	1.38	1.40	-1%
Debt Equity Ratio	0.55	0.42	31%
Operating Profit Margin (%)	40.05	37.47	7%
Net Profit Margin (%)	1.00	3.83	-74%



Return on Networth (%)	3.90	15.75	-75%
------------------------	------	-------	------

**Interest Coverage Ratio** – EBIT has reduced to Rs 267.50 lacs from 476.11 lacs in FY 19. The reason for reduction during the year is exceptional items which includes payments under sabka vishwas scheme of Rs 383.76 lacs. This has resulted in nullifying the Company's contingent liability. Sabka Vishwas Scheme, 2019, was introduced under Union Budget, 2019, to resolve all disputes relating to the erstwhile Service Tax and Central Excise Acts, which are now subsumed under GST.

**Debt Equity Ratio** – The total debt has increased by Rs 363.35 lacs in FY 20. The increase in debt is due to impact of exceptional item/situation i.e. payment of Rs 383.76 lacs under sabka vishwas scheme during the year and the impact of lockdown on account of COVID-19 in the month of March-20 which has affected the working capital cycle.

**Net Profit Margin** – Net Profit after tax for the year is Rs 104.04 lacs against Rs 411.26 lacs in FY 19. The reason for decline in net profit is due to impact of exceptional items of Rs 383.76 lacs which includes payments under sabka vishwas scheme.

**Return on Networth** - The reason for decline is due to exceptional items of Rs 383.76 lacs which includes payments under sabka vishwas scheme.

#### **I. Cautionary Statement:**

Statement in Management Discussion and Analysis may be forward looking within the meaning of applicable securities laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook.

The Company assumes no responsibilities in respect of the forward-looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.

On behalf of the Board of Directors

Jai Prakash Agarwal  
Chairman

Thane  
15<sup>th</sup> June, 2020

## Annexure 'F' to the Directors' Report

### CORPORATE GOVERNANCE REPORT

The Corporate Governance Report for Financial Year 2019- 20, which forms part of Board's Report, is prepared pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR)").

#### **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company continues to lay great emphasis on the highest standard of corporate governance. The Company has adopted an appropriate Corporate Governance framework to ensure accountability, transparency, timely disclosure and dissemination of information, ensuring meticulous compliance with applicable laws and regulations and conducting business in its best ethical manner.

The Board along with its committees undertake its fiduciary and trusteeship responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making. The Company provides access to the Board of all relevant information and resources to enable it to carry out its role effectively. The Company is committed to upholding the highest standards of Corporate Governance in its operations and will constantly endeavour to improve on these aspects on an ongoing basis.

#### **2. BOARD OF DIRECTORS:**

##### **a. Composition and Category of Directors, attendance of Directors at Board Meetings and Annual General Meeting, number of other Board of Directors or Committees in which a Director is a member or chairperson.**

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry, finance, management and legal and provide leadership and guidance to the Company's management. The Directors contribute their diversified knowledge, experience and expertise in respective areas of their specialization for the growth of the Company.

Presently, the Board of Directors of the Company comprises Six Directors, out of which Five Directors are Non-Executive Directors. The Company has 'Non-Executive Chairman'(Promoter) and there are Three Independent Directors on the Board which represent half of the total strength of the Board of Directors of the Company. The Company has received declarations from the Independent Directors confirming that they meet the criteria of independence as prescribed both under Section 149 (7) of the Companies Act, 2013 and under SEBI (LODR). None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors as specified in SEBI (LODR). The Board does not have any Nominee Director representing any financial institution.

The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors, meets with the requirements of Regulation 17 of SEBI (LODR).

The names and categories of Directors, the number of Directorships and Committee positions held by them in other Public Limited Companies and in the Company in terms of SEBI (LODR) as on 31st March, 2020 are given below:

Name	Designation	Category	No of Directorship in listed entities including this listed entity	No of Independent Directorship in listed entities including this listed entity	Number of memberships in Audit/ Stakeholder Committee(s) including this listed entity	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity	No. of Equity Shares held
Mr. Jai Prakash Agarwal	Chairman	Promoter - Non-Executive Director	1	0	2	0	1,32,991
Mr. Vishal Jain	Vice Chairman & Managing Director	Promoter, Executive Director	2	0	0	0	1,18,215
Mr. Shailesh Sheth	Director	Non-Executive Independent Director	1	1	3	1	-
Mr. Marco Wadia	Director	Non-Executive Independent Director	6	6	10	5	61
Mr. Farokh Banatwalla	Director	Non-Executive Independent Director	3	3	3	3	-
Mrs. Shikha Jain	Director	Promoter, Non-Executive Director (Woman Director)	1	0	0	0	1,12,821

### Board Procedure

The Board meets at least once a quarter and Board Meetings are held either at the Registered Office situated in Mumbai or at the Factory situated in Thane. The Meetings of the Board are generally scheduled well in advance and the notice of each Board Meeting is sent via e-mails to each Director. The Company provides the information as set out in Regulation 17 read with Part A of schedule II of the SEBI (LODR) to the Board and the Board Committees to the extent applicable. All the items drafted in the Agenda are accompanied by notes giving comprehensive information about the related subject and in certain matters such as financial/ business plans, financial results etc., detailed presentations for the same are made. The Agenda and the relevant notes are circulated well in advance separately to each Director. The members of the Board have complete access to all information of the Company. The Board, if deem necessary and depending upon the urgency and necessity of the matter, takes up any other item of business, which does not form part of the agenda. Urgent matters are

also considered and approved by passing resolution through circulation, which are noted at the next Board Meeting. To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting on the overall performance of the Company. In addition to the above, pursuant to Regulation 24 of the SEBI (LODR), the Minutes of the Board Meetings of the Company's Unlisted Subsidiary Company, namely, MHE Rentals India Private Limited and a statement of all significant transactions and arrangement entered into by the Unlisted Subsidiary Company are placed before the Board.

**b. Attendance of each Director at the Board Meetings and the last Annual General Meeting**

During the financial year ended March 31, 2020, Four Board Meetings were held. The gap between two Board Meetings did not exceed 120 days. The attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) is as under:

Name of the Director	No. of Board Meetings Attended	Attendance at last AGM held on 14 <sup>th</sup> August, 2019
Mr. Jai Prakash Agarwal	4	Yes
Mr. Vishal Jain	4	Yes
Mr. Shailesh Sheth	4	Yes
Mr. Farokh Banatwalla	4	Yes
Mr. Marco Wadia	3	No
Mrs. Shikha Jain	1	Yes

Mrs. Shikha Jain, Non- Executive Director is the wife of Mr. Vishal Jain, Vice Chairman and Managing Director. No other Directors are related to each other. There were no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company other than the payment of sitting fees. Except Mr. Marco Wadia, Independent Non-executive Director, none other Independent Director or non-promoter -Non-Executive Director holds any Equity Share or Convertible instrument in the Company. Further, the Company has not granted any stock option to any of its Non-Executive Directors.

**c. Directorship of Directors in other than this Company as on March 31, 2020:**

Name of Director	Directorship in other Listed Companies	Category of Directorship
Mr. Jai Prakash Agarwal	NIL	
Mr. Vishal Jain	➤ Career Point Limited	Non-Executive Independent Director
Mr. Shailesh Sheth	NIL	
Mr. Farokh Banatwalla	➤ Simmonds Marshall Limited ➤ Uni Abex Alloy Products Limited	Non-Executive Independent Director Non-Executive Independent Director
Mr. Marco Wadia	➤ Zuari Agro Chemicals Limited ➤ Chambal Fertilizers and Chemicals Limited ➤ Gobind Sugar Mills Limited ➤ Stovec Industries Limited ➤ Zuari Global Limited	Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director

		Non-Executive Independent Director Non-Executive Independent Director
Mr. Shikha Jain	NIL	

**d. Number of Board Meetings held and dates on which held**

During the financial year 2019-2020, Four meetings of the Board were held on the following dates:

1. 18th May, 2019;
2. 14th August, 2019;
3. 6th November, 2019;
4. 6th February, 2020.

**e. Familiarisation Programme for Independent Directors:**

Consequent upon the applicability of Corporate Governance provisions to the Company from the current financial year 2019-20, the Company is required to have Familiarization Programme for Independent Directors, pursuant to Regulation 25(7) of SEBI (LODR). The Regulation 25 (7) SEBI (LODR) stipulates that:

The Company shall familiarise the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

**Familiarization module for Independent Directors:**

1. The Company shall facilitate an orientation programme for the Independent Directors to provide an overview of business, operations and business model of the Company.
2. The programme shall also familiarize with the role, responsibilities and rights of the Independent Directors.
3. The programme shall also provide an opportunity to interact with the senior leadership team of the Company and help them to understand the service and product offerings, markets, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.
4. The Company has re-appointed the Independent Directors by passing a resolution at the Annual General Meeting of the Members held on 14<sup>th</sup> August, 2019 for further period of 5 consecutive years w.e.f. 1<sup>st</sup> April, 2019. As stated above the company was required to impart the familiarisation program to the Independent Directors as aforesaid. The Familiarisation program was expected to be conducted in the month of February/March, 2020. However, the Company was unable to impart familiarisation programme due to nationwide lock down to contain spread of COVID-19 pandemic. As a result, no details of the Familiarisation program conducted during the year 2019-2020 are available.

**f. Skills / Expertise / Competence of the Board of Directors:**

As required under the provisions of Schedule V(C)(h) of the Listing Regulations, the Board of Directors has identified the core skills / expertise / competencies as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board as follows:

- i) Knowledge of Company's business policies, major risks/threats and potential opportunities, technical /professional skills and specialized knowledge of Company's business.



- ii) Business strategy & Analytics, Critical & Innovative thinking.
  - iii) Corporate Management and Corporate Governance.
  - iv) Financial including Accounting & Auditing, Management skills, administration.
  - v) Leadership and decision making.
  - vi) Behavioural skills -Attributes and competencies to use knowledge and skills for effective contribution to Company's growth.
  - vii) Risk identification- Legal and Regulatory compliance.
  - viii) Stakeholder Engagement & Market awareness.
  - ix) Business Ethics as well as Corporate Ethics.
- The Board of Directors has constituted Committees of Directors with adequate delegation of powers, to discharge their functions with respect to specific matters of the Company on behalf of the Board of Directors. The Committees are constituted by inclusion of either Non-Executive Promoter and Non-Executive Independent Directors as may be required to meet the prescribed requirements, which carry out its function as per their terms of reference. The brief particulars of Audit Committee, Nomination and Remuneration Committee and Share Transfer and Stakeholders Relationship Committee as required under SEBI (LODR) are given hereunder:

### **3. AUDIT COMMITTEE**

The terms of reference of the Audit Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 and the rules made thereunder and regulation 18 of SEBI (LODR). Further, the Audit Committee has been granted powers as prescribed under regulation 18 of SEBI (LODR).

#### **a. Terms of Reference**

Terms of Reference will include inter alia the following:

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) examination of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the company with related parties;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters.

#### **b. Composition of the Audit Committee**

Presently, the Audit Committee comprises of Three Directors, i.e. One Non-Executive Promoter Director and Two Non- Executive Independent Directors. The members of the Committee are financially literate and have accounting and financial management expertise in terms of regulation 18 of SEBI (LODR). The Chairman of the Audit Committee is a Non- Executive Independent Director. The meetings are held either at the Registered Office situated in Mumbai or at the Factory situated in Thane and are also attended by Senior Company Executives, Statutory Auditors and Internal Auditors. The

quorum for the Audit Committee Meetings is Two members. During the Financial Year 2019- 20, Four meetings of the Audit committee were held as follows:

1. 18th May, 2019,
2. 14th August, 2019,
3. 6th November, 2019 and
4. 6th February, 2020.

The Composition of the Audit Committee and the attendance of the Committee Members at the Meetings held during the Financial Year 2019- 2020 is as follows:

<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>	<b>No. of Audit Committee Meetings attended</b>
Mr. Farokh Banatwalla	Chairman	Non-Executive Independent Director	4
Mr. Shailesh Sheth	Member	Non-Executive Independent Director	4
Mr. Jai Prakash Agarwal	Member	Promoter - Non-Executive Director	4

The Committee reviews the reports of the Internal Auditor and suggestions if any made by the Statutory Auditors and ensures that adequate follow-up action is taken by the management on observations and recommendations made by the respective auditors.

The draft minutes of the Audit Committee are circulated among members of the Committee before the same is placed before the Board. The minutes of the Audit Committee forms part of the Board Agenda.

#### **4. NOMINATION AND REMUNERATION COMMITTEE**

The terms of reference of the Nomination and Remuneration Committee is made in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR).

##### **a. The terms of reference of the Nomination and Remuneration Committee includes the following:**

1. Identification and nomination of suitable candidates for the Board's approval in relation to appointment and removal of Directors and Key Managerial Personnel and Senior Management.
2. Making recommendations to the Board in relation to the remuneration payable to the Directors and Key Managerial Personnel and Senior Management, in terms of the policy of the Company.
3. Formulating criteria for evaluation of performance of the Board of Directors and Independent Directors.
4. Developing a succession plan to ensure the systematic and long-term development of individuals in the Senior Management level to replace when the need arises due to deaths, disabilities, retirements, and other unexpected occurrence and to regularly review the plan.

As per Section 178(4) of the Act, the Nomination and Remuneration Committee shall, while formulating the policy under sub section (3) ensure that:

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
3. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

**b. Composition of the Nomination and Remuneration Committee**

During the Financial Year 2019- 20, one meeting of the Nomination and Remuneration Committee was held on 6th February, 2020.

Name of the Director	Designation	Category	Number of Meetings held
Mr. Shailesh Sheth	Chairman	Non-Executive Independent Director	1
Mr. Farokh Banatwalla	Member	Non-Executive Independent Director	1
Mr. Marco Wadia	Member	Non-Executive Independent Director	1

**c. Performance evaluation criteria for independent Directors**

The performance evaluation criteria of Independent Directors are as under:

1. Attendance and participations in the meetings.
2. Raising of concerns to the Board
3. Safeguard of confidential information
4. Rendering independent, unbiased opinion and resolution of issues at meetings.
5. Initiative in terms of new ideas and planning for the Company.
6. Safeguarding interest of whistle-blowers under vigil mechanism.
7. Timely inputs on the minutes of the meetings of the Board and Committee's, if any.

**5. REMUNERATION OF DIRECTORS**

**a. Remuneration to Non-Executive Directors**

- (i) The Non-Executive Directors are paid sitting fees for attending Board Meeting and/or Committee Meetings.

(ii) Pursuant to the resolution passed by the members at their Annual General Meeting held on 15th July, 2016 the Non – Executive Directors are entitled to commission for a period of 5 years from 1st April, 2016 to 31st March, 2021 not exceeding: -

(A) 1% of Net Profit of the Company, if there is a Managing Director or Whole –Time Director or Manager:

(B) 3% of the Net Profit in any other case.

The details of the sitting fees and commission paid to Non-Executive Directors for the year ended 31st March, 2020 is as follows:

<b>Name of the Director</b>	<b>Sitting Fees</b>	<b>Commission</b>	<b>Total</b>
Mr. Jai Prakash Agarwal	Rs. 1,80,000/-	NIL	Rs. 1,80,000/-
Mr. Shailesh Sheth	Rs. 1,80,000/-	NIL	Rs. 1,80,000/-
Mr. Farokh Banatwalla	Rs. 1,80,000/-	NIL	Rs. 1,80,000/-
Mr. Marco Wadia	Rs. 75,000/-	NIL	Rs. 75,000/-
Mrs. Shikha Jain	Rs. 25,000/-	NIL	Rs. 25,000/-

#### **b. Remuneration to Executive Directors**

Mr. Vishal Jain, was appointed as Vice Chairman and Managing Director for a period of 3 years w.e.f. 4<sup>th</sup> October, 2017 to 3<sup>rd</sup> October, 2020. The terms and conditions of appointment and remuneration are embodied in the agreement dated 26<sup>th</sup> December, 2017 entered into between the Company and Mr. Vishal Jain. The salient terms and conditions are as under:

#### **Remuneration**

##### **(i) Salary**

Basic Salary:	Rs. 100,000/- per month
House Rent allowance:	Rs. 50,000/- per month
Special Allowance:	Rs. 150,000/- per month

---

Total Monthly Salary: Rs. 3,00,000/- (Subject to tax)

##### **(ii) Perquisites:**

a) Reimbursement of Petrol / diesel expenses  
As per the rules of the Company.

b) Reimbursement of Entertainment and Travelling Expenses  
The Company shall reimburse actual entertainment and travelling expenses incurred by the Managing Director in connection with the Company's business.

##### **(iii) Privilege Leave (PL):**

(a) PL with pay, as per Company's Rules.

(b) Accumulation of PL and encashment, as per Company's Rules.

**(iv) Provident Fund and Gratuity:**

(a) Company's contribution to Provident Fund @ 12% of basic salary.

(b) Gratuity at the rate of 15 (Fifteen) days basic salary for every completed year of service or part thereof in excess of six months.

(v) The Managing Director shall not be liable to retire by rotation so long as he continues to hold the office as Managing Director.

(vi) The terms and conditions of the said appointment and remuneration shall be in accordance with Schedule V and other applicable provisions of the Companies Act, 2013, or any amendments or re-enactment thereof.

(vii) The terms and conditions of the Agreement may be altered or varied from time to time by the Board of Directors in consultation with the Nomination and Remuneration Committee of the Board of Directors of the Company.

(viii) Either party may terminate the said Agreement by giving to other, advance notice of 3 months.

**6. SHARE TRANSFER AND STAKEHOLDERS RELATIONSHIP COMMITTEE**

**a. Composition of Share transfer and Stakeholders Relationship Committee is as under:**

<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>	<b>No. of meetings attended</b>
Mr. Shailesh Sheth	Chairman	Non-Executive Independent Director	2
Mr. Jai Prakash Agarwal	Member	Promoter - Non-Executive Director	2
Mr. Farokh Banatwalla	Member	Non-Executive Independent Director	2

**b. Name and Designation of Company Secretary and Compliance Officer**

Mrs. Babita Kumari, Company Secretary and Compliance officer was in the employment of the Company upto 29<sup>th</sup> February, 2020.

**c. Complaints from Investors**

During the year under review, the Company had received any complaints from the investors and there were no investor complaints pending as on 31st March 2020.

**d.** During the Financial Year 2019- 20, two meetings of the Share Transfer and Stakeholders Relationship Committee were held i.e. on 14<sup>th</sup> August, 2019 and 6<sup>th</sup> February, 2020.

## 7. GENERAL BODY MEETINGS

a. Location and time, where last three Annual General Meetings were held is given below:

Financial Year	Date	Location of the Meeting	Time	Particulars of Special Resolution
2016-17	20 <sup>th</sup> July, 2017	Great Social Building, 60 Sir Phiroshah Mehta Road, Fort, Mumbai – 400001	04.30 P.M.	Not Applicable
2017-18	30 <sup>th</sup> July, 2018	Great Social Building, 60 Sir Phiroshah Mehta Road, Fort, Mumbai – 400001	11.30 A.M.	<ul style="list-style-type: none"> <li>❖ Approval of the members pursuant to Section 186 of the Companies Act, 2013 authorising the Board               <ul style="list-style-type: none"> <li>(i) to give Loan(s) to any person or other Body Corporate including Subsidiary and/or</li> <li>(ii) give any guarantee/provide any security in connection with Loan to any person or other Body Corporate including Subsidiary and/or</li> <li>(iii) make investments by way of subscription, purchase or otherwise the securities of any other Body Corporate including Subsidiary.</li> </ul> </li> </ul>
2018-19	14 <sup>th</sup> August, 2019	Great Social Building, 60 Sir Phiroshah Mehta Road, Fort, Mumbai – 400001	04.00 P.M.	<ul style="list-style-type: none"> <li>❖ Re-appointment of Mr. Farokh Banatwalla as Non-Executive Independent Director for a second term of 5 years with effect 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024.</li> <li>❖ Re-appointment of Mr. Shailesh Sheth as Non-Executive Independent Director for a second term of 5 years with effect 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024.</li> <li>❖ Re-appointment of Mr. Marco Wadia as Non-Executive Independent Director for a second term of 5 years with effect 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024.</li> </ul>

**b. Location and time, where Extraordinary General Meetings were held for last three years:**

No Extraordinary General Meetings were held during the last three financial years.

**c. No special resolution was passed through Postal Ballot during the financial year 2018-2019.**

**d. No special resolution is proposed to be passed through Postal Ballot at the ensuing Annual General Meeting of the Company scheduled to be held on 4<sup>th</sup> September, 2020.**

**8. MEANS OF COMMUNICATION**

- **Quarterly Results:** The Company submits the quarterly/Annual financial results to the Stock Exchanges immediately after Board’s Approval. Normally the quarterly/Annual Results are published in the ‘Free Press Journal’, English Daily and ‘Navshakti’, Marathi Daily, newspapers.
- **Website:** The Company’s website [www.josts.com](http://www.josts.com). On this website the company displays various information such as Annual Reports, Notices of Board and General Meetings, Policies adopted by the company, unpaid dividend details, Quarterly/Annual results and various Statutory information as required by SEBI Regulations etc.
- **BSE Corporate Compliance & Listing Centre (the ‘Listing Centre’):** BSE’s Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, Notices issued to Shareholders, Quarterly/Annual Results, Outcome of Board Meetings etc among others are filed on the Listing Centre.

**9. GENERAL SHAREHOLDERS’ INFORMATION**

a.

1.	<b>Company Registration details</b>	The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L28100MH1907PLC000252.
2.	<b>Ensuing Annual General Meeting</b> Date, Time and Venue	Friday, 4 <sup>th</sup> September, 2020 at 4.00 P.M. Through Video Conferencing or Other Audio-Visual Means.
3.	<b>Financial Year</b>	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020.
4.	<b>Tentative Financial Calendar for 2020-2021.</b>  Quarterly results will be declared as per the following tentative schedule:  (i) Financial reporting for the Quarter ending 30 <sup>th</sup> June, 2020.  (ii) Financial reporting for the Quarter and half year ending 30 <sup>th</sup> September, 2020.  (iii) Financial reporting for the Quarter and Nine Months ending 31 <sup>st</sup> December, 2020.	by 14 <sup>th</sup> August, 2020  by 14 <sup>th</sup> November, 2020.  by 14 <sup>th</sup> February, 2021.

	(iv) Financial reporting for the year ending 31 <sup>st</sup> March, 2021.	by 30 <sup>th</sup> May, 2021.
5.	<b>Newspapers wherein results are published.</b>	Free Press Journal in English and Navshakti in Marathi.
6.	<b>Website where the financial results, shareholding pattern, corporate governance report and annual report, etc. are uploaded.</b>	<a href="http://www.josts.com">www.josts.com</a> <a href="http://www.bseindia.com">www.bseindia.com</a>
7.	<b>Dates of Book Closure</b>	1 <sup>st</sup> September, 2020 to 4 <sup>th</sup> September, 2020 (Both days Inclusive).
8.	<b>Dividend</b>	A dividend of Rs. 3/- per Share (30%) is recommended for the year ended 31 <sup>st</sup> March, 2020. The Dividend (Subject to Tax), if approved by the Shareholders at the ensuing AGM, will be paid within the stipulated time.
9.	<b>Listing on Stock Exchanges</b>	The Equity Shares of the Company are listed on: BSE Limited (BSE) Address: - Floor 25, P.J. Towers, Dalal Street, Fort, Mumbai-400 001
10.	<b>Annual Listing Fees</b>	Annual Listing Fees for Financial year 2020-21 is paid.
11.	<b>Stock Code</b>	505750
12.	<b>ISIN</b>	INE636D01017
13.	<b>Registrar and Share Transfer Agents</b>	M/s Computech Sharecap Limited, Unit: Jost's Engineering Company Limited 147, Mahatma Gandhi Road, Fort Mumbai – 400023 Tel No: 022 2263 5000 Website: <a href="http://www.computechsharecap.com">www.computechsharecap.com</a> Email: <a href="mailto:helpdesk@computechsharecap.com">helpdesk@computechsharecap.com</a>
14.	<b>Share Transfer System</b>	The company has appointed M/s Computech Sharecap Limited, Registrar and Share Transfer Agent of the Company for Share Registry work (Demat as well as Physical Shares).
15.	<b>Address for Correspondence</b>	The Company Secretary, <b>Registered Office:</b> Great Social Building, 60 Sir Phirozeshah Mehta Road, Fort, Mumbai – 4000001 <b>or</b> <b>Factory:</b> C-7, Road No. 12, Wagle Industrial Estate, Thane West – 400604.
16.	<b>Dematerialization of Shares and liquidity</b>	As on 31 <sup>st</sup> March, 2020, 9,09,053 Equity Shares of the Company constituting appx. 97.45% of the Equity Share Capital are held in Dematerialized form whereas 23,820 Equity Shares constituting 2.55% are still held physically. The equity shares of the Company are compulsorily dematerialized for trading by investors.
17.	<b>Electronic Clearing Services (ECS)</b>	Members who have furnished their bank account details to the Depository Participant/Share Transfer Agent will be used to pay the dividend by ECS.
18.	<b>Investor Complaints to be addressed to</b>	Registrar and Share Transfer Agent M/s Computech Sharecap Limited or to the Company Secretary of the Company at the address for correspondence given above.



19	<b>Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity.</b>	There are no Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, which are likely to have impact on equity as at 31st March, 2020.
20	<b>Plant Locations</b>	C-7, Road No. 12, Wagle Industrial Estate, Thane West – 400604.

## b. Distribution of Share Holding

Face value: Rs. 10/- each (as on 31st March 2020)

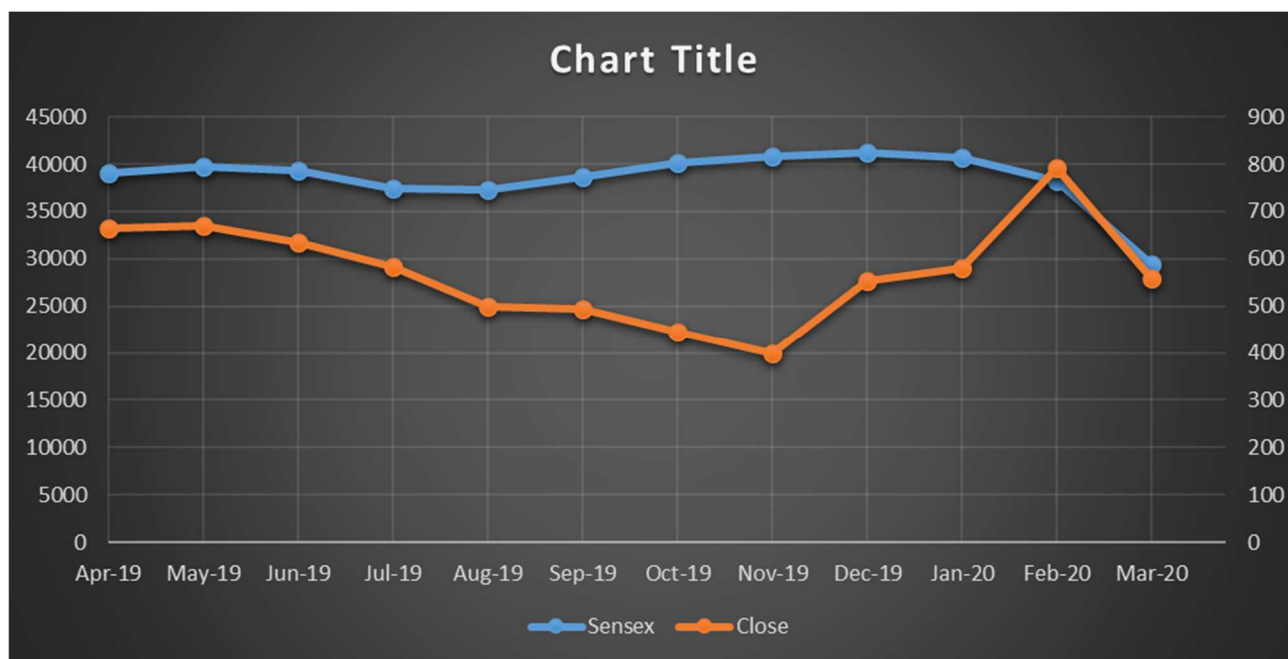
Range of Shares	Number of Shareholders	Percentage of Shareholders	Number of Shares held	Percentage of Total Capital
1-500	1710	94.95%	106722	11.44%
501-1000	39	2.17%	27643	2.96%
1001-2000	20	1.11%	27849	2.99%
2001-3000	6	0.33%	14132	1.51%
3001-4000	6	0.33%	21165	2.27%
4001-5000	1	0.06%	4661	0.50%
5001-10000	5	0.28%	41882	4.49%
10001 and above	14	0.78%	688819	73.84%
<b>Total</b>	<b>1801</b>	<b>100.00%</b>	<b>932873</b>	<b>100.00%</b>

## c. Shareholding Pattern as on 31<sup>st</sup> March, 2020.

Sr. No.	Category of Shareholders	No of Shares held	Percentage of Share Holding
<b>A</b>	<b>Shareholding of Promoter and Promoter Group</b>		
<b>1.</b>	<b>Indian</b>		
a.	Individuals / Hindu Undivided Family	461,572	49.48
b.	Bodies Corporate	-	-
	Sub-Total (A) [1]	461,572	49.48
<b>2.</b>	<b>Foreign</b>	-	-
	Sub-Total (A)[2]	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)</b>	<b>461,572</b>	<b>49.48</b>
<b>B</b>	<b>Public Shareholding</b>		
<b>1.</b>	<b>Institutions</b>		
a.	Mutual Funds/UTI	-	-
b.	Financial Institutions/ Banks and Insurance Companies.	595	0.06
c.	Venture Capital Fund	-	-
d.	Insurance Companies	-	-
e.	Foreign Institutional Investors	-	-
f.	Central/State Government	-	-
	Sub Total (B) (1)	595	0.06
<b>2.</b>	<b>Non – Institutions</b>		

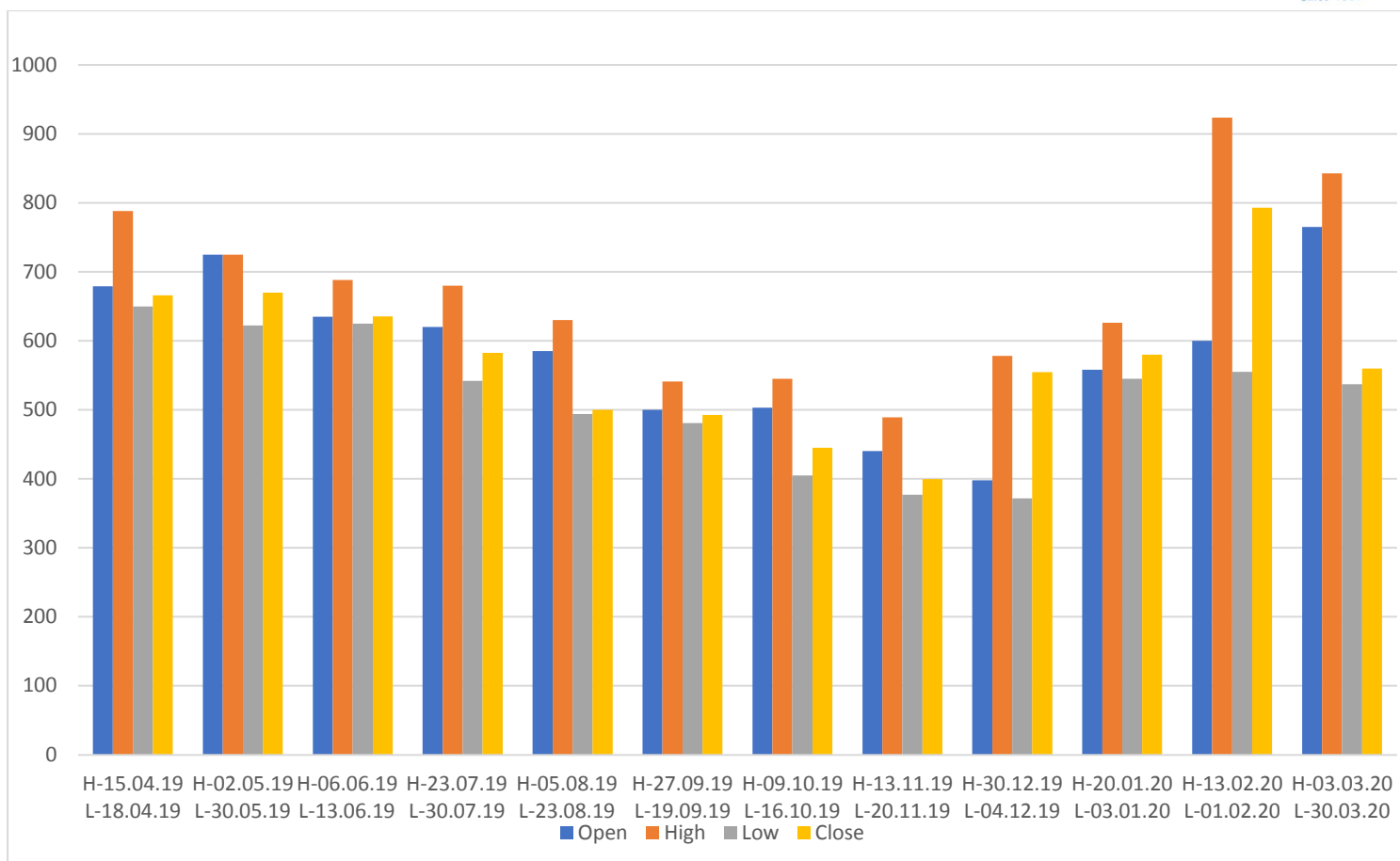
a.	Bodies Corporate	16,316	1.75
b.	Resident Individuals		
i.	Individual shareholders holding nominal capital upto Rs.1 lakh	2,42,235	25.97
ii.	Individual shareholders holding nominal capital in excess of Rs. 1 lakh	1,81,545	19.46
c.	NBFCs registered with RBI	-	-
d.	Any Other (Specify)	-	-
i.	Trusts	-	-
ii.	Non-Residents (NRI)	30,610	3.28
iii.	Overseas Corporate Bodies	-	-
iv.	Clearing Members	-	-
v.	HUF	-	-
vi.	Foreign Nationals	-	-
	Sub- Total (B) (2)	4,70,706	50.46
B.	Total Public Shareholding (B) = (B)(1) + (B) (2)	4,71,301	50.52
	<b>Grand Total</b>	<b>9,32,873</b>	<b>100.00</b>

d. Performance in comparison to broad based indices such as BSE Sensex, Crisil Index.



**e. Market Price Data**

Months	Sensex Closing Price	BSE Limited					
		Open	High Price		Low Price		Close
April, 2019	39,032	679.00	788.00	15 <sup>th</sup> April, 2019	650.00	18 <sup>th</sup> April, 2019	665.80
May, 2019	39,714.2	724.85	724.85	2 <sup>nd</sup> May, 2019	622.50	30 <sup>th</sup> May, 2019	669.85
June, 2019	39,394.64	635.05	688.00	6 <sup>th</sup> June, 2019	625.00	13 <sup>th</sup> June, 2019	635.20
July, 2019	37,481.12	620.00	680.00	23 <sup>rd</sup> July, 2019	542.10	30 <sup>th</sup> July, 2019	582.70
August, 2019	37,332.79	585.00	630.00	5 <sup>th</sup> August, 2019	493.80	23 <sup>rd</sup> August, 2019	499.85
September, 2019	38,667.33	500.00	541.00	27 <sup>th</sup> September, 2019	481.00	19 <sup>th</sup> September, 2019	492.40
October, 2019	40,129.05	503.00	545.00	9 <sup>th</sup> October, 2019	405.05	16 <sup>th</sup> October, 2019	445.00
November, 2019	40,793.81	440.00	489.00	13 <sup>th</sup> November, 2019	377.00	20 <sup>th</sup> November, 2019	399.45
December, 2019	41,253.74	398.00	578.00	30 <sup>th</sup> December, 2019	371.50	4 <sup>th</sup> December, 2019	554.50
January, 2020	40,723.49	558.00	626.00	20 <sup>th</sup> January, 2020	545.00	3 <sup>rd</sup> January, 2020	580.00
February, 2020	38,297.29	600.00	923.55	13 <sup>th</sup> February, 2020	555.00	1 <sup>st</sup> February, 2020	793.15
March, 2020	29,468.49	765.05	842.95	3 <sup>rd</sup> March, 2020	537.20	30 <sup>th</sup> March, 2020	560.00



#### f. Reconciliation of Share Capital Audit

In keeping with the requirements of the SEBI and stock exchanges, a reconciliation of share capital audit by a practicing Company Secretary is carried out at the end of every quarter to reconcile the total admitted Equity capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The said audit confirms that the total issued/ paid-up Equity capital tallies with the total number of Equity shares in physical form and the total number of Dematerialised shares held with NSDL and CDSL. As on 31<sup>st</sup> March, 2020 Shares comprising 97.45% of the company's capital have been Dematerialisation and balance shares comprising 2.55% are held in physical form.

Bifurcation of the category of shares in physical and electronic mode as on March 31, 2020 is given below:

Shares Held Through	No. of Shares	Percentage of Holding
NSDL	8,27,912	88.75
CDSL	81,141	8.70
Physical	23,820	2.55
<b>Total</b>	<b>9,32,873</b>	<b>100.00</b>

Under the Companies Act, 2013, dividends which remain unclaimed for a period of seven years are required to be transferred to the Investor Education & Protection Fund (IEPF) administered by the Central Government. Dates of declaration of dividends since financial year 2012- 13 and the corresponding dates when unclaimed dividends are due to be transferred to the IEPF are given in the table below:

**g. Details of Unpaid dividend as on 31<sup>st</sup> March, 2020 is as follows:**

<b>Financial Year</b>	<b>Date of Declaration</b>	<b>Unpaid Amount (Rs.)</b>	<b>Date of Transfer to Unpaid Dividend Account of the Company.</b>	<b>Date on which the unclaimed dividend to be transferred to IEPF.</b>
2012-13	14 <sup>th</sup> June, 2013	1,98,570.00	21 <sup>st</sup> July, 2013	20 <sup>th</sup> August, 2020
2013-14	10 <sup>th</sup> July, 2014	1,87,162.50	16 <sup>th</sup> August, 2014	15 <sup>th</sup> September, 2021
2014-15	14 <sup>th</sup> August, 2015	90,805.00	20 <sup>th</sup> September, 2015	20 <sup>th</sup> October, 2022
2015-16	15 <sup>th</sup> July, 2016	20,165.00	21 <sup>st</sup> August, 2016	20 <sup>th</sup> September, 2023
2016-17	20 <sup>th</sup> July, 2017	19,077.00	26 <sup>th</sup> August, 2017	25 <sup>th</sup> September, 2024
2017-18	30 <sup>th</sup> July, 2018	31,152.00	5 <sup>th</sup> September, 2018	5 <sup>th</sup> October, 2025
2018-19	14 <sup>th</sup> August, 2019	49,038.00	20 <sup>th</sup> September, 2019	20 <sup>th</sup> October, 2026

Members are once again requested to utilize this opportunity and get in touch with the Company's Secretarial Department, email id: [cs@mherentals.com](mailto:cs@mherentals.com) or sending communication at the address, namely, Jost's Engineering Company Limited, C-7, Road No. 12, Wagle Industrial Estate, Thane West 400604, for encashing the unclaimed dividends standing to the credit of their account.

## **10. DISCLOSURES**

- a. All related party transactions that were entered into during the financial year were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the SEBI (LODR). Details of related party transactions entered into by the Company are included in the Notes to Accounts. Material individual transactions with related parties are in the normal course of business and do not have potential conflict with the interests of the Company at large. Transactions with related parties entered into by the Company in the normal course of Business are placed before the Audit Committee periodically. The policy on related party transactions as approved by the Board is uploaded on the Company's website [www.josts.com](http://www.josts.com).
- b. The BSE Ltd had pointed out non-compliance of Regulation 31(1) and 34 during the financial year 2017-18 for non-submission of Shareholding pattern and Annual Report online within the stipulated time. The Company has paid the penalty levied under protest. As a matter of fact, all these documents were submitted to BSE within the stipulated time (without any delay) physically which was duly acknowledged by BSE. The Company has made a representation to the BSE requesting them to waive the penalty. The matter is still pending with the BSE Limited. BSE Limited has not levied any penalty during the Financial Year 2018-19 and 2019-20.
- c. The Audit Committee and the Board have adopted a Whistle-Blower policy which provides an environment where every director / employee feels free and secure to report specific incidents of unethical behaviour, actual or suspected incidents of fraud or violation of the Company's Code, investigate such reported incidents in a fair manner, taking appropriate disciplinary action against the delinquent director(s) and employee(s), ensuring that no director or employee is victimised or harassed for bringing such incidents to the attention of the Company. The Company affirms that there was no incidence of reporting unethical behaviour, actual or suspected fraud or violation of Company's code of Conduct during the Financial Year 2019-2020.

- d. i. The Company has complied with all the mandatory requirements of SEBI (LODR) except the following:
- Regulation 6(1) for appointment of Company Secretary and Compliance Officer from 1<sup>st</sup> March, 2020 to 31<sup>st</sup> March, 2020
  - Regulation 25(7) imparting Familiarisation program to Independent Directors during the financial 2019-20.
- ii. The Company has complied with non-mandatory requirements of Part E of Schedule II of SEBI (LODR) except sending significant events to each household of shareholders.
- 11.** The company has formulated Policy on Material Subsidiary pursuant to Regulation 16(1)(c) of SEBI (LODR) for the purpose of determining material Subsidiary to ensure Governance compliance by the Company. This policy is available on the website of the Company at [www.josts.com](http://www.josts.com).

In terms of the above policy, the Company's Subsidiary, namely, MHE Rentals India Private Limited is considered as a Material Subsidiary.

- 12.** The Company has adopted the policy on Related Party Transactions. This policy is available on the website of the Company at [www.josts.com](http://www.josts.com).
- 13.** Disclosure of commodity price risks and commodity hedging activities Not Applicable
- 14.** Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) – Not Applicable
- 15.** where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof – Not Applicable
- 16.** Details of fees paid to Statutory Auditors on Consolidated Basis:

Statutory Auditors:

Singhi and Company, Chartered Accountants

- Statutory audit and Limited Review fees – Rs. 20.25 Lakhs
- Tax audit fee - Rs. 3.05 Lakhs
- Other services – Rs. 4.50 Lakhs
- Out of pocket expenses Rs. 1.03 Lakhs

- 17.** Details of Sexual Harassment complaints received and redressed

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	NIL	NIL	NIL

- 18.** Non-compliance of requirements of Corporate Governance Report as per Schedule V of SEBI (LODR)
- Regulation 6(1) for appointment of Company Secretary and Compliance Officer from 1<sup>st</sup> March, 2020 to 31<sup>st</sup> March, 2020.
  - Regulation 25(7) for imparting Familiarisation program to Independent Directors during the financial year 2019-20.

**19.** Disclosure of extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:

1. The non-executive chairperson maintains a chairperson's office at the listed entity's expense and is allowed reimbursement of expenses incurred in performance of his duties.
2. The listed entity has moved towards a regime of financial statements with unmodified audit opinion.
3. The internal auditor submits his internal Audit Reports directly to the audit committee.

**20.** Compliance of Corporate Governance Requirements specified in Regulation 17 To 27 and Regulation 46(2)(b) to (i) of SEBI (LODR).

Sr. No.	Regulation	Particulars	Compliance observed for the following	Compliance Yes / No/N.A.	Status
1.	17	Board of Directors	<ul style="list-style-type: none"> <li>- Composition</li> <li>- Meetings</li> <li>- Review of compliance reports</li> <li>- Plans for orderly succession for appointments</li> <li>- Code of Conduct</li> <li>- Fees / compensation to Non-Executive Directors</li> <li>- Minimum information to be placed before the Board</li> <li>- Compliance Certificate</li> <li>- Risk assessment and management - Performance evaluation of Independent Directors</li> </ul>	Yes	
2.	18	Audit Committee	<ul style="list-style-type: none"> <li>- Composition</li> <li>- Meetings</li> <li>- Powers of the Committee</li> <li>- Role of the Committee and review of information by the Committee</li> </ul>	Yes	
3.	19	Nomination and Remuneration Committee	<ul style="list-style-type: none"> <li>- Composition</li> <li>- Role of the Committee</li> </ul>	Yes	
4.	20	Share Transfer and Stakeholders' Relationship Committee	<ul style="list-style-type: none"> <li>- Composition</li> <li>- Role of the Committee</li> </ul>	Yes	
5.	21	Risk Management Committee	Not Applicable	Not Applicable	
6.	22	Vigil Mechanism	<ul style="list-style-type: none"> <li>- Formulation of Vigil Mechanism for Directors and employees</li> <li>- Direct access to Chairperson of Audit Committee</li> </ul>	Yes	
7.	23	Related Party Transactions	- Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions	Yes	

			- Approval including omnibus approval of Audit Committee - Review of Related Party Transactions	
8.	24	Subsidiaries of the Company	i) Appointment of Independent Director on the Board of the Subsidiary Company. ii) Review of financial statements of unlisted subsidiary by the Audit Committee iii) Significant transactions and arrangements of unlisted subsidiary	Yes
9.	25	Obligations with respect to Independent Directors	1. Maximum directorships and tenure 2. Meetings of Independent Directors 3. Familiarisation of Independent Directors	Yes Yes No
10	26	Obligations with respect to Directors and Senior Management	1. Memberships / Chairmanships in Committees 2. Affirmation on compliance of Code of Conduct by Directors and Senior Management. 3. Disclosure of shareholding by Non-Executive Directors. 4. Disclosures by Senior Management about potential conflicts of interest.	Yes
11	27	Other Corporate Governance requirements	a. Compliance with discretionary requirements  b. Filing of quarterly compliance report on Corporate Governance	Yes, except sending significant events to each household of shareholders.  Yes
12	46(2)(b) to (i)	Website	i) - Terms and conditions for appointment of Independent Directors ii) Composition of various Committees of the Board of Directors iii) Code of Conduct of Board of Directors and Senior Management Personnel iv) Details of establishment of Vigil Mechanism/ Whistle Blower policy - Policy on dealing with Related Party Transactions v) Policy for determining material subsidiaries vi) Details of familiarisation programmes imparted to Independent Directors	Yes Yes Yes Yes Yes No



## **CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT:**

The Board of Directors has adopted Code of Conduct for the Board of Directors and Senior Management Personnel of the Company in terms of Regulation 17 (5) of the SEBI (LODR). All Board members and Senior Management Personnel have affirmed their compliance with the said Code for the financial year ended March 31, 2020. A declaration to this effect signed by the Vice Chairman and Managing Director is appended as Annexure – ‘I’ to this report. The said Code of Conduct may be viewed on the Company’s website at [www.josts.com](http://www.josts.com).

## **CERTIFICATION FOR FINANCIAL REPORTING AND INTERNAL CONTROLS:**

Pursuant to Regulation 17 (8) of the SEBI (LODR), a certificate duly signed by the Vice Chairman and Managing Director of the Company is appended as Annexure ‘II’ to this report.

## **CERTIFICATE FROM A PRACTISING COMPANY SECRETARY WITH RESPECT TO DISQUALIFICATION OR OTHERWISE OF DIRECTORS:**

The Company has obtained a certificate from M/s. Sandeep Dar and Company, practising company secretary confirming that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. A copy of the said certificate is appended hereto as Annexure – ‘III’.

## **CERTIFICATE FROM A PRACTISING COMPANY SECRETARY FOR COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:**

A certificate from M/s. Sandeep Dar and Company, Practising Company Secretary, regarding compliance of conditions of Corporate Governance as stipulated in Part E of Schedule V of the SEBI (LODR) is appended as Annexure ‘IV’ to this Report.

## **ANNUAL SECRETARIAL COMPLIANCE REPORT:**

The Company obtained Annual Secretarial Compliance Report from M/s Sandeep Dar and Company, Practising Company Secretaries for the Financial year 2019-20, pursuant to circular No: CIR/CFD/CMD1/27/201 dated 8<sup>th</sup> February, 2019 issued by SEBI the Company has filled with the Bombay Stock Exchange the said Annual Secretarial Compliance Report within the stipulated time.

## **The Practising Company Secretary has made the following observations in the said Annual Secretarial Compliance Report**

1. Company has not appointed a Qualified Company Secretary as the Compliance Officer for the period 01.03.2020 to 31.03.2020.
2. The Company has not conducted the familiarisation program for Independent Directors as required under Regulation 25(7) of the Securities and Exchange Board of India (LODR) Regulations, 2015.

In connection with the aforesaid observations, we wish to state as under:

1. The Company Secretary and Compliance Officer of the Company has resigned and ceased in the employment of the Company w.e.f. 1<sup>st</sup> March, 2020. The Company has six months' time to fill up the vacancy caused by the resignation of Company Secretary and Compliance Officer. However, due to nationwide lockdown to contain the spread of COVID-19 pandemic the company was unable to fill up the said vacancy. On lifting of the nationwide lockdown, the company will put in its best efforts to fill in the vacancy by appointing a suitable candidate as early as possible.
2. The Company has re-appointed the Independent Directors by passing a resolution at the Annual General Meeting of the Members held on 14th August, 2019 for further period of 5 consecutive years w.e.f. 1st April, 2019. The Familiarization program to be imparted to the Independent Directors pursuant to Regulation 25(7) of SEBI (LODR) Regulations, 2015 was to be conducted in a phased manner and on need basis during the Month of February/March, 2020. However, the company was unable to impart familiarization program due to nationwide lockdown to contain the spread of COVID-19 pandemic. On lifting of the lockdown, the company will conduct Familiarization program for the Independent Directors in a phased manner.

**DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT:**

There is no demat suspense account /unclaimed suspense account opened by the Company.

On behalf of the Board of Directors

**Jai Prakash Agarwal**  
Chairman

Thane  
15<sup>th</sup> June, 2020

**Annexure – ‘I’ to the Corporate Governance Report**

**DECLARATION BY THE MANAGING DIRECTOR UNDER REGULATION 34 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING COMPLIANCE WITH JOST’S CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANGEMENT PERSONNEL OF THE COMPANY**

As provided under Regulation 34 (3) read with Para D of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of Board of Directors and the Senior Management Personnel have affirmed their compliance with Jost’s Code of Conduct as applicable to them, for the Financial Year ended March 31, 2020.

**For Jost’s Engineering Company Limited**

**Mr. Vishal Jain**  
**Vice Chairman and Managing Director**  
**DIN: 00709250**

Thane  
15<sup>th</sup> June, 2020

---

**Annexure – ‘II’ to the Corporate Governance Report**

**CERTIFICATION UNDER REGULATION 17 (8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

I, Vishal Jain, Vice Chairman and Managing Director of Jost’s Engineering Company Limited (“the Company”), hereby certify to the Board that:

- (a) I have reviewed financial statements for the year ended 31st March, 2020 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) 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 my knowledge and belief, no transactions entered into by the Company during the year ended, which are fraudulent, illegal or violative of the Company’s Code of Conduct.
- (c) I am responsible for establishing and maintaining internal controls for financial reporting in the Company and I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit Committee
- (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which I 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.

**For Jost’s Engineering Company Limited**

**Mr. Vishal Jain**  
**Vice Chairman and Managing Director**  
**DIN: 00709250**

Thane  
15<sup>th</sup> June, 2020

**Annexure 'III' to the Corporate Governance Report**

**CERTIFICATE FROM A PRACTISING COMPANY SECRETARY WITH RESPECT TO  
DISQUALIFICATION OR OTHERWISE 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,  
**JOST'S ENGINEERING COMPANY LIMITED**  
Great Social Bldg., 60 Sir P. M. Road, Fort, Mumbai 400001

We, **Sandeep Dar & Co., Company Secretaries** have examined the relevant registers, records, forms, returns and disclosures received from Directors of Jost's Engineering Company Limited having CIN:L28100 MH1907PLC000252 and having registered office at Great Social Building, 60 Sir P. M. Road, Fort, Mumbai 400001 and (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](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers,

We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Jai Prakash Agarwal	00242232	21/01/2015
2.	Mr. Shailesh Rajnikant Sheth	00041713	27/11/1997
3.	Mr. Marco Philippos Ardeshir Wadia	00244357	02/06/1998
4.	Mr. Vishal Jain	00709250	21/01/2015
5.	Mr. Farokh Kekhushroo Banatwalla	02670802	21/04/2009
6.	Mrs. Shikha Jain	06778623	12/08/2016

Ensuring the eligibility for the appointment/ 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.

For **Sandeep Dar & Co.**  
Company Secretaries

15<sup>th</sup> June, 2020  
Place: Navi Mumbai

**CS Sandeep Dar**  
Membership No:3159  
COP No: 1571  
UDIN: F003159B000342333

## **Annexure 'IV' to the Corporate Governance Report**

### **PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
**JOST'S ENGINEERING COMPANY LIMITED**  
Great Social Bldg., 60 Sir P. M. Road, Fort, Mumbai 400001

We have examined the compliance of conditions of Corporate Governance by Jost's Engineering Company Limited (CIN: L28100MH1907PLC000252), for the year ended on March 31, 2020 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; ("SEBI Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring Compliance with the conditions of the Corporate Governance as stipulated in the SEBI Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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, subject to the following, complied with the conditions of Corporate Governance as stipulated in SEBI Regulations:

1. Pursuant to Regulation 25(7) of the SEBI Regulations the Company has not conducted the Familiarization Programme for Independent Directors.

We 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 **Sandeep Dar & Co.**  
Company Secretaries

**CS Sandeep Dar**  
Membership No: 3159  
COP No: 1571  
UDIN: F003159B000552158

5<sup>th</sup> August, 2020  
Place: Navi Mumbai

## CHAIRMAN'S STATEMENT

**Dear Fellow Shareholders,**

It gives me immense pleasure to present you the Annual Report for the year 2019-20 of your Company. This is a year extending transformation journey and improving on profitable growth. We have continued with our focus on business strategies, increase reach and penetration, internal discipline and work digitally for the sustainable long-term growth of the Company. Your Company has achieved many admirable milestones during the year. Your company has added three new Principals in Engineered Product Division.

India, on its quest to become a global superpower, has made significant stride towards developing its engineering sector. India's engineering sector has witnessed a remarkable growth over the last few years driven by increased investment in infrastructure and industrial production. The engineering sector, being strongly associated with the manufacturing and infrastructure sectors is of strategic importance to India's economy.

With 100 per cent Foreign Direct Investment (FDI) allowed through the automatic route and initiatives like Make in India, major international players have entered the Indian engineering sector due to significant growth opportunities available. Turnover of capital goods industry is expected to increase to US\$ 115.17 billion by 2025. The Government has also announced to invest Rs 100 lakh crore (US\$ 1.5 trillion) in infrastructure over the next five years.

I am pleased to inform you that during the year under review, your Company has continued its growth in Engineered Products Division and Material Handling Division despite in the last month the operations were severely impacted due to nationwide lockdown imposed. Income for the year is Rs. 10,355.92 Lakhs as against Rs. 10,745.08 Lakhs in the previous year. The Company has reported Profit after tax of Rs. 104.04 Lakhs after exceptional items of Rs.383.77 lakhs as against profit after tax of Rs. 411.26 Lakhs in the previous year.

Your company has settled all old disputes of tax liabilities under Central Excise Act and Service tax Act by opting amnesty scheme "Sabka Vishwas Scheme, 2019" and paid Rs. 383.77 lakhs.

The Engineered Products Division, made substantial contribution to the profit for the year under review. In this division, we serve the industry like Defense, Education, R & D Labs and private segments like Auto Engineering, FMCG, etc. We continue to focus on technical service business in the years to come and our focus will be sharper.

The Material Handling Division performed marginally better during the year under review. The Company is continuously putting focus on quality of products and better customer services.

The Company's subsidiary MHE Rental business is steady and the company is consolidating its Business and providing satisfactory services to the Customers.

The spread of Coronavirus pandemic and the consequent countrywide lockdown from 3<sup>rd</sup> Week of March,2020 has impacted the normal business operations of our company by way of interruption in production, supply chain disruption, closure of production facilities during the lockdown period. However, after taking necessary permissions from the authorities the Company resumed partial operation in May 2020. We have taken all necessary precautions to ensure the health, hygiene, safety, and well-being of all our

employees. We have put necessary SOPs and complied with the guidelines and directives issued by the Authorities.

The impact of Coronavirus has been very fast and widespread, and the next few months will be very difficult for everyone, individuals and organizations. On the other hand, the economic downturn is not due to any structural problem in any industry, but due to an externality that has hit the pause button on all economic activity. Whenever that externality is removed, an equally quick recovery should follow. We are staying close to our customers, aligning ourselves to their evolving priorities, staying lean and nimble, finding newer ways to create value, and launching newer offerings that address current imperatives. We are confident that after normalcy will return soon and your Company will emerge stronger and continue with the growth journey.

Human Resources and Talent Management has always been the priority of your company. The Company believes that human resources are the most critical element responsible for growth. We strive towards attracting, retaining, and developing the best talent required for the business to grow. The employees are regularly provided with training and development programs to enhance their skills and focus on career progression. Our focus on ensuring transparent, safe, healthy, progressive, and engaging work environment is aimed at creating leaders of the future. Employees have a sense of belongingness and feel empowered in driving business profitability.

On behalf of the Board of Directors of Jost's Engineering Company Limited, I would like to thank all our employees, customers, vendors, business associates, Members of our Board, Shareholders and all the people associated with the company for their continued trust, support and confidence in Josts.

With Best Wishes

**Jai Prakash Agarwal**  
Chairman

15<sup>th</sup> June, 2020



## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Jost's Engineering Company Limited**

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

### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of **Jost's Engineering Company 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 then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity and 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 SAs 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 there under, 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.

### **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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Revenue recognition - Refer Note 3.6 of the standalone Ind AS financial statements</b>	
<p>The company manufactures and sells a number of products and services to its customers, mainly in domestic market through its own sales &amp; distribution network. Sales contracts contain various performance obligations and other terms, including warranties and after sales services. The determination of when significant performance obligations have been met varies, can be the key consideration for revenue recognition, service and the warranty cost.</p> <p>The company has analysed its various sales contracts and concluded on the principles for deciding in which period or periods the company's sales transactions should be recognized as revenue.</p> <p>The accounting policies and the note to the standalone Ind AS financial statement provide additional information on how the company accounts for its revenue and how the implementation of the Ind AS 115 has affected the company's financial reporting.</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ol style="list-style-type: none"> <li>a. Evaluated the design of internal controls relating to revenue recognition</li> <li>b. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.</li> <li>c. Carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls.</li> <li>d. Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>e. Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> <li>f. Samples in respect of revenue recorded customer acceptances, subsequent invoicing and historical trend of collections and disputes.</li> <li>g. Sample of revenues disaggregated by type and service offerings was tested with the performance obligations</li> </ol>

<b>Key audit matters</b>	<b>How our audit addressed the key audit matter</b>
	<p>specified in the underlying contracts.</p> <p>h. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</p>
<b>Trade receivables (Refer Note 9 of Standalone Ind AS Financial Statement)</b>	
<p>Trade receivable balances are significant to the Company as they amounted to Rs 3297 lakhs representing 44.1 % of the total current assets and 31.89% of the total revenue of the Company for the year ended 31st March 2020. During the current financial year, the Company has recognized bad debts Rs 196.21 lakhs. The collectability of trade receivables is a key element of the working capital management, which is managed on an ongoing basis by management. The determination as to whether a trade receivable is collectable involves management judgement. Specific factors management considers include the age of the balances, category of customers, existence of disputes, recent historical payments and any other available information concerning the creditworthiness of customers. Management uses the information to assist in their judgement to determine whether allowance for doubtful / bad debts is required.</p>	<p>Our procedures included the following:</p> <p>a. Obtained an understanding of the company's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers.</p> <p>b. On a sample basis, requesting trade receivable confirmations and evidence of receipts from the customers subsequent to balance sheet date.</p> <p>c. Analyses of ageing profile of the trade receivables to identify credit risks, reviewing historical Payment patterns and correspondence with customers on expected settlement dates.</p> <p>d. Also evaluated the assumptions and estimates used by management to determine the recoverability, provision for doubtful and trade receivables.</p> <p>e. Evaluated the provisions made for expected credit loss as per ECL model as specified by Ind AS 109.</p> <p>f. Review of documents and other records for trade receivables considered as doubtful and bad.</p>
<b>Legal cases ( Exceptional Item) (Refer Note 46 of Standalone Ind AS Financial Statement)</b>	
<p>The Company had litigations in respect of certain Excise duty, Sales Tax and Service tax. pertaining to earlier years. During the year Company has availed benefits under Sabka Vishwas Scheme, 2019, which introduced under Union Budget,2019, to resolve all disputes relating to the erstwhile Service Tax and Central Excise Acts, which are now subsumed under GST. The Company had submitted its Central Excise and Service Tax matters under dispute for settlement, which were accepted by the authority. The amount paid under the scheme is Rs.383.77 lakhs as</p>	<p>Our procedures included the following:</p> <p>a. Obtained an understanding, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations;</p> <p>b. Read Sabka Vishwas Scheme, 2019, to understand the features, benefits and operational steps.</p> <p>c. Discussed with management the recent developments and the status of these matters.</p>

<b>Key audit matters</b>	<b>How our audit addressed the key audit matter</b>
<p>on 31st March 2020 and reflected as Exceptional Item in the Statement of Profit and Loss Account. This settlement has resulted in nullifying the Company's contingent liability pertaining to excise and service tax.</p>	<p>d. Performed our assessment on the underlying calculations supporting the matters under dispute and submissions made by the Company to claim the benefits under the Scheme.</p> <p>e. Verification of documents submitted and the confirmations received from the authorities.</p> <p>f. Accounting of the claims submitted, payments and adjustment made for pre deposits and discloser in the financial statements.</p>

### **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 Company's 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 the other information is materially inconsistent with the standalone 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 are 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 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, the 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 charged with governance are also responsible for overseeing the Company's financial reporting process.

### **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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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**

Due to COVID-19 related lock-down restrictions, management was able to perform year end physical verification of Inventories, subsequent to the year end. Also, we were not able to physically observe the stock verification, where carried out by management. Consequently, we have performed alternate procedure to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Consideration for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Standalone Ind AS Financial Statement.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 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;
  - (c) 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 and dealt with by this Report are in agreement with the books of account;

- (d) 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;
- (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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;
- (g) With respect to the matter to be included in the Auditors’ Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 read with schedule V to the Act .
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 31 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration Number: 302049E

Sukhendra Lodha  
Partner  
Membership No:071272  
UDIN:20071272AAAAAX1474

Date: June 15, 2020  
Place: Mumbai

## **Annexure – A to the Independent Auditor’s Report**

(Referred to in paragraph 1 with the heading ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

We report that:

- i. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As explained to us, the fixed assets have been physically verified by management at reasonable interval under a phase programme of verification and no material discrepancies have been noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of company and nature of its assets.
  - c) According to the information and explanations given to us and on the basis of our examination, in respect of immovable properties taken on lease and disclosed as right of use assets are in name of the Company
- ii. As explained to us, the physical verification of inventories has been conducted by the management at reasonable intervals during the year (including the verifications conducted by the Management post year end on account of the lockdown). The discrepancies noticed on physical verification of inventories as compared to books records were not material and have been properly dealt in the books of accounts. .
- iii. According to the information and explanations given to us, the Company has not granted any loan to Companies covered in the register maintained under Section 189 of the Companies Act, thus the clause is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of Section 186 of the Companies Act, 2013 in respect of guarantees provided and investment made The Company has not granted any loan as specified under section 185 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by Reserve Bank of India, provisions of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) rules 2014 (as amended).
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products for which maintenance of prescribed cost record is mandated by Government of India U/s 148 (1) of the Act. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us and the records of the Company examined by us:
  - a) The Company has been generally regular in depositing amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Investor Education and Protection Fund, Income tax, Custom Duty, cess, Goods & Service Tax and other statutory dues, as applicable, except for some minor delay in case of TDS.
  - b) No undisputed amount payable in respect of Provident Fund, Investor Education and Protection Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax,



Customs Duty, Excise Duty, Cess, Goods & Service Tax and other material statutory dues is outstanding as at 31st March 2020, for a period of more than six months from the date they became payable.

- c) There are no dues of Income tax, sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess, Goods & Service Tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

<b>Name of the Statute</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>	<b>Amount in dispute (In Lakhs)</b>
The Central Sales Tax Act, 1956	AY 2012-13	Deputy Commissioner of Sales Tax, Mumbai	126.21
The Central Sales Tax Act, 1956	AY 2010-11	Assistant Commissioner of Sales Tax, Mumbai	3.09
The Central Sales Tax Act, 1956	AY 2012-13	Sales Tax Officer, Mumbai.	1.26

- viii. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government. The Company had neither any outstanding debenture at the beginning of the year nor has it issued any debenture during the year.
- ix. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly paragraph 3 (xiv) of the Order is not applicable to the Company.

- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration Number: 302049E

Date: June 15, 2020  
Place: Mumbai

Sukhendra Lodha  
Partner  
Membership No:071272

UDIN:20071272AAAAAX1474

## **Annexure - B to the Independent Auditor's Report**

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

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. We have audited the internal financial controls over financial reporting of Jost's Engineering Company Limited ('the Company') as of 31<sup>st</sup> March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date

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

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Act.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, 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 applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with respect to standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with respect to standalone financial statements included obtaining an understanding of internal financial controls with respect to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. 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 with respect to standalone financial statements

### **Meaning of Internal Financial Controls over Financial Reporting with reference to Standalone Financial Statements**

6. A Company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with respect to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 with reference to Standalone Financial Statements**

7. Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with respect to standalone financial statements 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**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control with reference to standalone financial statements 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 Singhi & Co.**  
Chartered Accountants  
Firm Registration Number: 302049E

Date: June 15, 2020  
Place: Mumbai

Sukhendra Lodha  
Partner  
Membership No:071272  
UDIN:20071272AAAAAX1474

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

Rs. (in lakhs)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4A	351.62	357.08
(b) Capital work-in-progress	4A	21.36	21.36
(c) Right of use asset	4B	69.57	-
(d) Intangible assets	4C	24.05	17.08
(e) Investment in subsidiary	5A	601.80	601.80
(f) Financial assets			
(i) Investments	5B	1.00	1.00
(ii) Other financial assets	6A	26.86	29.13
(g) Deferred tax assets (net)	6B	171.49	197.35
<b>Total Non-current assets</b>		<b>1,267.75</b>	<b>1,224.80</b>
<b>Current assets</b>			
(a) Inventories	7	1,508.78	1,293.60
(b) Financial assets			
(i) Investments	8	12.71	12.16
(ii) Trade receivables	9	3,162.90	3,224.39
(iii) Cash and cash equivalents	10A	91.60	351.74
(iv) Other balances with bank	10B	639.32	199.64
(v) Loans	11	-	0.37
(vi) Other financial assets	12	29.74	18.13
(c) Current tax assets (Net)	13	9.96	-
(d) Other current assets	14	757.87	617.01
<b>Total current assets</b>		<b>6,212.88</b>	<b>5,717.04</b>
<b>TOTAL ASSETS</b>		<b>7,480.63</b>	<b>6,941.84</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	15	93.29	93.29
Other equity	16	2,575.45	2,517.23
<b>Total Equity</b>		<b>2,668.74</b>	<b>2,610.52</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17A	11.69	17.87
(b) Provisions	18	229.20	207.74
(c) Other non-current liabilities	19	71.83	24.05
<b>Total non-current liabilities</b>		<b>312.72</b>	<b>249.66</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17B	1,437.02	1,063.38
(ii) Trade payables	20	169.17	161.23
Total outstanding dues of micro and small enterprises			
Total outstanding dues of Creditors other than micro and small enterprise		1,845.74	1,904.45
(iii) Other financial liabilities	21	192.34	174.03
(b) Other current liabilities	22	765.29	662.59
(c) Provisions	23A	89.61	97.50
(d) Current tax liabilities (Net)	23B	-	18.48
<b>Total Current Liabilities</b>		<b>4,499.17</b>	<b>4,081.66</b>
<b>Total liabilities</b>		<b>4,811.89</b>	<b>4,331.32</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,480.63</b>	<b>6,941.84</b>

Significant Accounting Policies

3

The accompanying notes are an integral part of standalone financial statements

As per our report of even date attached

For and on behalf of Board of Directors

For Singhi & Co.  
Chartered Accountants  
Firm Registration No. 302049E

Vishal Jain

Vice Chairman & Managing Director

Sukhendra Lodha  
Partner  
Membership No.071272

Jai Prakash Agarwal

Chairman

**STANDALONE STATEMENT OF PROFIT AND LOSS**  
For the year ended 31st March 2020

Rs. (in lakhs)

	Particulars	Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019
	<b>INCOME</b>			
	Revenue from operations	24	10,337.46	10,689.17
	Other income	25	18.46	55.91
<b>I</b>	<b>Total Income</b>		<b>10,355.92</b>	<b>10,745.08</b>
	<b>Expenses</b>			
	Cost of materials consumed	26A	3,191.99	4,230.23
	Purchases of stock-in-trade	26B	3,279.67	2,472.49
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(263.11)	16.21
	Employee benefits expense	28	1,851.27	1,778.98
	Finance costs	29	150.33	156.57
	Depreciation and amortization expense	4A,4B, 4C	120.72	96.16
	Other expenses	30	1,483.59	1,631.15
<b>II</b>	<b>Total Expenses</b>		<b>9,814.46</b>	<b>10,381.79</b>
<b>III</b>	<b>Profit before exceptional items and tax (I-II)</b>		<b>541.46</b>	<b>363.29</b>
<b>IV</b>	Exceptional items	46	<b>383.77</b>	-
<b>V</b>	<b>Profit before tax (III-IV)</b>		<b>157.69</b>	<b>363.29</b>
	<b>Less: Tax expense</b>			
	(1) Current tax		76.22	75.38
	(2) Deferred tax		(10.68)	(134.15)
	(3) Short/(Excess) provision for tax of earlier years		(11.89)	10.80
<b>VI</b>	<b>Total tax expense</b>		<b>53.65</b>	<b>(47.97)</b>
<b>VII</b>	<b>Profit for the year</b>		<b>104.04</b>	<b>411.26</b>
<b>VIII</b>	<b>Other Comprehensive Income (OCI)</b>			
	(i) Items that will not be reclassified to profit or loss			
	(a) Measurement of defined employee benefit plan		(16.75)	(1.88)
	(b) Income tax relating to above items		4.66	0.52
	<b>Total Other Comprehensive Income (net of taxes)</b>		<b>(12.09)</b>	<b>(1.36)</b>
<b>IX</b>	<b>Total Comprehensive Income for the year (VII+VIII)</b>		<b>91.95</b>	<b>409.90</b>
<b>X</b>	Basic and Diluted Earning per share (Rs.) (not on annualized basis)		11.15	44.09

Significant Accounting Policies

3

The accompanying notes are an integral part of standalone financial statements

**As per our report of even date attached**

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Sukhendra Lodha

Partner

Membership No.071272

Place: Mumbai

Date: 15th June 2020

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

Vishal Jain

Vice Chairman & Managing Director

Jai Prakash Agarwal

Chairman

Place: Mumbai

Date: 15th June 2020

**STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH,2020**
**Rs. (in lakhs)**

Particulars	For year ended 31st March, 2020	For year ended 31st March, 2019
	Audited	Audited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX &amp; AFTER EXCEPTIONAL ITEM</b>	157.69	363.29
<b>ADJUSTMENTS FOR:</b>		
Depreciation	120.72	96.16
(Profit) /Loss on sale of assets	(0.17)	8.20
Fair value gain on Mutual fund investment	(0.55)	-
Income on termination of lease	(2.98)	-
Dividend income	(0.69)	(0.74)
Subsidy income	-	(9.59)
Advances in Subsidiary written off	-	28.41
Interest expense	109.92	112.82
Interest income	(14.54)	(7.64)
Provision for doubtful debts	17.32	(37.94)
Bad debts & Deposits written off during the year	196.20	162.17
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>582.92</b>	<b>715.14</b>
Adjustments for :		
Trade receivables	(152.03)	97.15
Inventories	(209.82)	7.23
Trade payables	(50.77)	185.80
Other current financial assets	(11.61)	(6.18)
Other current financial liabilities	(13.58)	-
Other current liabilities	87.84	(32.76)
Other current asset	(140.70)	(161.33)
Loans	0.37	23.77
Other non-current liabilities	6.00	(8.51)
Other non-current assets	(9.96)	(31.30)
Change in provisions	13.56	(55.74)
Change in Current tax liability	(3.57)	4.53
<b>CASH GENERATED FROM OPERATIONS</b>	<b>98.65</b>	<b>737.80</b>
Taxes paid (Net of refunds)	(24.77)	(24.18)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>73.88</b>	<b>713.62</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property,Plant and Equipment, Intangible assets and Capital WIP	(99.85)	(103.71)
Sale of Property,Plant and Equipment	1.59	-
Investment in deposits	2.27	5.58
Purchase of Investments	-	(0.62)
Investment in Subsidiary	-	(301.20)
Interest received	14.54	7.64
Dividend received	0.69	0.74
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(80.76)</b>	<b>(391.57)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	238.33	236.49
Repayment of borrowings	(137.16)	(20.60)
Dividend paid (including tax)	(33.74)	(22.49)
Repayment of lease liability	(33.30)	-
Interest paid	(109.90)	(109.93)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(75.77)</b>	<b>83.47</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(82.65)</b>	<b>405.52</b>
Add: Cash and cash equivalents at the beginning of the year	(87.06)	(492.58)
Cash and cash equivalents at the end of the year	<b>(169.71)</b>	<b>(87.06)</b>

**STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH,2020 (Contd.)**
**Rs. (in lakhs)**

	For year ended 31st March, 2020	For year ended 31st March, 2019
<b>Cash and cash equivalents as per above comprises of the following :</b>		
Cash and cash equivalent	91.60	351.74
Other bank balances	639.32	199.64
	<b>730.92</b>	<b>551.38</b>
Bank Overdraft	(900.63)	(638.44)
<b>Balances as per statement of Cash Flows</b>	<b>(169.71)</b>	<b>(87.06)</b>

Debt reconciliation statement in accordance with Ind AS 7

**Borrowings**

Opening Balances	1,091.55	1,020.85
Movement	363.35	70.70
<b>Closing Balance</b>	<b>1,454.90</b>	<b>1,091.55</b>

\* Bank overdraft and Cash Credit facility are part of above debt reconciliation

The accompanying notes are an integral part of standalone financial statements.

1. The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard '7' on "Statement of Cash Flows".
2. Previous year figures have been regrouped/ re-arranged wherever necessary.

**As per our report of even date attached**

For Singhi & Co.  
Chartered Accountants  
Firm Registration No. 302049E

Sukhendra Lodha  
Partner  
Membership No.071272

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

Vishal Jain Vice Chairman & Managing Director

Jai Prakash Agarwal Chairman

Place: Mumbai  
Date: 15th June 2020

Place: Mumbai  
Date: 15th June 2020



**STATEMENT OF CHANGES IN EQUITY**

**a. Equity Share Capital**

Particulars	Note No.	Rs. (in lakhs)
		Amount
<b>As at 1st April 2018</b>	15	93.29
Changes in Equity Share Capital		-
<b>As at 31st March 2019</b>	15	93.29
Changes in Equity Share Capital		-
<b>As at 31st March 2020</b>	15	93.29

**b. Other Equity**

Particulars	Reserves and Surplus			Item of Other Comprehensive Income	Total
	Securities Premium Reserve	Retained Earnings	General reserve	Remeasurement of defined benefit plan	
	1,063.86	868.58	229.78	(32.40)	
Other Comprehensive Income for the year ended 31st March 2019	-	-	-	(1.36)	(1.36)
Dividends including Dividend Distribution Tax	-	(22.49)	-	-	(22.49)
<b>Addition during the year</b>				-	
Issue of right shares( Net off share issue expenses)	-	-	-	-	-
Profit/( Loss) for the year	-	411.26	-	-	411.26
<b>Balance as at 31st March 2019</b>	1,063.86	1,257.35	229.78	(33.76)	2,517.23
Other Comprehensive Income for the year ended 31st March 2020	-	-	-	(12.09)	(12.09)
Dividends including Dividend Distribution Tax	-	(33.73)	-	-	(33.73)
<b>Addition during the year</b>				-	
Profit/( Loss) for the year	-	104.04	-	-	104.04
<b>Balance as at 31st March 2020</b>	1,063.86	1,327.66	229.78	(45.85)	2,575.45

The accompanying notes are an integral part of standalone financial statements.

**As per our report of even date attached**

For Singhi & Co.  
Chartered Accountants  
Firm Registration No. 302049E

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

Vishal Jain Vice Chairman & Managing Director

Sukhendra Lodha  
Partner  
Membership No.071272

Jai Prakash Agarwal

Chairman

Place: Mumbai  
Date: 15th June 2020

Place: Mumbai  
Date: 15th June 2020

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

### 1 Corporate Information

Jost's Engineering Company Limited (the 'Company') is domiciled in India. The Company's registered office is at Great Social Building, 60 Sir Phirozeshah Mehta Road, Mumbai- 400001. The Company's primary business areas are material handling and engineered products. The Company's equity shares are listed on Bombay Stock Exchange (BSE).

The financial statements of the Company for the year ended March 31, 2020 were approved for issue in accordance with the resolution of the Board of Directors on June 15, 2020

### 2 Basis for preparation of financial statements

#### 2.1 Statement of Compliance:

The financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

#### 2.2 Basis of Preparation:

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use. The Company has prepared these Financial Statements as per the format prescribed in Schedule III to the Companies Act, 2013

The financial statements are presented in ('INR') which is the Company's functional currency and all the values are rounded off to the nearest lakh except when otherwise indicated.

#### 2.3 Basis of measurement:

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative financial instruments) that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the considerations given in exchange for goods and services.

#### 2.4 Current or Non-current classification:

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

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized within twelve months after the reporting period; or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle;
- ii. It is held primarily for the purpose of trading;
- iii. It is due to be settled within twelve months after the reporting period; or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

### 2.5 Key Accounting Estimates and Judgements:

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following note

- a. Estimated useful life of PPE & intangible assets - Refer note no 4A & 4B
- b. Probable outcome of matters included under Contingent liabilities - Refer note no. 31
- c. Estimation of Defined benefit obligation - Refer note no. 36
- d. Estimation of Tax expense and tax payable - Refer note no. 45
- e. Measurement of Lease liabilities and Right of Use Asset (ROUA) - Refer Note 4B, 19 & 21

### Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business.

The spread of Covid 19 has affected the business from 3rd week of March 2020, which culminated into scaling down of the Company's operations, post the national lock down. The Company has taken various measures in consonance with Central and State Government advisories to contain the pandemic, which includes closing of manufacturing facilities and adopting work from home policy for employees across locations. Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates, the Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. Pursuant to the relaxed guidelines, the Company has now resumed its manufacturing operations as allowed in strict compliance. Supply chain and product sale activities are being resumed, most of the staff continues to operate from home. Since the situation is continuously evolving, the impact assessed may be different from the estimates made as at the date of approval of these financial statements and Company will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

#### 2.5.1 Impairment of property, plant and equipment

Determining whether property, plant and equipment is impaired requires an estimation of the value in use of the cash-generating unit. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. When the actual future cash flows are less than expected, a material impairment loss may arise.

#### 2.5.2 Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

#### 2.5.3 Discount rate - defined benefit obligation

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

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

### 2.5.4 Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount. Due to the judgements involved in such estimations the provisions are sensitive to the actual outcome in future periods.

### 2.5.5 Recognition of deferred tax assets

Deferred Tax resulting from “temporary difference” between the carrying amount of an asset or liability in the balance sheet and its tax base book profit and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be adjusted in future. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

## 2.6 Changes in accounting policies and disclosures

### New and amended Standards & interpretations

The Company applied Ind AS 116 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below:

#### Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company has adopted Ind AS 116 using modified retrospective method of adoption with the date of initial application of April 01, 2019 with the cumulative effect of initially applying the Standard recognised at the date of initial application.

The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application

## 2.7 Recent Accounting Developments

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

## 3 Significant Accounting Policies:

### 3.1 Property, plant and equipment:

#### (a) Recognition and measurement:

Property, plant and equipment held for use in production or supply of goods or services or for administrative purposes are stated at cost less accumulated depreciation less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

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

**Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)**

**(b) Derecognition of Assets:**

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

**(c) Depreciation:**

Depreciation is provided (other than on capital work-in-progress) on a Written Down Value (WDV) basis over the estimated useful lives of assets as prescribed under Schedule II of the Companies Act, 2013. Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement. The economic useful lives of assets are assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

The estimated useful lives of PPE are as follows:

Sr. No.	Particulars	Useful Life
1	Factory Building-Main Premises	60 Years
2	Factory Building-Major Extentions	30 Years
3	Factory Building-Minor	5 Years
4	Computers & Data Processing Units-End User Devices	3 Years
5	Computers & Data Processing Units-Servers & Networks	6 Years
6	General Furniture & Fittings	10 Years
7	Office Equipment	5 Years
8	Plant & Machinery	15 Years
9	Vehicles - Motor Car	8 Years
10	Vehicles - Motor Cycle/Scooter	10 Years

**3.2 Intangible assets:**

**(a) Recognition and measurement:**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization. Amortization is recognized on a written down value over their estimated useful lives, which reflects the pattern in which the asset's economic benefits are consumed. The estimated useful life, the amortization method and the amortization period are reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

**(b) Derecognition of Intangible Assets:**

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

**(c) Amortisation:**

Amortization is recognized in the income statement on a Written Down Value (WDV) basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use.

The estimated useful life are as follows:

Sr. No.	Particulars	Useful Life
1	Intangible Asset -Software Licenses	2 Years
2	Intangible Asset - General	10 Years

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

### 3.3 Leases:

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes consist of leases for Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

The ROU asset is measured at an amount equal to the lease liability. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is recognized at the date of initial application. The lease liability is measured at the present value of the remaining lease payments discounted using lease incremental borrowing rate at the date of initial application

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

### 3.4 Impairment of Property, Plant and Equipment and Intangible assets:

At the end of each reporting period, the Company reviews the carrying amounts of Property, Plant and Equipment and other intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash generating unit to which an individual asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing, value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognized immediately in the Statement of Profit or Loss.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

### 3.5 Inventories:

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

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

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

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

### 3.6 Revenue recognition:

The Company derives revenue from sale of material handling and engineered products. Effective 1st April 2018, the Company has adopted Indian Accounting Standard 115( Ind AS 115) - "Revenue from Contract with customers". The effect of adoption of Ind AS - 115 was insignificant.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of GST, returns, trade allowances, rebates and amounts collected on behalf of third parties.

#### (a) Sale of goods

Sales are recorded net of trade discounts, quantity discounts, rebates, indirect taxes. Revenue from sale of goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer which generally coincides with dispatch of goods from factory/stock points, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods to the degree usually associated with the ownership, and the amount of revenue can be measured reliably, regardless of when the payment is being made. Sales also include, sales of scrap, waste, rejection etc.

#### (b) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the normal interest rate as applicable.

### 3.7 Foreign currencies:

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

Transactions in currencies other than the Company's functional currency are recognized at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date. Non-monetary assets and liabilities denominated in a foreign currency are translated using the exchange rate prevailing at the date of initial recognition (in case measured at historical cost) or at the rate prevailing at the date when the fair value is determined (in case measured at fair value).

### 3.8 Employee Benefits:

#### Short-term Employee Benefits:

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

#### Other long-term employee benefits

The liability for earned leave is not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method with actuarial valuations being carried out at each balance sheet date. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

### Post-employment benefits

#### (a) Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance are defined contribution schemes. Payments to defined contribution retirement plans are recognized as expenses when the employees have rendered the service entitling them to the contribution.

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

#### (b) Defined benefit plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurements, comprising actuarial gains and losses, the effect of changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest) is recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income are reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of Profit and Loss in the period of plan amendment.

Defined benefit costs comprising service cost (including current and past service cost and gains and losses on curtailments and settlements) and net interest expense or income is recognized in Statement of profit and loss.

The defined benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Vesting occurs upon completion of five years of service. The Company makes contributions to gratuity fund held with a trust formed for this purpose through Life Insurance Corporation of India. The Company provides for its gratuity liability based on an independent actuarial valuation carried out at each balance sheet date using the projected unit credit method.

### 3.9 Income Tax:

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in Other Comprehensive Income.

#### Current tax

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using the tax rates that have been enacted or substantially enacted by the end of the reporting period.

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

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.



## Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

### Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on taxes (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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

### Current tax and deferred tax for the year

Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

### 3.10 Provisions:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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 the provision due to the passage of time is recognized as a finance cost.

### Product warranty

Provision for product warranty is recognized for the best estimates of the average cost involved for replacement/repair etc. of the product sold before the balance sheet date. These estimates are determined using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on corrective actions on product failures. The estimates for accounting of warranties are reviewed and revisions are made as required.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

### 3.11 Contingent liabilities and contingent assets:

Contingent liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes. Contingent assets are not accounted in the financial statements unless an inflow of economic benefits is probable.

### 3.12 Financial instruments:

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

#### Financial assets

Classification and subsequent measurement

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

These include trade receivables, loans, deposits, balances with banks, and other financial assets with fixed or determinable payments.

##### Impairment

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, other contractual right to receive cash or other financial assets not designated at fair value through profit or loss. The loss allowance for a financial instrument is equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if the default occurs within 12 months after the reporting date.

For trade receivables or any contractual right to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. The Company has used a practical expedient permitted by Ind AS 109 and determines the expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

##### De-recognition

The Company derecognizes financial asset when the contractual right to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income, if any, is recognized in the Statement of Profit and Loss if such gain or loss would have otherwise been recognized in the Statement of Profit and Loss on disposal of the financial asset.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

### Financial liabilities

#### Classification

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received net of direct issue costs.

#### Subsequent measurement

Financial liabilities (that are not held for trading or not designated at fair value through profit or loss) are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

Effective interest method is a method of calculating amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### Foreign exchange gains and losses

Financial liabilities denominated in a foreign currency are measured at fair value at the end of each reporting period and the foreign exchange gains and losses are determined based on the fair value of the instruments and are recognized in the Statement of Profit and Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognized in the Statement of Profit and Loss.

#### De-recognition

Financial liabilities are derecognized when, and only when, the obligations are discharged, cancelled or have expired. An exchange with a lender of a debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability derecognized and the consideration paid or payable is recognized in the Statement of Profit and Loss.

### 3.13 Cash and cash equivalents:

Cash and cash equivalents comprise cash in hand and short-term deposits with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 3.14 Earnings per share:

The Company reports basic and diluted earnings per share (EPS) in accordance with Indian Accounting Standard 33 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares (except where the results are anti-dilutive).

**Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)**

**3.15 Segment Reporting:**

The Company's business activity falls within two segments viz. Material Handling and Engineering Products. Segments are organized based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods. Investments, tax related assets and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as " Unallocable"

**3.16 Investments in Subsidiaries :**

Investments in subsidiaries are carried at cost/deemed cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

**3.17 Dividend to Equity Shareholders :**

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' Equity, in the period in which the dividends are approved by the equity shareholders in the general meeting

**3.18 Business Combinations**

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

**Notes to the Standalone Financial Statements for the year ended 31st March, 2020**
**4A:Property, Plant and Equipment and Capital Work in Progress**
**Rs. (in lakhs)**

	Building	Computer & Peripheral	Furniture and Fixture	Office Equipment	Plant & Machinery	Vehicle	Total	Capital Work in Progress
<b>Gross Carrying Amount</b>								
<b>Balances as at 1st April, 2018</b>	18.58	67.77	72.33	12.18	319.21	22.05	512.12	
Additions	-	19.06	1.31	1.75	58.89	30.33	111.34	
Sale/Disposals	-	4.79	7.88	0.89	47.08	6.89	67.53	
<b>Balances as at 31st March, 2019</b>	<b>18.58</b>	<b>82.04</b>	<b>65.76</b>	<b>13.04</b>	<b>331.02</b>	<b>45.49</b>	<b>555.93</b>	
Additions	-	6.85	7.57	1.31	69.63	-	85.36	
Sale/Disposals	-	2.93	1.29	-	7.27	-	11.49	
<b>Balances as at 31st March, 2020</b>	<b>18.58</b>	<b>85.96</b>	<b>72.04</b>	<b>14.35</b>	<b>393.38</b>	<b>45.49</b>	<b>629.80</b>	
<b>Accumulated Depreciation</b>								
<b>Balances as at 1st April, 2018</b>	3.35	38.30	27.66	5.89	85.45	8.52	169.17	
Changes for the year	2.12	21.13	11.39	2.79	44.13	7.44	89.00	
Sale/Disposals	-	4.52	7.05	0.80	40.40	6.55	59.32	
<b>Balances as at 31st March, 2019</b>	<b>5.47</b>	<b>54.91</b>	<b>32.00</b>	<b>7.88</b>	<b>89.18</b>	<b>9.41</b>	<b>198.85</b>	
Changes for the year	1.48	15.09	9.19	2.31	46.53	10.39	84.99	
Sale/Disposals	-	1.64	1.16	-	2.86	-	5.66	
<b>Balances as at 31st March, 2020</b>	<b>6.95</b>	<b>68.36</b>	<b>40.03</b>	<b>10.19</b>	<b>132.85</b>	<b>19.80</b>	<b>278.18</b>	
<b>Net Block</b>								
Balances as at 31st March, 2019	13.11	27.13	33.76	5.16	241.84	36.08	357.08	21.36
Balances as at 31st March, 2020	11.63	17.60	32.01	4.16	260.53	25.69	351.62	21.36

**Notes:**

- As per Ind AS - 36 - "Impairment of Assets",no provision for Impairment of Assets is required.
- As per Ind AS 16 assets in the course of development are reflected in capital work in progress. Costs associated with the development are capitalised when the asset is ready to use. Revenue generated from production during the trial period will be credited to capital work in progress.
- Capital work in progress as at 31st March 2020 primarily represents registration fees and other expenses incurred in relation to purchase of land at Murbad, Thane.
- The Company has not incurred any foreign exchange gain/loss for capitalisation during the current year (March 31, 2019 - NIL)
- Borrowing cost adjusted in the carrying cost of Propert,Plant & Equipments and Capital Work in Progress during the current year (March 31, 2019 - NIL)
- The Company has not incurred any pre-operative expenses for capitalisation during the current year (March 31, 2019 - NIL)

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

4B:Right of Use Asset

	Rs. (in lakhs)	
	Right of use of Asset	Total
<b>Gross Block</b>		
<b>Balances as at 1st April, 2019</b>	-	-
Change in Accounting Policies	130.05	130.05
Addition	17.89	17.89
Deduction - Termination of Lease	50.16	50.16
<b>Balances as at 31st March, 2020</b>	<b>97.78</b>	<b>97.78</b>
<b>Accumulated Depreciation</b>		
<b>Balances as at 1st April, 2019</b>	-	-
Change in Accounting Policies	26.68	26.68
Addition	1.53	1.53
Deduction - Termination of Lease	-	-
<b>Balances as at 31st March, 2020</b>	<b>28.21</b>	<b>28.21</b>
<b>Net Block</b>		
Balances as at 1st April, 2019	-	-
Balances as at 31st March, 2020	69.57	69.57

Refer note no 2.6, 3.3 and 39 of financial statements

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

4C: Intangible Assets

Rs. (in lakhs)

	Computer Software & Licences	Total
<b>Gross Block</b>		
Balances as at 1st April, 2018	35.20	35.20
Additions	1.78	1.78
Sale/Disposals	-	-
<b>Balances as at 31st March, 2019</b>	<b>36.98</b>	<b>36.98</b>
Additions	14.49	14.49
Sale/Disposals	-	-
<b>Balances as at 31st March, 2020</b>	<b>51.47</b>	<b>51.47</b>
<b>Accumulated Depreciation</b>		
Balances as at 1st April, 2018	12.74	12.74
Changes for the year	7.16	7.16
Sale/Disposals	-	-
<b>Balances as at 31st March, 2019</b>	<b>19.90</b>	<b>19.90</b>
Changes for the year	7.52	7.52
Sale/Disposals	-	-
<b>Balances as at 31st March, 2020</b>	<b>27.42</b>	<b>27.42</b>
<b>Net Block</b>		
Balances as at 31st March, 2019	17.08	17.08
Balances as at 31st March, 2020	24.05	24.05

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

**5A:Investment in Subsidiary**

(Rs.in lakhs)

Particulars	As at 31st March, 2020			As at 31st March, 2019	
	Number	Face Value	Amount	Number	Amount
<b>Equity shares fully paid in subsidiary company at cost</b>					
MHE Rentals India Pvt Ltd	6,018,000	10	601.80	6,018,000	601.80
<b>Total</b>			<b>601.80</b>		<b>601.80</b>

Notes : 1. There is no permanent diminution in the value of the Investment.

**5B:Non-Current Investments**

(Rs.in lakhs)

Particulars	As at 31st March, 2020			As at 31st March, 2019	
	Number	Face Value	Amount	Number	Amount
<b>Investments at Cost</b>					
(a) Investment in Equity shares (Unquoted) (Fully Paid up) Zoroastrian Co-Operative Bank Ltd.	4000	25	1.00	4,000	1.00
<b>Total</b>			<b>1.00</b>		<b>1.00</b>

**Aggregate Book Value of Non-Current Investments**

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unquoted - At Cost	602.80	602.80



Notes to the Standalone Financial Statements for the year ended 31st March, 2020

6A: Other Non-Current financial assets

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
1. Security Deposit		
Unsecured, considered good unless otherwise stated	25.50	27.51
2. Fixed Deposits as Margin Money against LC & BG *	0.94	1.19
3. Prepaid lease hold land	0.42	0.43
<b>Total</b>	<b>26.86</b>	<b>29.13</b>

(\*) Original maturity of more than twelve months

6B: Deferred Tax (Liability)/ Asset

(Rs.in lakhs)

Deferred Tax Asset	As at 31st March, 2020	As at 31st March, 2019
Deferred tax assets	171.49	197.35
Deferred tax liabilities	-	-
<b>Deferred tax asset(net)</b>	<b>171.49</b>	<b>197.35</b>

(Rs.in lakhs)

Particulars	As at 31st March, 2019	(Charged) / credited to Profit & Loss	(Charged) / credited to Other Comprehensive Income	As at 31st March, 2020
<b>Nature of timing difference:</b>				
Deferred tax asset				
On depreciable assets	5.35	1.45	-	6.80
On provision for gratuity	59.22	(9.44)	4.66	54.44
On provision for doubtful debts	32.53	4.82	-	37.35
On provision for leave encashment	15.80	3.44	-	19.24
On provision for bonus	-	5.72	-	5.72
On provision for warranty	-	9.69	-	9.69
On account MAT credit entitlement	78.30	(41.19)	-	37.11
On account of timing difference on leased asset	-	1.14	-	1.14
On expenses allowable on payment/ actual basis U/s 43B	6.15	(6.15)	-	-
<b>Deferred tax asset</b>	<b>197.35</b>	<b>(30.52)</b>	<b>4.66</b>	<b>171.49</b>

(a) The Company has recognised Deferred tax asset amounting to Rs. 15.34 lakhs ( Previous year Rs 134.67 Lakhs) in the Financial Year 2019-20 as the Company is estimating future taxable profits against which the Deferred tax asset can be set off.

b) The Company has utilised MAT credit amounting to Rs 41.19 lakhs for the year ended 31st March 2020 and recognised MAT credit entitlement amounting to Rs 78.30 lakhs for the year ended 31st March 2019 and the same is reflected under Deferred Tax asset

**Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

**7:Inventories**

**Valued at lower of cost and net realisable value**

**(Rs.in lakhs)**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
a. Raw Materials	595.65	644.37
b. Work-in-progress	285.74	19.77
c. Finished goods	233.05	267.12
d. Stock-in-trade	391.80	360.59
e. Stores and spares	2.54	1.75
<b>Total</b>	<b>1,508.78</b>	<b>1,293.60</b>

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

8: Current Investments

(Rs.in lakhs)

Particulars	As at 31st March, 2020		As at 31st March, 2020	As at 31st March, 2019
	Unit value	Number of units		
(a) Investments in Mutual Funds units valued at fair value through P & L account				
Nippon India Mutual Fund	1,007.50	865.53	8.72	8.34
Nippon India Mutual Fund	1,007.50	395.74	3.99	3.82
<b>Total</b>			12.71	12.16

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

9:Trade Receivables

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Trade Receivables</b>		
Secured, considered good	10.25	13.75
Unsecured, considered good	3,152.64	3,210.64
Considered doubtful	134.23	116.91
	3,297.12	3,341.30
Less: Provision for credit loss	(134.22)	(116.91)
	3,162.90	3,224.39
<b>Total</b>	<b>3,162.90</b>	<b>3,224.39</b>

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

10A: Cash and cash equivalents

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash on hand	2.86	1.23
<b>Balances with Banks</b>		
In current account	85.10	139.47
In EEFC account	3.64	11.04
Fixed deposit with maturity less than three months	-	200.00
<b>Total</b>	<b>91.60</b>	<b>351.74</b>

10B: Other Bank Balances

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Earmarked balances with banks (unclaimed dividend account)	5.96	8.94
Bank Deposits as Margin Money against LC & BG *	633.36	190.70
<b>Total</b>	<b>639.32</b>	<b>199.64</b>

**Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

**11: Current loans**

Unsecured, considered good unless otherwise stated

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advances	-	0.37
<b>Total</b>	-	<b>0.37</b>

**Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

**12: Other current financial assets**

Unsecured, considered good unless otherwise stated

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Duty recoverable	3.81	3.81
Security deposit	1.06	-
Interest receivables	12.43	6.42
Accrued commission	12.44	7.90
<b>Total</b>	<b>29.74</b>	<b>18.13</b>

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

13:Current Tax Assets

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance tax and tax deducted at source less provision	9.96	-
<b>Total</b>	<b>9.96</b>	<b>-</b>



Notes to the Standalone Financial Statements for the year ended 31st March, 2020

14:Other Current Assets

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Balances with government authorities</b>		
a) VAT Credit	144.00	145.31
b) Deposit with Excise (under protest)	-	154.05
c) Others	174.54	39.73
Prepaid Expense	40.79	4.83
Tender Deposits	69.68	54.12
Prepaid lease hold land	-	-
Other advances	0.23	-
Advance to Employees	-	7.06
Advance to Creditors	126.63	81.12
Capital advances (Refer Note no. 32)	202.00	121.20
Subsidy receivable	-	9.59
<b>Total</b>	<b>757.87</b>	<b>617.01</b>

**Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

**15: Equity share capital**

(Rs.in lakhs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of Rs. 10/- each	1,000,000	100.00	1,000,000	100.00
<b>Issued</b>				
Equity Shares of Rs. 10/- each	932,873	93.29	932,873	93.29
<b>Subscribed &amp; Fully Paid up</b>				
Equity Shares of Rs. 10/- each	932,873	93.29	932,873	93.29

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

(Rs.in lakhs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	932,873	93.29	932,873	93.29
Issue of right shares during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	932,873	93.29	932,873	93.29

b. The company has only one class of issued shares i.e Equity Shares having par value of Rs. 10/ each. The Equity Shares of the Company have voting rights and are subject to the restrictions as prescribed under the Companies Act, 2013. Each holder of equity share is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of directors is subject to approval of shareholders in the ensuing Annual general meeting.

c. The Company has no holding Company.

d. Details of shareholders holding more than 5% shares in the company.

Name of Shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Jai Prakash Agarwal	132,991	14.26	132,991	14.26
Mrs. Krishna Agarwal	48,800	5.23	48,800	5.23
Mrs. Shikha Jain	112,821	12.09	112,821	12.09
Mr. Vishal Jain	118,215	12.67	118,215	12.67
Mr. Sharad K. Shah	75,165	8.06	71,794	7.70

e. During the last 5 years, the Company has neither issued any bonus shares nor allotted any shares pursuant to a contract without payment being received in Cash.

f. No calls are unpaid by any director or officer of the company at the end of the reporting period.

g. As per records of the Company, no shares have been forfeited by the Company during the year.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

16:Other Equity

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>a. Securities Premium Account</b>		
Balance at the beginning of the year	1,063.86	1,063.86
Add:		
Issue of right shares during the year	-	-
Unpaid calls received during the year	-	-
Less:		
Right issue expsense	-	-
<b>Closing Balance</b>	<b>1,063.86</b>	<b>1,063.86</b>
<b>b. General Reserve</b>		
Balance at the beginning of the year	229.78	229.78
Add:		
Current year transfer	-	-
<b>Closing Balance</b>	<b>229.78</b>	<b>229.78</b>
<b>c. Retained Earnings</b>		
Balance at the beginning of the year	1,257.35	868.58
Add:		
Profit/ (loss) for the year	104.04	411.26
Less:		
Dividend paid for the previous year (including Dividend Distribution Tax)	(33.73)	(22.49)
<b>Closing Balance</b>	<b>1,327.66</b>	<b>1,257.35</b>
<b>d. Other comprehensive income (OCI)</b>		
Balance at the beginning of the year	(33.76)	(32.40)
Add:		
Remeasurement of defined benefit plan	(12.09)	(1.36)
<b>Closing Balance</b>	<b>(45.85)</b>	<b>(33.76)</b>
<b>Total</b>	<b>2,575.45</b>	<b>2,517.23</b>

**Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

**17A: Non-Current Borrowings**

Particulars	(Rs.in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Secured:</b>		
Vehicle loan from bank (*)	11.69	17.87
<b>Total</b>	<b>11.69</b>	<b>17.87</b>

(\*) Secured by hypothecation of vehicles purchased under secured loan.

Vehicle loans : Repayable in 36 to 60 monthly installments, ending upto August 2023. Interest rates ranges from 8.75% p.a. to 9.20% p.a.

Hyundai Creta : Repayable in 60 installments starting from Sept.2018 Last Installment due in August 2023. Rate of interest 8.75% p.a

Hyundai Verna : Repayable in 30 monthly installments starting from April19. Last installment due in March 2022. Rate of interest 9.20% p.a

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

17B:Current Borrowings

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Secured:</b>		
From Banks (Repayable on demand):-		
(a) Cash Credit	483.45	245.12
(b) Bank overdraft	900.62	638.44
<b>Unsecured</b>		
Letter of credit discounted with Bank	52.95	179.82
<b>Total</b>	<b>1,437.02</b>	<b>1,063.38</b>

**Details of terms of repayments**

Cash credit and Bank overdraft facilities are secured by hypothecation of stocks and book debts and an equitable mortgage on the company's properties at Plot no C-7 Wagle Industrial Estate, Road No. 12, Thane on pari passu basis. Interest rates at 11% p.a. to 11.90 % p.a.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

18: Non-Current provisions

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Provision for employee benefits</b>		
Superannuation	19.13	18.21
Gratuity	160.89	150.55
Leave Encashment	49.18	38.98
<b>Total</b>	<b>229.20</b>	<b>207.74</b>

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

19: Other Non-Current financial Liabilities

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Dealer deposits	30.05	24.05
Lease liability	41.78	
<b>Total</b>	<b>71.83</b>	<b>24.05</b>

**Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

**20:Trade Payables**

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Dues of Micro and Small Enterprises (Note a)	169.17	161.23
Dues to other creditors	1,845.74	1,904.45
<b>Total</b>	<b>2,014.91</b>	<b>2,065.68</b>

Note(a) Disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

(i) (a) Principal amount and the interest due thereon remaining unpaid to any supplier	169.17	161.23
(b) Interest on (i)(a) above	-	-
(ii) The amount of interest paid along with the principal payment made to the supplier	-	-
(iii) Amount of interest due and payable on delayed payments	0.55	-
(iv) Amount of further interest remaining due and payable for the earlier years	-	-
(v) Total outstanding dues of Micro and Small Enterprises		
- Principal	<b>169.17</b>	<b>161.23</b>
- Interest	<b>0.55</b>	-



Notes to the Standalone Financial Statements for the year ended 31st March, 2020

21:Other Current Financial Liabilities

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Current maturity of term loan (*)</b>		
Vehicle	6.19	10.30
Machinery	-	-
Unpaid Dividend	5.96	8.94
Employee Security deposit	2.59	2.65
Security deposit	-	-
Lease Liability	31.89	-
Salary and Reimbursements	145.71	152.14
<b>Total</b>	<b>192.34</b>	<b>174.03</b>

**Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

**22:Other Current Liabilities**

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>1) Statutory dues payable</b>		
(a) Tax Deducted at Source	19.89	23.07
(b) Provident Fund and other employee deductions	11.64	11.58
(c) GST	91.42	128.07
(d) VAT, Service tax, Excise duty	-	-
(e) Others	2.47	2.89
<b>2) Revenue received in advance</b>	81.93	28.16
<b>3) Provision for expense</b>	121.10	118.49
<b>4) Other current liability</b>	8.71	-
<b>5) Advances from customers</b>	292.40	201.57
<b>6) Creditors for other liabilities</b>	135.73	148.76
<b>Total</b>	<b>765.29</b>	<b>662.59</b>

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

23:A Current provisions

Particulars	(Rs.in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Provision for warranty claims	34.82	15.19
<b>Provision for employee benefits</b>		
Superannuation	-	2.16
Gratuity	34.81	62.32
Leave Encashment	19.98	17.83
<b>Total</b>	<b>89.61</b>	<b>97.50</b>

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

23B: Current tax liability

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current Tax Liability (net of tax paid / refund)	-	18.48
<b>Total</b>	<b>-</b>	<b>18.48</b>

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

24: Revenue from Operations

(Rs.in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>(a) Sale of Products</b>		
Sale of manufactured goods(*)	4,447.62	5,838.45
Sale of traded goods	4,334.76	3,302.87
<b>Total (A)</b>	<b>8,782.38</b>	<b>9,141.32</b>
<b>(b) Sale of Services</b>		
Sale of services	704.94	744.67
<b>Total (B)</b>	<b>704.94</b>	<b>744.67</b>
<b>(c) Other Operating Revenues</b>		
Commission Income	844.20	794.91
Scrap & sundry sales	5.92	8.27
Other operating income	0.02	-
<b>Total (C)</b>	<b>850.14</b>	<b>803.18</b>
<b>Total (A+ B+ C)</b>	<b>10,337.46</b>	<b>10,689.17</b>

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

25: Other Income

(Rs.in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest Income	14.54	7.64
Dividend Income	0.68	0.74
	0.03	-
Net gain from foreign currency transactions and translation		
Net gain on sale of fixed assets	0.17	-
Excess provision of doubtful debts written back	-	37.94
Subsidy receivable	-	9.59
Other income	0.06	-
Gain on termination of lease liabilities	2.98	
<b>Total</b>	<b>18.46</b>	<b>55.91</b>

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

**26A: Cost of Materials Consumed**

(Rs.in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Raw material consumed</b>		
Opening stock	644.37	631.09
Purchases	3,143.27	4,243.51
Closing stock	595.65	644.37
<b>Cost of material consumed</b>	<b>3,191.99</b>	<b>4,230.23</b>

**Breakup of cost of material consumed**

(Rs.in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Cost of material consumed</b>		
Steel	132.70	145.71
Batteries	732.11	1,194.53
Others (Tyres, Controller, motor, battery charger etc.)	2,327.18	2,889.99
<b>Total</b>	<b>3,191.99</b>	<b>4,230.23</b>

**26B: Purchase of stock in trade**

(Rs.in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Purchase of traded goods</b>		
Engineered Equipments	2,786.92	1,949.06
Other Components, accessories, spares, etc.	492.75	523.43
<b>Total</b>	<b>3,279.67</b>	<b>2,472.49</b>

**Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

**27: Changes in Inventories**

(Rs.in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade		
Opening Stocks :		
Finished Goods - Manufactured	267.12	222.33
Finished Goods - Traded	360.59	400.91
Work-in-Progress	19.77	40.45
	<b>647.48</b>	<b>663.69</b>
Less: Closing Stocks :		
Finished Goods - Manufactured	233.05	267.12
Finished Goods - Traded	391.80	360.59
Work-in-Progress	285.74	19.77
	<b>910.59</b>	<b>647.48</b>
<b>Total</b>	<b>(263.11)</b>	<b>16.21</b>



Notes to the Standalone Financial Statements for the year ended 31st March, 2020

28: Employee Benefit Expense

(Rs.in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries, wages & bonus	1,728.88	1,668.80
Contributions to provident fund, gratuity and other funds	65.58	66.03
Staff welfare expenses	56.81	44.15
<b>Total</b>	<b>1,851.27</b>	<b>1,778.98</b>

**Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

**29: Finance Costs**

(Rs.in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest expense on term loan, cash credit & bank overdraft	96.20	107.70
Interest expense on other loans	1.52	5.12
Bank charges	40.43	43.75
Interest on Lease Liabilities	12.18	
<b>Total</b>	<b>150.33</b>	<b>156.57</b>

**Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

**30: Other Expenses**

(Rs.in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Sub contract and labour charges	162.08	192.00
Stores and spare parts consumed	17.40	24.21
Fuel and power	37.68	35.68
Repairs & maintenance (factory and office)	34.71	37.59
Repairs to machinery	18.33	14.37
Rent	30.83	59.56
Rates and taxes	13.39	27.94
Sales tax of earlier year write off (incl interest and tax amt)	71.67	29.15
Insurances	8.96	9.63
Travelling expenses	113.06	154.97
Postage, telephone and internet	36.40	43.30
Commission Expense	25.08	32.45
Testing and calibration	61.04	104.75
Advances in Subsidiary written off	-	28.41
Printing and stationery	12.43	14.93
Legal and professional charges	125.16	140.27
Audit fees (Refer note (a) below)	26.83	23.93
Conveyance expenses	156.04	133.22
Provision for doubtful debts	17.32	-
Bad Debts written off	196.21	143.34
Deposits written off	-	18.83
Loss on assets discarded	-	8.20
Freight on sales	160.58	201.43
Motor vehicle expenses	4.80	4.04
Directors' fees	6.40	7.85
Net loss on foreign currency transactions and translation	-	1.79
Miscellaneous expenses	147.19	139.31
<b>Total</b>	<b>1,483.59</b>	<b>1,631.15</b>

**Note (a) :**

**Auditor's Remuneration**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
(a) Audit Fees	18.25	16.00
(b) Tax audit fees	3.05	3.05
(c) Other Services	4.50	4.50
(c) Reimbursement of out of pocket expenses	1.03	0.38
<b>Total</b>	<b>26.83</b>	<b>23.93</b>

**Notes forming part of the Standalone Financial Statements**
**31 Contingent liabilities:**

		(Rs. in lakhs)	
Sr No.	Particulars	As at 31st March 2020	As at 31st March 2019
a)	Claims against company not acknowledged as debts		
i)	Sales Tax demands (Net)	130.56	392.78
ii)	Service Tax demands	-	5.44
iii)	Excise duty demands (Net)	-	1,454.28
iv)	Other Matters	6.25	6.25
b)	Bank Guarantees for performance of contracts	851.75	588.15
c)	On account of corporate guarantee to bankers on behalf of subsidiary for facilities availed by them (amount outstanding at close of the year)	1,717.49	1,788.56
	<b>Total</b>	<b>2,706.05</b>	<b>4,235.46</b>

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the company has made a provision of Rs 0.65 lakhs on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

**32 Commitments**

The estimated amount of contracts remaining to be executed on capital account & other commitments and not provided for:

		(Rs. in lakhs)	
Particulars		As at 31st March 2020	As at 31st March 2019
<b>Capital Commitment</b>			
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for.		352.00	432.80
<b>Other Commitment</b>			
Letter of Credit (LC) issued to Vendors		127.38	206.73
<b>Total</b>	-	<b>479.38</b>	<b>639.53</b>

Note:

1) The Company is in the process of acquiring leasehold land including building at a price of Rs 554.00 lacs and has entered into an agreement on April 12, 2018. During the year the company has made an advance of Rs 80.80 lacs towards the agreement ( Refer note no 14) and the balance is estimated capital commitment for the year. The land is located at MIDC Murbad, District Thane. The rationale behind investment is for expansion of Company's manufacturing activities.

**33 Capital Management:**

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Company consists of debt and total equity of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, External-commercial borrowings and short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The Company is not subject to any externally imposed capital requirements.

Total debt includes all long and short-term debts as disclosed in notes 17A, 17B and 21 to the financial statements.

The gearing ratio at the end of the reporting period was as follows:

		(Rs. in lakhs)	
Particulars		As at 31st March 2020	As at 31st March 2019
Total Debt		1,454.90	1,091.55
Total Equity		2,668.74	2,610.52
<b>Debt to Equity Ratio</b>		<b>0.55</b>	<b>0.42</b>

**34 Disclosure of Financial Instruments:**
**Fair Value Measurement**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other financial liabilities, short term loans from banks approximate their carrying amounts largely due to short term maturities of these instruments.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Accounting classification and fair value:

The following table shows the carrying amount and fair value of Financial assets and Financial liabilities:

Financial Instrument by category

(Rs. in lakhs)

Particulars	Note No.	31st March 2020		
		Fair Value routed through Profit & Loss	Carried at Amortized cost	Total
<b>FINANCIAL ASSETS</b>				
<b>Non-Current Assets</b>	5B	-	1.00	1.00
(i) Investments	6A	-	26.86	26.86
(ii) Others				
<b>Current Assets</b>				
(i) Investments	8	12.71	-	12.71
(ii) Trade receivables	9	-	3,162.90	3,162.90
(iii) Cash and cash equivalents	10A	-	91.60	91.60
(iv) Other bank balances	10B	-	639.32	639.32
(v) Loans	11	-	-	-
(vi) Other Financial Assets	12	-	29.74	29.74
<b>Total Financial Assets</b>		<b>12.71</b>	<b>3,951.42</b>	<b>3,964.13</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
(i) Borrowings	17A	-	11.69	11.69
<b>Current liabilities</b>				
(i) Borrowings	17B	-	1,437.02	1,437.02
(ii) Trade payables	20	-	2,014.91	2,014.91
(iii) Other financial liabilities	21	-	192.34	192.34
<b>Total Financial Liabilities</b>		<b>-</b>	<b>3,655.96</b>	<b>3,655.96</b>

Financial Instrument by category

(Rs. in lakhs)

Particulars	Note No.	31st March 2019		
		Fair Value routed through Profit & Loss	Carried at Amortized cost	Total
<b>FINANCIAL ASSETS</b>				
<b>Non-Current Assets</b>				
(i) Investments	5B	-	1.00	1.00
(ii) Others	6A	-	29.13	29.13
<b>Current Assets</b>				
(i) Investments	8	12.16	-	12.16
(ii) Trade receivables	9	-	3,224.39	3,224.39
(iii) Cash and cash equivalents	10A	-	351.74	351.74
(iv) Other bank balances	10B	-	199.64	199.64
(v) Loans	11	-	0.37	0.37
(vi) Other Financial Assets	12	-	18.13	18.13
<b>Total Financial Assets</b>		<b>12.16</b>	<b>3,824.40</b>	<b>3,836.56</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
(i) Borrowings	17A	-	17.87	17.87
<b>Current liabilities</b>				
(i) Borrowings	17B	-	1,063.38	1,063.38
(ii) Trade payables	20	-	2,065.68	2,065.68
(iii) Other financial liabilities	21	-	174.03	524.36
<b>Total Financial Liabilities</b>		<b>-</b>	<b>3,320.96</b>	<b>3,671.29</b>

**35 Financial Risk management framework:**

The Company is exposed primarily to market risk, credit risk and liquidity risk which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

**Market Risk:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates and other market changes. The Company's exposure to market risk relates to foreign currency exchange rate risk.

**Notes forming part of the Standalone Financial Statements (Contd.)**
**Foreign currency risk management:**

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

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

The following tables demonstrate the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to other foreign currencies is not material.

**Trade Receivables**
**(Rs. in lakhs)**

	Effect on profit before tax		Effect on pre tax equity	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31,2020</b>				
USD (Movement by 10%)	7.12	(7.12)	7.12	(7.12)
Euro (Movement by 10%)	36.02	(36.02)	36.02	(36.02)
<b>March 31,2019</b>				
USD (Movement by 10%)	0.77	(0.77)	0.77	(0.77)
Euro (Movement by 10%)	25.95	(25.95)	25.95	(25.95)

**Trade Payables**
**(Rs. in lakhs)**

	Effect on profit before tax		Effect on pre tax equity	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31,2020</b>				
USD (Movement by 10%)	2.02	(2.02)	2.02	(2.02)
Euro (Movement by 10%)	14.06	(14.06)	14.06	(14.06)
<b>March 31,2019</b>				
USD (Movement by 10%)	3.58	(3.58)	3.58	(3.58)
Euro (Movement by 10%)	13.66	(13.66)	13.66	(13.66)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

The carrying amount of company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

**(Rs. in lakhs)**

Particulars	31st March 2020		31st March 2019	
	USD	EUR	USD	EUR
Trade payables	20.20	140.58	35.84	136.64
Trade receivables	71.20	360.20	7.68	259.46

**Interest Rate Risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest expenses and to manage the interest rate risk, management performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and variable rate financial instruments.

**Exposure to interest rate risk:**
**(Rs. in lakhs)**

Particulars	As at	As at
	31st March 2020	31st March 2019
<b>Fixed Rate Instruments:</b>		
Financial Liabilities	17.88	28.17
<b>Variable Rate Instruments:</b>		
Financial Liabilities	1,350.43	781.04

**Interest rate sensitivity:**

Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in an impact of (decrease/increase in net income)

**(Rs. in lakhs)**

Particulars	31st March 2020		31st March 2019	
	Sensitivity Analysis	Impact on Profit and Loss	Sensitivity Analysis	Impact on Profit and Loss
<b>Variable Rate Borrowings</b>				
Interest Rate Increase by	1.00%	13.50	1.00%	7.81
Interest Rate Decrease by	1.00%	13.50	1.00%	7.81

**Credit Risk:**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Outstanding customer receivables are regularly monitored. The Company maintains its cash and cash equivalents and deposits with banks having good reputation and high quality credit ratings.

**Notes forming part of the Standalone Financial Statements (Contd.)**
**Liquidity Risk:**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**Maturity Analysis for financial liabilities:**

The following are the remaining contractual maturities of financial liabilities as at 31st March 2020:

Particulars	Note No.	(Rs. in lakhs)		
		31st March 2020		
		0 to 1 Year	More than 1 year	Total
<b>FINANCIAL LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
(i) Borrowings	17A	-	11.69	11.69
<b>Current liabilities</b>				
(i) Borrowings	17B	1,437.02		1,437.02
(ii) Trade payables	20	2,014.91		2,014.91
(iii) Other financial liabilities	21	192.34		192.34
<b>Total Financial Liabilities</b>		<b>3,644.27</b>	<b>11.69</b>	<b>3,655.96</b>

The following are the remaining contractual maturities of financial liabilities as at 31st March 2019:

Particulars	Note No.	(Rs. in lakhs)		
		31st March 2019		
		0 to 1 Year	More than 1 year	Total
<b>FINANCIAL LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
(i) Borrowings	17A	-	17.87	17.87
<b>Current liabilities</b>				
(i) Borrowings	17B	1,063.38	-	1,063.38
(ii) Trade payables	20	2,065.68	-	2,065.68
(iii) Other financial liabilities	21	174.03	-	174.03
<b>Total Financial Liabilities</b>		<b>3,303.09</b>	<b>17.87</b>	<b>3,320.96</b>

**36 Employee Benefits:**
**A. Defined Contribution Plan**

The Company has recognized Rs. 19.13 lakh for provident fund contribution in the Statement of Profit and Loss for the year ended March 31, 2020 (March 31, 2019 - Rs. 19.32 lakh).

**B. Defined Benefit Plan**

Amount recognised in the balance sheet and movement in the net defined benefit obligation for the year are as follows:

Particulars	(Rs. in lakhs)	
	As at 31st March 2020	As at 31st March 2019
<b>i) Reconciliation of defined benefit obligation</b>		
Liability at the beginning of the year	231.97	286.46
Current Service Cost	13.96	14.46
Interest cost	12.91	15.48
Actuarial losses/(gains) arising from:		
Demographic assumption	-	-
Financial assumption	8.08	1.97
Experience Gain/(Loss) on Plan Assets	2.19	(7.23)
Benefits Paid	(32.07)	(79.17)
Projected benefit obligation at the end of the year	237.04	231.97
<b>ii) Reconciliation of Fair Value of Plan Asset</b>		
Fair value of the Plan assets at the beginning of the year	19.09	36.50
Expected return on plan Assets	(6.47)	(7.14)
Contribution	55.50	64.00
Benefits Paid	(32.07)	(79.17)
Actuarial Gain/ (Loss) on plan assets	5.29	4.90
Fair value of plan asset at the end of the year	41.34	19.09
<b>iii) Expenses recognized in statement of profit or loss under the head employee benefit expenses</b>		
Current Service Cost	13.96	14.46
Interest Expense on DBO	7.62	10.57
Expenses recognized in Statement of Profit or Loss	21.58	25.03
<b>iv) Re-measurement for the period</b>		
Experience Gain/(Loss) on Plan Liabilities	(2.19)	7.23
Demographic Gain/(Loss) on Plan Liabilities	-	-
Financial Gain/(Loss) on Plan Liabilities	(8.08)	(1.97)
Actuarial Gain/ (Loss) on plan assets	(6.48)	(7.14)
Total Actuarial Gain/(Loss) included in OCI	(16.75)	(1.88)

Notes forming part of the Standalone Financial Statements (Contd.)

	(Rs. in lakhs)	
	As at 31st March 2020	As at 31st March 2019
<b>v) Amount recognized in Other Comprehensive Income (OCI)</b>		
Opening Amount recognized in OCI	48.17	46.29
Re-measurement for the period – Plan Assets (gain)/loss	6.48	7.14
Experience adjustments	2.18	(7.23)
Changes in financial assumptions	8.08	1.97
Changes in demographic assumptions	-	-
Total re-measurement cost/(credit) for the period recognized in OCI	-	-
Closing Amount recognized in OCI	64.91	48.17
<b>vi) Principal Actuarial Assumptions</b>		
Financial Assumptions		
Discount Rate	5.50%	6.75%
Salary Escalation	5.00%	5.00%
<b>Demographic Assumptions</b>		
<b>Mortality Rate</b>	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Withdrawal Rate	0.00965	0.00965
Retirement age	58	58

	(Rs. in lakhs)	
Particulars	As at 31st March 2020	As at 31st March 2019
<b>Amount recognised in Balance Sheet</b>		
Present value of defined benefit obligation	237.04	231.97
Fair value of plan assets	41.34	19.09
Net (Liability)/ Asset recognised in the Balance Sheet	195.70	212.88

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

(b) Expected Return on Plan Assets (as certified by the actuary): This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.

(c) Salary Escalation Rate: The estimates of future salary increase considered taking into the account the inflation.

(d) Category of Plan Assets:

	(Rs. in lakhs)	
Particulars	As at 31st March 2020	As at 31st March 2019
Unquoted	10.31	11.25
Insurer Managed Funds *	31.02	7.84

\*The Company maintains gratuity fund, which is being administered by Life Insurance corporation. Fund Value confirmed by Life Insurance Corporation as at March 31, 2020 is considered to be the fair value.

A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

Particulars	31st March 2020		31st March 2019	
	Increase	Decrease	Increase	Decrease
<b>Sensitivity Analysis</b>				
Discount rate (0.5% movement)	1.40%	1.44%	1.41%	1.45%
Defined benefit obligation ( Rs in Lakhs)	233.73	240.45	228.69	235.33
Future salary growth ( 0.5% movement)	1.44%	1.41%	1.47%	1.44%
Defined benefit obligation ( Rs in Lakhs)	240.45	233.70	235.38	228.62

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

### 37 Segment Reporting

For management purpose, the Company is organized into business units based on its products and services.

Primary Segment information (by Business segment):

#### I. Material Handling Division

##### II. Engineered Products

The Company has disclosed Business Segments as the Primary Segments. The segments have been identified taking into account the nature of the products, the differing risks & returns, the organizational structure and internal reporting system.

There are no reportable geographical segments as the export turnover is not significant. Segment results include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.



**Notes forming part of the Standalone Financial Statements (Contd.)**
**(Rs. in lakhs)**

Particulars	For the Year Ended 31st March,2020			For the Year Ended 31st March,2019		
	Material Handling	Engineered Products	Total	Material Handling	Engineered Products	Total
<b>Segment Revenue</b>						
Revenue from operations	5,028.46	3,753.92	8,782.38	6,323.67	2,817.65	9,141.32
Commission Income	22.30	821.90	844.20	17.25	777.66	794.91
Other Income	190.33	505.02	695.35	211.14	590.31	801.45
	<b>5,241.09</b>	<b>5,080.84</b>	<b>10,321.93</b>	<b>6,552.06</b>	<b>4,185.62</b>	<b>10,737.68</b>
Unallocated Income			33.99			7.40
<b>Total</b>			<b>10,355.92</b>			<b>10,745.08</b>
<b>Segment Results</b>						
Segment results/ operating Profit /(Loss)	(44.82)	1,193.29	1,148.47	42.03	1,017.16	1,059.19
Unallocated income (including income from interest/dividend)			33.99			7.40
Unallocated expenses			490.67			546.73
Interest Expenses			150.33			156.57
Exceptional Item			383.77			-
Profit/ (Loss) before tax			157.69			363.29
Provision for taxation – current tax			76.22			75.38
Excess Provisions for Income Tax in respect of earlier years			(11.89)			10.80
Deferred Tax			(10.68)			(134.15)
<b>Profit/(Loss) after Tax</b>			<b>104.04</b>			<b>411.26</b>
Other Information						
Segment Assets	3,152.07	2,417.14	5,569.21	3,756.50	1,667.09	5,423.59
Unallocated Assets			1,911.42			1,518.25
<b>Total Assets</b>			<b>7,480.63</b>			<b>6,941.84</b>
Segment Liabilities	1,764.28	1,547.94	3,312.23	1,982.80	1,459.38	3,442.18
Unallocated liabilities (Including share capital and reserves)			4,168.40			3,499.66
<b>Total liabilities</b>			<b>7,480.63</b>			<b>6,941.84</b>
Cost incurred during the financial year to acquire segment fixed assets	54.05	44.03	98.08	70.25	23.85	94.10
Cost incurred during the financial year to acquire segment fixed assets (Unallocated)			1.77			9.61
Depreciation	54.35	25.99	80.34	61.18	19.68	80.86
Depreciation (Unallocated)			40.38			15.30

**Note:**

The Company has disclosed Business Segments as the Primary Segments. The segments have been identified taking into account the nature of the products, the differing risks & returns, the organisational structure and internal reporting system. The Company's operations predominantly relate to manufacturing of Material Handling Equipment.

The other Business Segment reported is Engineered Products

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

There are no reportable geographical segments as the export turnover is not significant. Segment results include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

**38 Related party disclosure, as required by Indian Accounting Standard-24, is as below:**
**A. Names of related parties and description of relationship:**

Sr.No	Name of related party	Relationship
1	Mr. Vishal Jain, Vice Chairman & Managing Director	Key Management Personnel
2	Mr. Kshitiz Bilala, Chief Financial Officer(CFO) (upto on 17.12.19)	
3	Mrs.Babita Kumari, Company Secretary (Upto on 29.02.20)	
4	MHE Rentals India Private Limited	Subsidiary
5	Mr. Jai Prakash Agarwal, Chairman and Director	Board of Directors
6	Mr. Farokh Kekhushroo Banatwalla, Independent Director	
7	Mr. Shailesh Rajnikant Sheth, Independent Director	
8	Mr. Marco Philippus Ardeshir Wadia, Independent Director	
9	Mrs. Shikha Jain, Woman Director	
10	Ms Anshu Agarwal	Relative of Chairman
11	Amphenol Interconnect India Private Limited	Private company having common director
12	Amphenol Omniconnert India Private Limited	
13	Chambal Fertilizer and Chemicals Limited	Public Company having common Director
14	Stovec Industries Limited	
15	Simmonds Marshall Limited	

**Notes forming part of the Standalone Financial Statements (Contd.)**
**B. Transactions with Related parties:**

Following transactions have been carried out with related party during the year

(Rs. in lakhs)

Sr.No.	Related Party	Nature of transactions	For the Year ended 31st March 2020	For the Year ended 31st March 2019
1	Stovec Industries Ltd.	Sale of Goods	4.63	0.19
2	Chambal Fertilizer and Chemicals Limited	Sale of Goods	4.94	25.41
3	MHE Rentals India Private Limited	Sale of Goods	56.43	400.85
4	MHE Rentals India Private Limited	Commission Received	26.31	20.36
5	MHE Rentals India Private Limited	Corporate Guarantee Given	2,106.57	1,788.56
6	MHE Rentals India Private Limited	Corporate Guarantee Withdrawn	389.08	-
7	MHE Rentals India Private Limited	Freight Expense	0.23	-
8	MHE Rentals India Private Limited	Insurance premium paid	0.55	-
9	MHE Rentals India Private Limited	Insurance premium received	0.55	-
10	Simmonds Marshall Limited	Sale of Goods	7.79	-
11	Mr. Shailesh Rajnikant Sheth	Registration fees	0.17	-
12	Mr. Shailesh Rajnikant Sheth	Registration fees repaid	0.17	-
13	Amphenol Interconnect India Private Limited	Sale of Goods	0.47	2.28
14	AMPHENOL OMNICONNECT INDIA PRIVATE LIMITED	Sale of Goods	15.37	-
15	Mr. Jai Prakash Agarwal	Dividend payment	3.98	3.98
16	Mr. Vishal Jain	Dividend payment	3.55	3.55
17	Mrs. Shikha Jain	Dividend payment	3.38	3.38
18	Mr. Marco Philippus Ardeshir Wadia	Dividend payment	0.01	0.01
19	Ms Anshu Agarwal	Salary Payment	3.47	-

(Note: The above amounts are inclusive of GST)

**C. Sitting fees:**

(Rs. in lakhs)

Name of the Directors	For the Year ended 31st March 2020	For the Year ended 31st March 2019
1) Mr. J. P. Agarwal	1.80	1.80
2) Mr. Marco Wadia	0.75	1.40
3) Mr. F. K. Banatwalla	1.80	2.20
4) Mr. Shailesh Sheth	1.80	2.20
5) Mrs. Shikha Jain	0.25	0.25
	<b>6.40</b>	<b>7.85</b>

**D. Compensation of Key Managerial Personnel:**

(Rs. in lakhs)

Name of KMP	Designation	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Mrs. Babita Kumari	Company Secretary (Upto 29.02.20)	6.13	2.34
Mr. Kshitiz Bilala	CFO (Upto 17.12.19)	27.74	34.44
Mr. Vishal Jain	Vice Chairman and Managing Director		
	a.Short Term benefits	28.40	34.56
	b.Post Employments benefits	7.60	1.44

**E. Outstanding balances with related party as at balance sheet date:**

(Rs. in lakhs)

Year End Balances	For the Year ended 31st March 2020	For the Year ended 31st March 2019
<b>Receivable</b>		
MHE Rentals India Pvt Ltd	66.39	22.70
Simmonds Marshall Limited	2.31	-
Stovec Industries Ltd.	0.40	-
Chambal Fertiliser and Chemicals Limited	0.83	0.13

**39 Leases:**

The Company has adopted Ind AS 116 effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated. In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard has an impact of decrease of profit by Rs 2.97 lakh for the year. The weighted average incremental borrowing rate of 11% has been applied to lease liabilities recognised in the balance sheet at the date of initial application

**Notes forming part of the Standalone Financial Statements (Contd.)**

The impact of adopting Ind AS 116 on the standalone financial statements for the year ended 31 March 2020 is as follows:

(Rs. in lakhs)

Sr No.	Particulars	Year ended 31.03.20 (Erstwhile basis)	Year ended 31.03.20 (As per Ind AS 116)	Increase/ (Decrease) in profit
1	Other Expenses	1696.2	1,662.90	33.30
2	Finance Cost	316.13	328.31	(12.18)
3	Depreciation & Amortisation	272.48	300.69	(28.21)
4	Reversal of lease liability on termination of lease			(2.97)
5	Loss Before Tax			(4.12)
6	Deferred Tax Impact			(1.15)
7	Loss After Tax			(2.97)

**Lease Liability- Maturity Analysis**

(Rs. in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Not later than one year	31.90	-
Between one to five years	41.78	-
Later than five years	-	-

**40 Earnings per share:**

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
a. Net Profit attributable to shareholders (Rs.in lakhs)	104.04	411.26
b. Weighted average number of Equity Shares (in lakhs)	9.33	9.33
Basic	11.15	44.09
c. Weighted average number of Equity Shares (in lakhs)	9.33	9.33
Diluted	11.15	44.09

**41 Events Occurring after Balance Sheet date**

The Board in its meeting held on June 15, 2020 has recommended a dividend of Rs. 3 per share on a share of Rs. 10 each to the shareholders of the company. This amount is to be paid after approval from shareholders in the ensuing annual general meeting.

**42 Income Tax**

Impact of tax rate change: The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The full impact of this change has been recognised in the statement of Profit &amp; Loss for the year.

(Rs. in lakhs)

Particulars	Year Ended	Year Ended
	31st March 2020	31 March 2019
(a) Amount recognised in Statement of Profit & Loss		
Current tax		
Current tax on profits for the year	76.22	75.38
Income Tax for Earlier Years	(11.89)	10.80
<b>Total current tax expense (A)</b>	<b>64.33</b>	<b>86.18</b>
Deferred tax		
(Increase) in deferred tax assets	(10.68)	(134.15)
<b>Total deferred tax expense/ (credit) (B)</b>	<b>(10.68)</b>	<b>(134.15)</b>
<b>Income tax expense reported in the Statement of Profit &amp; Loss (A+B)</b>	<b>53.65</b>	<b>(47.97)</b>

**(b) Reconciliation of effective tax rate**

(Rs. in lakhs)

Particulars	For year ended 31 March 2020	For year ended 31 March 2019
Profit before income tax expense	157.69	363.29
Statutory income tax rate	27.82%	27.82%
<b>Amount of tax at statutory income tax rate (I)</b>	<b>43.87</b>	<b>101.07</b>
<b>Adjustments:</b>		
Income Tax for Earlier Years	(11.89)	10.80
Difference in property, plant and equipment as per books and Income tax Act, 1961	(0.20)	(0.40)
Mat Credit Entitlement	(0.51)	37.61
Tax impact of bought Forward Losses	-	(54.94)
Deferred tax	(10.68)	(134.15)
Various allowance/ disallowance of expenses	56.51	(11.04)
Others	(23.45)	3.08
<b>Adjustments (II)</b>	<b>9.78</b>	<b>(149.04)</b>
<b>Total Adjustment (I+II)</b>	<b>53.65</b>	<b>(47.97)</b>

**Notes forming part of the Standalone Financial Statements (Contd.)****43 Exceptional Item**

Sabka Vishwas Scheme, 2019, was introduced under Union Budget, 2019, to resolve all disputes relating to the erstwhile Service Tax and Central Excise Acts, which are now subsumed under GST. The Company had submitted its Central Excise and Service Tax matters under dispute for settlement, which were accepted by the authority. The amount paid under the scheme is Rs.383.77 lakhs as on 31st March 2020 and reflected as Exceptional Item in the Statement of Profit and Loss Account. This settlement has resulted in nullifying the Company's contingent liability.

44 The MCA wide notification dated October 11, 2018 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. The Company has incorporated appropriate changes in the above financial statements.

45 The Company Secretary resigned on 28-02-2020 and the Company is in process to appoint the Company Secretary as required under section 203 of the Companies Act 2013. As on 31st March 2020, the office of Company Secretary was vacant.

46 Previous year figures have been regrouped/ re-arranged wherever necessary.

**As per our report of even date attached**

For Singhi & Co.  
Chartered Accountants  
Firm Registration No. 302049E

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

Vishal Jain

Vice Chairman & Managing Director

**Sukhendra Lodha**

Partner  
Membership No.071272

Jai Prakash Agarwal

Chairman

Place: Mumbai  
Date: 15th June 2020

Place: Mumbai  
Date: 15th June 2020

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Jost's Engineering Company Limited**

**Report on the Audit of the Consolidated Ind AS Financial Statements**

### **Opinion**

We have audited the accompanying consolidated Ind AS financial statements of **Jost's Engineering Company Limited** (hereinafter referred to as "the Holding Company"), and its subsidiary ( Holding Company and its subsidiary together referred to as "the Group") which comprise 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 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 the reports of other auditor on separate financial statements and on the other financial information of subsidiary, 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, its consolidated cash flows and the consolidated 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 SAs 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.

## 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 the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Revenue recognition –Refer Note 3.6 of the consolidated Ind AS financial statements</b></p>	
<p>The Holding company manufactures and sells a number of products and services to its customers, mainly in domestic market through its own sales &amp; distribution network. Sales contracts contain various performance obligations and other terms, including warranties and after sales services. The determination of when significant performance obligations have been met varies, can be the key consideration for revenue recognition, service and the warranty cost.</p> <p>The Holding company has analysed its various sales contracts and concluded on the principles for deciding in which period or periods the company's sales transactions should be recognized as revenue.</p> <p>The accounting policies and the note to the consolidated Ind AS financial statement provide additional information on how the company accounts for its revenue and how the implementation of the Ind AS 115 has affected the company's financial reporting.</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ol style="list-style-type: none"> <li>a. Evaluated the design of internal controls relating to revenue recognition</li> <li>b. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.</li> <li>c. Carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls.</li> <li>d. Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>e. Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> </ol>

<b>Key audit matters</b>	<b>How our audit addressed the key audit matter</b>
	<p>f. Samples in respect of revenue recorded customer acceptances, subsequent invoicing and historical trend of collections and disputes.</p> <p>g. Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.</p> <p>h. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</p>
<b>Trade receivables (Refer Note 9 of Consolidated Ind AS Financial Statement)</b>	
<p>Trade receivable balances are significant to the Holding Company as they amounted to Rs 3297 lakhs representing 44.1 % of the total current assets and 31.89% of the total revenue of the Holding Company for the year ended 31st March 2020. During the current financial year, the Holding Company has recognized bad debts Rs 196.21 lakhs. The collectability of trade receivables is a key element of the working capital management, which is managed on an ongoing basis by management. The determination as to whether a trade receivable is collectable involves management judgement. Specific factors management considers include the age of the balances, category of customers, existence of disputes, recent historical payments and any other available information concerning the creditworthiness of customers. Management uses the information to assist in their judgement to determine whether allowance for doubtful / bad debts is required.</p>	<p>Our procedures included the following:</p> <p>a. Obtained an understanding of the Group's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers.</p> <p>b. On a sample basis, requesting trade receivable confirmations and evidence of receipts from the customers subsequent to balance sheet date.</p> <p>c. Analyses of ageing profile of the trade receivables to identify credit risks, reviewing historical Payment patterns and correspondence with customers on expected settlement dates.</p> <p>d. Also evaluated the assumptions and estimates used by management to determine the recoverability, provision for doubtful and trade receivables.</p> <p>e. Evaluated the provisions made for expected credit loss as per ECL model as specified by Ind AS 109.</p> <p>f. Review of documents and other records for trade receivables considered as doubtful and bad.</p>
<b>Legal cases ( Exceptional Item) (Refer Note 46 of Consolidated Ind AS Financial Statement)</b>	
<p>The Holding Company had litigations in respect of certain Excise duty, Sales Tax and Service tax. pertaining to earlier years. During the year the holding Company has availed benefits under Sabka Vishwas Scheme, 2019, which introduced under Union Budget, 2019, to</p>	<p>Our procedures included the following:</p> <p>a. Obtained an understanding, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations;</p>

<b>Key audit matters</b>	<b>How our audit addressed the key audit matter</b>
<p>resolve all disputes relating to the erstwhile Service Tax and Central Excise Acts, which are now subsumed under GST. The Holding Company had submitted its Central Excise and Service Tax matters under dispute for settlement, which were accepted by the authority. The amount paid under the scheme is Rs.383.77 lakhs as on 31st March 2020 and reflected as Exceptional Item in the Statement of Profit and Loss Account. This settlement has resulted in nullifying the Holding Company's contingent liability pertaining to excise and service tax.</p>	<p>b. Read Sabka Vishwas Scheme, 2019, to understand the features, benefits and operational steps.</p> <p>c. Discussed with management the recent developments and the status of these matters.</p> <p>d. Performed our assessment on the underlying calculations supporting the matters under dispute and submissions made by the Group to claim the benefits under the Scheme.</p> <p>e. Verification of documents submitted and the confirmations received from the authorities.</p> <p>f. Accounting of the claims submitted, payments and adjustment made for pre deposits and discloser in the financial statements.</p>

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

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 the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management for the Consolidated Ind AS Financial Statements**

The Holding 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 consolidated Ind AS financial



statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated 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 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 each 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 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 consolidated Ind AS financial statements by the Directors of Holding Company, as aforesaid .

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the Companies included in group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

### **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 systems with reference to the financial

statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- 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 Group'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 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 entity within the Group to express an opinion on the Consolidated Ind AS financial Statement. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company included in the Consolidated Ind AS financial Statement of which we are the independent auditor. For the Subsidiary Company included in the Consolidated Ind AS financial Statement, which have been audited by other auditor, such other auditor 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 Holding Company and 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**

1. Due to COVID-19 related lock-down restrictions, the management of the holding company was able to perform year end physical verification of Inventories, subsequent to the year end. Due to lock- down, we were not able to physically observe the stock verification which was carried out by the management.

Consequently, we have performed alternate procedure to audit the existence of inventory as per the guidance provided in SA 501 “Audit Evidence – Specific Consideration for Selected Items” and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these financial result.

2. We did not audit the financial statement of one subsidiary company whose financial statements reflect total assets of Rs. 2445.16 lakhs as at March 31, 2020, total revenues of Rs 1228.39 and net cash outflow of Rs 43.45 lakhs for the year ended March 31, 2020 as considered in consolidated Ind AS financial statement .These financial statements have been audited, by the other auditor whose report has been furnished to us by the management and our opinion on the consolidated Ind AS financial statement, in so far as it relates to the amounts and disclosures included in respect of subsidiary is based solely on the report of other auditor.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below are not modified in respect of above matters with respect to our reliance on the work done and the reports of other auditor and the financial statements conclusion on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the report of other auditor and financial statements certified by management.

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

1. (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of report of other auditor on separate financial statements and other financial information of a subsidiary, as noted in “Other Matters” paragraph, We report to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and report of other auditor;
  - (c) 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 accounts maintained by Holding Company and its subsidiary including records for the purpose of preparation of the consolidated Ind AS financial statements
  - (d) 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 from time to time;

- (e) On the basis of the written representations received from the directors of Holding Company as on 31<sup>st</sup> March 2020 and taken on record by the Board of Directors of Holding Company, and the reports of the Statutory Auditor of the Subsidiary Company, none of the directors of Group Companies is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statement of the Holding Company and Subsidiary and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” to this report;
- (g) With respect to the matter to be included in the Auditors’ Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company and Subsidiary to its directors during the current year is in accordance with the provisions of Section 197 read with schedule V to the Act .
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditor on separate financial statements as also the other financial information of Subsidiary as noted in “Other matter” paragraph :
- i. The Consolidated IND AS financial statements disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements – Refer Note 31 to the consolidated Ind AS financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group during the year ended 31<sup>st</sup> March, 2020.

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration Number: 302049E

Sukhendra Lodha  
Partner  
Membership No:071272

Date: June 15, 2020

Place: Mumbai

UDIN:20071272AAAAAY4430

## **Annexure - A to the Independent Auditor's Report**

(Referred to in paragraph 2(A)(f) with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Jost's Engineering Company Limited ('the Holding Company') as of and for the year ended 31<sup>st</sup> March 2020, we have audited the internal financial controls over financial reporting of Jost's Engineering Company Limited ("the Holding Company") and its Subsidiary Company, as of that date

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

2. The respective Board of Directors of the Holding Company and its Subsidiary Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 Act.

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the internal financial controls of the Holding Company and its Subsidiary Company with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, 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 applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with respect to consolidated financial statements included obtaining an understanding of internal financial controls with respect to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The

procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system of the Holding Company and its Subsidiary Company with reference to consolidated Ind As financial statements.

#### **Meaning of Internal Financial Controls over Financial Reporting with reference to Consolidated Ind AS Financial Statements**

6. A Company's internal financial control with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 with reference to these Consolidated Ind AS Financial Statements**

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

#### **Opinion**

8. In our opinion, the Holding Company and its Subsidiary Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal control with reference to consolidated Ind AS financial statements criteria established by the Holding 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.

## Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the Subsidiary Company, a company incorporated in India, is based on the corresponding report of the auditor of such company, incorporated in India

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration Number: 302049E

Sukhendra Lodha  
Partner  
Membership No:071272  
UDIN:20071272AAAAAY4430

Date: June 15, 2020

Place: Mumbai

Rs. (in lakhs)

Particulars	Note No.	As at	As at
		31st March, 2020	31st March, 2019
		Audited	Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4A	2,296.18	2,360.03
(b) Capital work-in-progress	4A	21.36	23.45
(c) Right of use asset	4B	69.57	-
(d) Intangible assets	4C	26.30	18.60
(e) Financial assets		-	-
(i) Investments	5	1.03	1.03
(ii) Other financial assets	6A	30.30	32.28
(f) Deferred tax assets (net)	6B	171.49	197.35
<b>Total Non-current assets</b>		<b>2,616.23</b>	<b>2,632.74</b>
<b>Current assets</b>			
(a) Inventories	7	1,511.92	1,298.30
(b) Financial assets			
(i) Investments	8	12.71	12.16
(ii) Trade receivables	9	3,371.82	3,462.03
(iii) Cash and cash equivalents	10A	103.80	384.95
(iv) Other balances with bank	10B	639.32	205.20
(v) Loans	11	9.67	2.43
(vi) Other financial assets	12	29.74	18.13
(c) Current tax assets	13	46.56	-
(d) Other current assets	14	879.45	853.14
<b>Total current assets</b>		<b>6,604.99</b>	<b>6,236.34</b>
<b>TOTAL ASSETS</b>		<b>9,221.22</b>	<b>8,869.08</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	15	93.29	93.29
Other equity	16	2,412.71	2,404.70
NCI		314.11	345.64
<b>Total equity</b>		<b>2,820.11</b>	<b>2,843.63</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17A	803.48	1,138.17
(b) Provisions	18	250.62	217.02
(c) Other non-current liabilities	19	71.83	24.05
<b>Total non-current liabilities</b>		<b>1,125.93</b>	<b>1,379.24</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17B	1,453.54	1,124.43
(ii) Trade payables			
Due to micro and small enterprises	20	169.17	161.23
Due to others		1,897.03	1,930.09
(iii) Other financial liabilities	21	734.63	620.34
(b) Other current liabilities	22	931.20	703.23
(c) Provisions	23A	89.61	97.53
(d) Current tax liabilities	23B	-	9.36
<b>Total Current Liabilities</b>		<b>5,275.18</b>	<b>4,646.21</b>
<b>Total liabilities</b>		<b>6,401.11</b>	<b>6,025.45</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,221.22</b>	<b>8,869.08</b>

Significant Accounting Policies

3

The accompanying notes are an integral part of consolidated financial statements

As per our report of even date attached

For Singhi &amp; Co.

Chartered Accountants

Firm Registration No. 302049E

For and on behalf of Board of Directors

Vishal Jain

Vice Chairman &amp; Managing Director

Sukhendra Lodha

Partner

Membership No.071272

Jai Prakash Agarwal

Chairman

Place: Mumbai

Date: 15th June 2020

Place: Mumbai

Date: 15th June 2020



## CONSOLIDATED STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

Rs. (in lakhs)

	Particulars	Note No.	Year ended 31st	Year ended 31st
			March, 2020	March, 2019
			Audited	Audited
	<b>INCOME</b>			
	Revenue from operations	24	11,494.91	11,244.77
	Other income	25	19.27	58.77
I	<b>Total Income</b>		<b>11,514.18</b>	<b>11,303.54</b>
	<b>Expenses</b>			
	Cost of materials consumed	26A	3,162.59	3,926.54
	Purchases of stock-in-trade	26B	3,290.27	2,472.49
	Changes in inventories of finished goods, stock-in -trade and work-in-progress	27	(263.11)	16.21
	Excise duty		-	-
	Employee benefits expense	28	2,571.76	2,398.20
	Finance costs	29	328.32	261.62
	Depreciation and amortization expense	4A,4B,4C	300.68	206.97
	Other expenses	30	1,662.92	1,795.51
II	<b>Total Expenses</b>		<b>11,053.43</b>	<b>11,077.54</b>
	<b>Profit before exceptional items and tax (I-II)</b>		<b>460.75</b>	<b>226.00</b>
	Exceptional items	46	383.77	-
III	<b>Profit before tax (I-II)</b>		<b>76.98</b>	<b>226.00</b>
	<b>Less: Tax expense</b>			
	(1) Current tax		76.22	75.38
	(2) Deferred tax		(10.68)	(146.84)
	(3) Short/(Excess) provision for tax of earlier years		(11.89)	10.80
IV	<b>Total tax expense</b>		<b>53.65</b>	<b>(60.66)</b>
V	<b>Profit for the year</b>		<b>23.33</b>	<b>286.66</b>
VI	<b>Other Comprehensive Income (OCI)</b>			
	(i) Items that will not be reclassified to profit or loss			
	(a) Measurement of defined employee benefit plan		(17.77)	(1.88)
	(b) Income tax relating to above items		4.66	0.52
	<b>Total Other Comprehensive Income (net of taxes)</b>		<b>(13.11)</b>	<b>(1.36)</b>
VII	<b>Total Comprehensive Income for the year (V+VI)</b>		<b>10.22</b>	<b>285.30</b>
VIII	<b>Profit for the period attributable to :</b>			
	Share holders of the Company		54.46	326.46
	Non-controlling interests		(31.13)	(39.80)
	<b>Profit for the year</b>		<b>23.33</b>	<b>286.66</b>
IX	<b>Other comprehensive income attributable to:</b>			
	Share holders of the Company		(12.71)	(1.36)
	Non controlling interest		(0.40)	-
	<b>Other comprehensive income for the year</b>		<b>(13.11)</b>	<b>(1.36)</b>
X	<b>Total comprehensive income attributable to :</b>			
	Share holders of the Company		41.75	325.10
	Non-controlling interests		(31.53)	(39.80)
	<b>Total comprehensive income for the year</b>		<b>10.22</b>	<b>285.30</b>
XI	Basic and Diluted Earnings per share (not on annualized basis)		2.50	30.73

Significant Accounting Policies

The accompanying notes are an integral part of consolidated financial statements

3

As per our report of even date attached

For Singhi &amp; Co

Chartered Accountants

Firm Registration No. 302049E

For and on behalf of Board of Directors

Vishal Jain

Vice Chairman &amp; Managing Director

Sukhendra Lodha

Partner

Membership No.071272

Jai Prakash Agarwal

Chairman

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH,2020

Particulars	Rs. (in lakhs)	
	For the year ended 31st March 2020	For the year ended 31st March 2019
	<b>Audited</b>	<b>Audited</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX &amp; AFTER EXCEPTIONAL ITEM</b>	76.98	226.00
<b>ADJUSTMENTS FOR:</b>		
Depreciation	300.68	206.97
(Profit) /Loss on sale of assets	(0.17)	8.20
Fair value gain on Mutual fund investment	(0.55)	-
Income on termination of lease	(2.98)	-
Dividend income	(0.69)	(0.74)
Subsidy income	-	(9.59)
Advances in Subsidiary written off	-	28.41
Interest expense	287.89	217.88
Interest income	(15.35)	(9.19)
Provision for doubtful debts	17.32	(37.94)
Bad debts & Deposits written off during the year	204.61	168.83
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>867.74</b>	<b>798.83</b>
Adjustments for :		
Trade receivables	(175.15)	(82.27)
Inventories	(208.25)	5.77
Trade payables	18.32	221.42
Other current financial assets	(19.52)	(9.64)
Other current financial liabilities	(43.93)	64.37
Other current liabilities	240.26	1.64
Other current asset	(26.77)	(261.26)
Loans	0.37	23.77
Other non-current liabilities	6.00	(8.51)
Other non-current assets	(9.96)	(31.30)
Change in provisions	25.68	(47.46)
Change in Current tax liability	(3.57)	4.53
<b>CASH GENERATED FROM OPERATIONS</b>	<b>671.22</b>	<b>679.89</b>
Taxes paid (Net of refunds)	(52.25)	(30.40)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>618.97</b>	<b>649.49</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property,Plant and Equipment, Intangible assets and Capital WIP	(220.06)	(1,471.36)
Sale of Property,Plant and Equipment	1.59	-
Investment in deposits	1.88	5.26
Purchase of Investments	-	(0.62)
Interest received	15.35	9.19
Dividend received	0.69	0.74
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(200.55)</b>	<b>(1,456.79)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from minority shareholders	-	198.98
Proceeds from borrowings	875.25	1,436.35
Repayment of borrowings	(1,064.46)	(308.52)
Dividend paid (including tax)	(33.74)	(22.49)
Repayment of lease liability	(33.30)	-
Interest paid	(287.89)	(214.99)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(544.14)</b>	<b>1,089.33</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(125.72)</b>	<b>282.03</b>
Add: Cash and cash equivalents at the beginning of the year	(48.29)	(330.32)
Cash and cash equivalents at the end of the year	<b>(174.01)</b>	<b>(48.29)</b>
<b>Cash and cash equivalents as per above comprises of the following :</b>		
Cash and cash equivalent	103.80	384.95
Other bank balances	639.32	205.20
	<b>743.12</b>	<b>590.15</b>
Bank Overdraft	(917.13)	(638.44)
<b>Balances as per statement of Cash Flows</b>	<b>(174.01)</b>	<b>(48.29)</b>

Debt reconciliation statement in accordance with Ind AS 7

**Borrowings**

Opening Balances	2,632.50	1,649.84
Movement	89.48	982.66
<b>Closing Balance</b>	<b>2,721.98</b>	<b>2,632.50</b>

\* Bank overdraft and Cash Credit facility are part of above debt reconciliation

The accompanying notes are an integral part of consolidated financial statements.

- The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard '7' on "Statement of Cash Flows".
- Previous year figures have been regrouped/ re-arranged wherever necessary.

As per our report of even date attached

For and on behalf of Board of Directors

 For Singhi & Co.  
 Chartered Accountants  
 Firm Registration No. 302049E

Vishal Jain

Vice Chairman &amp; Managing Director

 Sukhendra Lodha  
 Partner  
 Membership No.071272

Jai Prakash Agarwal

Chairman

 Place: Mumbai  
 Date: 15th June 2020

 Place: Mumbai  
 Date: 15th June 2020

## 1 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## a. Equity Share Capital

(Rs.in lakhs)		
Particulars	Note No.	Amount
<b>As at 1st April 2018</b>	15	93.29
Changes in Equity Share Capital		-
<b>As at 31st March 2019</b>	15	93.29
Changes in Equity Share Capital		-
<b>As at 31st March 2020</b>	15	93.29

## b. Other Equity

Rs. (in lakhs)

Particulars	Reserves and Surplus			Item of Other Comprehensive Income	Total Other Equity	Non Controlling Interest	Total
	Securities Premium Reserve	Retained Earnings	General reserve	Remeasurement of defined benefit plan			
<b>As at 1st April 2018</b>	1,063.86	840.85	229.78	(32.40)	2,102.09	186.46	2,288.55
Other Comprehensive Income for the year ended 31st March 2019	-	-	-	(1.36)	(1.36)	-	(1.36)
Dividends including Dividend Distribution Tax	-	(22.49)	-	-	(22.49)	-	(22.49)
Transfer to retained earnings	-	-	-	-	-	(39.80)	(39.80)
<b>Addition during the year</b>							
Issue of right shares( Net off share issue expenses)	-	-	-	-	-	198.98	198.98
Profit/( Loss) for the year	-	326.46	-	-	326.46	-	326.46
<b>Balance as at 31st March 2019</b>	1,063.86	1,144.82	229.78	(33.76)	2,404.70	345.64	2,750.34
Other Comprehensive Income for the year ended 31st March 2020	-	-	-	(12.71)	(12.71)	-	(12.71)
Dividends including Dividend Distribution Tax	-	(33.74)	-	-	(33.74)	-	(33.74)
Transfer to retained earnings	-	-	-	-	-	(31.13)	(31.13)
Movement of OCI on Non Controlling Interest	-	-	-	-	-	(0.40)	(0.40)
<b>Addition during the year</b>							
Issue of right shares( Net off share issue expenses)	-	-	-	-	-	-	-
Profit/( Loss) for the year	-	54.46	-	-	54.46	-	54.46
<b>Balance as at 31st March 2020</b>	1,063.86	1,165.54	229.78	(46.47)	2,412.71	314.11	2,726.82

The accompanying notes are an integral part of consolidated financial statements.

## As per our report of even date attached

For Singhi & Co  
Chartered Accountants  
Firm Registration No. 302049E

## For and on behalf of Board of Directors

Vishal Jain Vice Chairman & Managing Director

Sukhendra Lodha  
Partner  
Membership No.071272

Jai Prakash Agarwal

Chairman

## Jost's Engineering Company Limited

### Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

#### 1 Corporate Information

Jost's Engineering Company Limited (the 'Company') is domiciled in India. The Company's registered office is at Great Social Building, 60 Sir Phirozeshah Mehta Road, Mumbai- 400001. The Company's primary business areas are material handling, industrial finishing and engineered products. The Company's equity shares are listed on Bombay Stock Exchange (BSE). The Company has one subsidiary i.e. MHE Rentals India Private Limited which has been considered in these consolidated financial statements and its primary business area is material handling rental business.

The consolidated financial statements of the Company for the year ended March 31, 2020 were approved for issue in accordance with the resolution of the Board of Directors on June 15, 2020

#### 2 Basis for preparation of financial statements

##### 2.1 Statement of Compliance:

The Consolidated Financial Statements ("the financial statements") relate to the Company and its subsidiary (collectively "the group"). These Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

##### 2.2 Basis of Preparation:

The Consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use. The Group has prepared these Financial Statements as per the format prescribed in Schedule III to the Companies Act, 2013

The consolidated financial statements are presented in ('INR') which is the group's functional currency and all the values are rounded off to the nearest lakh except when otherwise indicated.

##### 2.3 Basis of measurement:

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative financial instruments) that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the considerations given in exchange for goods and services.

##### 2.4 Principles of Consolidation:

I. The Consolidated Financial Statements incorporates the Financial Statements of the Holding Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Holding Company is treated as subsidiary. The Holding Company together with its subsidiaries constitute the Group. Control exists when the Holding Company, directly or indirectly, having power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

II. Consolidation of a subsidiary begins when the Holding Company, directly or indirectly, obtains control over the subsidiary and ceases when the Holding Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed off during the year are included in the Consolidated Statement of Profit and Loss from the date the Holding Company, directly or indirectly, gains control until the date when the Holding Company, directly or indirectly, ceases to control the subsidiary.

III. The Consolidated Financial Statements of the Group combines the Financial Statements of the Holding Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Holding Company except depreciation, where the Company follows Written Down Value (WDV) method whereas the subsidiary is following Straight Line Method (SLM). The Consolidated Financial Statements have been presented to the extent possible, in the same manner as Holding Company's standalone financial statements. Profit or loss and each component of other comprehensive income are attributed to the owners of the Holding Company and to the non-controlling interests and have been shown separately in the financial statements.

IV. Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Holding Company.

## 2.5 Current or Non-current classification:

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized within twelve months after the reporting period; or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle;
- ii. It is held primarily for the purpose of trading;
- iii. It is due to be settled within twelve months after the reporting period; or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

## 2.6 Key Accounting Estimates and Judgements:

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying Group's accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following note

- a. Estimated useful life of PPE & intangible assets - Refer note no 4A & 4B
- b. Probable outcome of matters included under Contingent liabilities - Refer note no. 31
- c. Estimation of Defined benefit obligation - Refer note no. 36
- d. Estimation of Tax expense and tax payable - Refer note no. 45
- e. Measurement of Lease liabilities and Right of Use Asset (ROUA) - Refer Note 4B, 19 & 21

### Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business.

The spread of Covid 19 has affected the business from 3rd week of March 2020, which culminated into scaling down of the Groups's operations, post the national lock down. The Group has taken various measures in consonance with Central and State Government advisories to contain the pandemic, which includes closing of manufacturing facilities and adopting work from home policy for employees across locations. Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Group has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates, the Group does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. Pursuant to the relaxed guidelines, the Holding Company has now resumed its manufacturing operations as allowed in strict compliance. Supply chain and product sale activities are being resumed, most of the staff continues to operate from home. Since the situation is continuously evolving, the impact assessed may be different from the estimates made as at the date of approval of these financial statements and the Holding Company will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Group and take necessary measures to address the situation.

### 2.6.1 Impairment of property, plant and equipment

Determining whether property, plant and equipment is impaired requires an estimation of the value in use of the cash-generating unit. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. When the actual future cash flows are less than expected, a material impairment loss may arise.

### 2.6.2 Useful lives of property, plant and equipment

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

### 2.6.3 Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount. Due to the judgements involved in such estimations the provisions are sensitive to the actual outcome in future periods.

### 2.6.4 Recognition of deferred tax assets

Deferred Tax resulting from “temporary difference” between the carrying amount of an asset or liability in the balance sheet and its tax base book profit and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be adjusted in future. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

## 2.7 Changes in accounting policies and disclosures

### New and amended Standards & interpretations

The Group applied Ind AS 116 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below:

#### Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Group has adopted Ind AS 116 using modified retrospective method of adoption with the date of initial application of April 01, 2019 with the cumulative effect of initially applying the Standard recognised at the date of initial application.

The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application

## 2.8 Recent Accounting Developments

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

## 3 Summary of Significant Accounting Policies:

### 3.1 Property, plant and equipment:

#### (a) Recognition and measurement:

Property, plant and equipment held for use in production or supply of goods or services or for administrative purposes are stated at cost less accumulated depreciation less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

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

#### (b) Derecognition of Assets:

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

**(c) Depreciation:**

The Group has provided depreciation on a Written Down Value (WDV) basis over the estimated useful lives of assets as prescribed under Schedule II of the Companies Act, 2013.

The economic useful lives of assets are assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

The estimated useful lives of PPE are as follows:

Sr. No.	Particulars	Useful Life
1	Factory Building-Main Premises	60 Years
2	Factory Building-Major Extentions	30 years
3	Factory Building-Minor	5 Years
4	Computers & Data Processing Units-End User Devices	3 Years
5	Computers & Data Processing Units-Servers & Networks	6 Years
6	General Furniture & Fittings	10 Years
7	Office Equipment	5 Years
8	Plant & Machinery	15 Years
9	Vehicles - Motor Car	8 Years
10	Vehicles - Motor Cycle/Scooter	10 Years

The subsidiary MHE Rentals India Private Limited has provided depreciation on a Straight-Line Method (SLM) basis over the estimated useful lives of assets as prescribed under Schedule II of the Companies Act, 2013, the estimated useful lives of PPE are as follows :

Particulars	Useful Life (in years)
Plant and Machinery	10 years for Refurbished Machines.
Plant and Machinery	15 years for new Machines.
Spares	5 Years
Tools & Tackles	3 Years

Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement.

The economic useful lives of assets are assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

**3.2 Intangible assets:**

**(a) Recognition and measurement:**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization. The estimated useful life, the amortization method and the amortization period are reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

**(b) Derecognition of Assets:**

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

**(c) Amortisation:**

The Group recognises amortization on a Written Down Value (WDV) basis over their estimated useful lives, which reflects the pattern in which the asset's economic benefits are consumed. Intangible assets that are not available for use are amortized from the date they are available for use.

The estimated useful life are as follows:

Sr. No.	Particulars	Useful Life
1	Intangible Asset - Software Licenses	2 Years
2	Intangible Asset - General	10 Years

The subsidiary MHE Rentals India Private Limited has provided depreciation on a Straight-Line Method (SLM) basis over the estimated useful lives which reflects the pattern in which the asset's economic benefits are consumed

**The estimated useful life are as follows:**

Sr. No.	Particulars	Useful Life
1	Intangible Asset - Software Licenses	3 Years

**3.3 Leases:**

The Group has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Group lease asset classes consist of leases for Buildings. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Group recognises a right-of-use asset ("ROU") at the commencement date of the lease and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The ROU asset is measured at an amount equal to the lease liability. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is recognized at the date of initial application. The lease liability is measured at the present value of the remaining lease payments discounted using lease incremental borrowing rate at the date of initial application

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

**3.4 Impairment of Property, Plant and Equipment and Intangible assets:**

At the end of each reporting period, the Group reviews the carrying amounts of Property, Plant and Equipment and other intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of individual asset, the Group estimates the recoverable amount of the cash generating unit to which an individual asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing, value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognized immediately in the Statement of Profit or Loss.



### 3.5 Inventories:

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

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

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

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

### 3.6 Revenue recognition:

The Group derives revenue from sale of material handling, industrial finishing and engineered products. Effective 1st April 2018, the Group has adopted Indian Accounting Standard 115( Ind AS 115) - "Revenue from Contract with customers". The effect of adoption of Ind AS - 115 was insignificant.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of GST, returns, trade allowances, rebates and amounts collected on behalf of third parties.

#### (a) Sale of goods

Sales are recorded net of trade discounts, quantity discounts, rebates, indirect taxes. Revenue from sale of goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer which generally coincides with dispatch of goods from factory/stock points, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods to the degree usually associated with the ownership, and the amount of revenue can be measured reliably, regardless of when the payment is being made. Sales also include, sales of scrap, waste, rejection etc.

#### (b) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the normal interest rate as applicable.

### 3.7 Foreign currencies:

The Group financial statements are presented in Indian rupees, which is the functional currency of the Group. Transactions in currencies other than the Group's functional currency are recognized at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date. Non-monetary assets and liabilities denominated in a foreign currency are translated using the exchange rate prevailing at the date of initial recognition (in case measured at historical cost) or at the rate prevailing at the date when the fair value is determined (in case measured at fair value).

### 3.8 Employee Benefits:

#### Short-term Employee Benefits:

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

#### Other long-term employee benefits

The liability for earned leave is not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method with actuarial valuations being carried out at each balance sheet date. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

## Post-employment benefits

### (a) Defined contribution plans

Employees benefits in the form of the Group contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance are defined contribution schemes. Payments to defined contribution retirement plans are recognized as expenses when the employees have rendered the service entitling them to the contribution.

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

### (b) Defined benefit plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurements, comprising actuarial gains and losses, the effect of changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income are reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of Profit and Loss in the period of plan amendment.

Defined benefit costs comprising service cost (including current and past service cost and gains and losses on curtailments and settlements) and net interest expense or income is recognized in Statement of profit and loss.

The defined benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### **Gratuity:**

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Vesting occurs upon completion of five years of service. The Group makes contributions to gratuity fund held with a trust formed for this purpose through Life Insurance Corporation of India. The Group provides for its gratuity liability based on an independent actuarial valuation carried out at each balance sheet date using the projected unit credit method.

## 3.9 Income Tax:

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in Other Comprehensive Income.

#### **Current tax**

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using the tax rates that have been enacted or substantially enacted by the end of the reporting period.

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

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

## Deferred tax



Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on taxes (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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

### Current tax and deferred tax for the year

Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

### 3.10 Provisions:

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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 the provision due to the passage of time is recognized as a finance cost.

#### Product warranty

Provision for product warranty is recognized for the best estimates of the average cost involved for replacement/repair etc. of the product sold before the balance sheet date. These estimates are determined using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on corrective actions on product failures. The estimates for accounting of warranties are reviewed and revisions are made as required.

### 3.11 Contingent liabilities and contingent assets:

Contingent liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes. Contingent assets are not accounted in the financial statements unless an inflow of economic benefits is probable.

### 3.12 Financial instruments:

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

#### Financial assets

Classification and subsequent measurement

#### Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

These include trade receivables, loans, deposits, balances with banks, and other financial assets with fixed or determinable payments.

#### Impairment

The Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, other contractual right to receive cash or other financial assets not designated at fair value through profit or loss. The loss allowance for a financial instrument is equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses. 12 month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if the default occurs within 12 months after the reporting date.

For trade receivables or any contractual right to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses. The Group has used a practical expedient permitted by Ind AS 109 and determines the expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

## Derecognition



The Group derecognizes financial asset when the contractual right to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of the transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income, if any, is recognized in the Statement of Profit and Loss if such gain or loss would have otherwise been recognized in the Statement of Profit and Loss on disposal of the financial asset.

## Financial liabilities

### Classification

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received net of direct issue costs.

### Subsequent measurement

Financial liabilities (that are not held for trading or not designated at fair value through profit or loss) are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

Effective interest method is a method of calculating amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Foreign exchange gains and losses

Financial liabilities denominated in a foreign currency are measured at fair value at the end of each reporting period and the foreign exchange gains and losses are determined based on the fair value of the instruments and are recognized in the Statement of Profit and Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognized in the Statement of Profit and Loss.

## Derecognition

Financial liabilities are derecognized when, and only when, the obligations are discharged, cancelled or have expired. An exchange with a lender of a debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability derecognized and the consideration paid or payable is recognized in the Statement of Profit and Loss.

### 3.13 Cash and cash equivalents:

Cash and cash equivalents comprise cash in hand and short-term deposits with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 3.14 Earnings per share:

The Group reports basic and diluted earnings per share (EPS) in accordance with Indian Accounting Standard 33 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares (except where the results are anti-dilutive).

### **3.15 Segment Reporting:**

The Group business activity falls within two segments viz. Material Handling and Engineering Products. Segments are organized based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods. These segments are reported in a manner consistent with the internal reporting. The Group has identified its Managing Director as CODM which assesses the operational performance and position of the Group and makes strategic decisions

### **3.16 Borrowing Cost:**

Borrowings costs that are attributable to the acquisition or construction of qualifying assets up to the date when they are ready for their intended use and other borrowing costs are charged to profit and loss account.

### **3.17 Dividend to Equity Shareholders :**

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' Equity, in the period in which the dividends are approved by the equity shareholders in the general meeting

### **3.18 Business Combinations**

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss. There is no financial impact on consolidated financial statements of the Group

4A:Property, Plant and Equipment and Capital Work in Progress

Rs. (in lakhs)

	Building	Computer & Peripheral	Furniture and Fixture	Office Equipment	Plant & Machinery	Vehicle	Total	Capital Work in Progress
<b>Gross Carrying Amount</b>								
Balances as at 1st April, 2018	18.58	67.73	72.33	12.18	1,088.38	22.05	1,281.25	
Additions	-	19.06	1.31	1.75	1,424.10	30.33	1,476.55	
Sale/Disposals	-	4.79	7.88	0.89	47.08	6.89	67.53	
<b>Balances as at 31st March, 2019</b>	<b>18.58</b>	<b>82.00</b>	<b>65.76</b>	<b>13.04</b>	<b>2,465.40</b>	<b>45.49</b>	<b>2,690.27</b>	
Additions	-	6.85	7.57	1.31	189.85	-	205.58	
Sale/Disposals	-	2.93	1.29	-	7.27	-	11.49	
<b>Balances as at 31st March, 2020</b>	<b>18.58</b>	<b>85.92</b>	<b>72.04</b>	<b>14.35</b>	<b>2,647.98</b>	<b>45.49</b>	<b>2,884.36</b>	
<b>Accumulated Depreciation</b>								
Balances as at 1st April, 2018	3.35	38.30	27.66	5.89	106.87	8.52	190.59	
Changes for the year	2.12	21.13	11.39	2.79	154.10	7.44	198.97	
Sale/Disposals	-	4.52	7.05	0.80	40.40	6.55	59.32	
<b>Balances as at 31st March, 2019</b>	<b>5.47</b>	<b>54.91</b>	<b>32.00</b>	<b>7.88</b>	<b>220.57</b>	<b>9.41</b>	<b>330.24</b>	
Changes for the year	1.48	15.09	9.19	2.31	225.14	10.39	263.60	
Sale/Disposals	-	1.64	1.16	-	2.86	-	5.66	
<b>Balances as at 31st March, 2020</b>	<b>6.95</b>	<b>68.36</b>	<b>40.03</b>	<b>10.19</b>	<b>442.85</b>	<b>19.80</b>	<b>588.18</b>	
<b>Net Block</b>								
Balances as at 31st March, 2019	13.11	27.09	33.76	5.16	2,244.83	36.08	2,360.03	23.45
Balances as at 31st March, 2020	11.63	17.56	32.01	4.16	2,205.13	25.69	2,296.18	21.36

**Notes:**

1. As per Ind AS - 36 - "Impairment of Assets", no provision for Impairment of Assets is required.
2. As per Ind AS 16 assets in the course of development are reflected in capital work in progress. Costs associated with the development are capitalised when the asset is ready to use. Revenue generated from production during the trial period will be credited to capital work in progress.
3. Capital work in progress as at 31st March 2020 primarily represents registration fees and other expenses incurred in relation to purchase of land at Murbad, Thane.
4. The Company has not incurred any foreign exchange gain/loss for capitalisation during the current year (March 31, 2019 - NIL)
5. Borrowing cost adjusted in the carrying cost of Propert, Plant & Equipments and Capital Work in Progress during the current year (March 31, 2019 - NIL)
6. The Company has not incurred any pre-operative expenses for capitalisation during the current year (March 31, 2019 - NIL)



**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**4B:Right of Use Asset**

Rs. (in lakhs)

	Right of Use Asset	Total
<b>Gross Block</b>		
<b>Balances as at 1st April, 2019</b>	-	-
<b>Change in Accounting Policies</b>	130.05	130.05
Addition	17.89	17.89
Deduction - Termination of Lease	50.16	50.16
<b>Balances as at 31st March, 2020</b>	<b>97.78</b>	<b>97.78</b>
<b>Accumulated Depreciation</b>		
<b>Balances as at 1st April, 2019</b>	-	-
Change in Accounting Policies	26.68	26.68
Addition	1.53	1.53
Deduction - Termination of Lease	-	-
<b>Balances as at 31st March, 2020</b>	<b>28.21</b>	<b>28.21</b>
<b>Net Block</b>		
Balances as at 1st April, 2019	-	-
Balances as at 31st March, 2020	69.57	69.57

Refer note no 2.6, 3.3 and 39 of financial statements.





**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**4C: Intangible Assets**

Rs. (in lakhs)

	Computer Software & Licences	Total
<b>Gross Block</b>		
<b>Balances as at 1st April, 2018</b>	37.54	37.54
Additions	2.14	2.14
Sale/Disposals	-	-
<b>Balances as at 31st March, 2019</b>	<b>39.68</b>	<b>39.68</b>
Additions	16.57	16.57
Sale/Disposals	-	-
<b>Balances as at 31st March, 2020</b>	<b>56.25</b>	<b>56.25</b>
<b>Accumulated Depreciation</b>		
<b>Balances as at 1st April, 2018</b>	13.08	13.08
Changes for the year	8.00	8.00
Sale/Disposals	-	-
<b>Balances as at 31st March, 2019</b>	<b>21.08</b>	<b>21.08</b>
Changes for the year	8.87	8.87
Sale/Disposals	-	-
<b>Balances as at 31st March, 2020</b>	<b>29.95</b>	<b>29.95</b>
<b>Net Block</b>		
Balances as at 31st March, 2019	18.60	18.60
Balances as at 31st March, 2020	26.30	26.30

**Jost's Engineering Company Limited**  
**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**5 :Non-Current Investments**

(Rs.in lakhs)

Particulars	As at 31st March, 2020			As at 31st March 2019	
	Number	Face Value	Amount	Number	Amount
<b>Investments at Cost</b>					
(a) Investment in Equity shares (Unquoted) (Fully Paid up)					
Zoroastrian Co-Operative Bank Ltd.	4000	25	1.03	4,000	1.03
<b>Total</b>			<b>1.03</b>		<b>1.03</b>

**Aggregate Book Value of Non-Current Investments**

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March 2019
Unquoted - At Cost	1.03	1.03

**6A: Other Non-Current financial assets**

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March 2019
1. Security Deposit		
Unsecured, considered good unless otherwise stated	28.94	30.65
2. Fixed Deposits as Margin Money against LC & BG *	0.94	1.20
3. Prepaid lease hold land	0.42	0.43
<b>Total</b>	<b>30.30</b>	<b>32.28</b>

(\*) Original maturity of more than twelve months

**6B: Deferred Tax (Liability)/ Asset**

(Rs.in lakhs)

Deferred Tax Asset	As at 31st March, 2020	As at 31st March 2019
Deferred tax assets	171.49	197.35
Deferred tax liabilities	-	-
<b>Deferred tax asset(net)</b>	<b>171.49</b>	<b>197.35</b>

(Rs.in lakhs)

Particulars	As at 31st March 2019	(Charged) / credited to Profit & Loss	(Charged) / credited to Other Comprehensive Income	As at 31st March 2020
<b>Nature of timing difference:</b>				
Deferred tax asset				
On depreciable assets	5.35	1.45	-	6.80
On provision for gratuity	59.22	(9.44)	4.66	54.44
On provision for doubtful debts	32.53	4.82	-	37.35
On provision for leave encashment	15.80	3.44	-	19.24
On provision for bonus	-	5.72	-	5.72
On provision for warranty	-	9.69	-	9.69
On account MAT credit entitlement	78.30	(41.19)	-	37.11
On account of timing difference on leased asset	-	1.14	-	1.14
On expenses allowable on payment/ actual basis U/s 43B	6.15	(6.15)	-	-
<b>Deferred tax asset</b>	<b>197.35</b>	<b>(30.52)</b>	<b>4.66</b>	<b>171.49</b>

(a) The Company has recognised Deferred tax asset amounting to Rs. 15.34 lakhs ( Previous year Rs 134.67 Lakhs) in the Financial Year 2019-20 as the Company is estimating future taxable profits against which the Deferred tax asset can be set off.

b) The Company has utilised MAT credit amounting to Rs 41.19 lakhs for the year ended 31st March 2020 and recognised MAT credit entitlement amounting to Rs 78.30 lakhs for the year ended 31st March 2019 and the same is reflected under Deferred Tax asset



**Jost's Engineering Company Limited**  
**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**7:Inventories**  
**Valued at lower of cost and net realisable value**

(Rs.in lakhs)

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March 2019</b>
a. Raw Materials	595.65	644.37
b. Work-in-progress	285.74	19.76
c. Finished goods	233.05	267.12
d. Stock-in-trade	391.80	360.59
e. Stores and spares	5.68	6.46
<b>Total</b>	<b>1,511.92</b>	<b>1,298.30</b>

**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**8: Current Investments**

(Rs.in lakhs)

Particulars	As at 31st March, 2020		As at 31st March, 2020	As at 31st March 2019
	Unit value	Number of units		
(a) Investments in Mutual Funds units valued at fair value through P & L account				
Reliance Money Manager Fund	1,007.50	865.53	8.72	8.34
Reliance Money Manager Fund	1,007.50	395.74	3.99	3.82
<b>Total</b>			<b>12.71</b>	<b>12.16</b>



**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**9:Trade Receivables**

**(Rs.in lakhs)**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March 2019</b>
<b>Trade Receivables</b>		
Secured, considered good	10.25	13.75
Unsecured, considered good	3,361.57	3,448.28
Considered doubtful	134.23	116.91
	3,506.05	3,578.94
Less: Provision for credit loss	(134.23)	(116.91)
	3,371.82	3,462.03
<b>Total</b>	<b>3,371.82</b>	<b>3,462.03</b>



**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**10A: Cash and cash equivalents**

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March 2019
Cash on hand	2.86	1.23
<b>Balances with Banks</b>		
In current account	91.35	172.68
In EEFC account	3.64	11.04
Fixed deposit with maturity less than three months	5.95	200.00
<b>Total</b>	<b>103.80</b>	<b>384.95</b>

**10B: Other Bank Balances**

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March 2019
Earmarked balances with banks (unclaimed dividend account)	5.96	8.94
Bank Deposits as Margin Money against LC & BG *	633.36	196.26
<b>Total</b>	<b>639.32</b>	<b>205.20</b>



**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**11: Current loans**

Unsecured, considered good unless otherwise stated

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March 2019
Advances	9.67	2.43
<b>Total</b>	<b>9.67</b>	<b>2.43</b>





**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**12: Other current Financial Assets**

Unsecured, considered good unless otherwise stated

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March 2019
Duty recoverable	3.81	3.81
Security deposit	1.06	-
Interest receivables	12.43	6.42
Accrued commission	12.44	7.90
<b>Total</b>	<b>29.74</b>	<b>18.13</b>



**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**13:Current Tax Assets**

(Rs.in lakhs)

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March 2019</b>
Advance tax and tax deducted at source less provision	46.56	-
<b>Total</b>	<b>46.56</b>	<b>-</b>



**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**14:Other Current Assets**

**(Rs.in lakhs)**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March 2019</b>
<b>Balances with government authorities</b>		
a) VAT Credit	144.00	145.31
b) Deposit with Excise (under protest)	-	154.05
c) Others	273.76	270.20
Advance to employees	4.66	12.26
Prepaid Expense	43.70	4.94
Tender Deposits	69.67	54.12
Other advances	0.23	-
Advance to Creditors	130.30	81.47
Capital advances (Refer Note no. 32)	202.00	121.20
Other Receivables	11.13	-
Subsidy receivable	-	9.59
<b>Total</b>	<b>879.45</b>	<b>853.14</b>

**Jost's Engineering Company Limited**  
**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**15: Equity share capital**

(Rs.in lakhs)

Particulars	As at 31st March, 2020		As at 31st March 2019	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of Rs. 10/- each	1,000,000	100.00	1,000,000	100.00
<b>Issued</b>				
Equity Shares of Rs. 10/- each	932,873	93.29	932,873	93.29
<b>Subscribed &amp; Fully Paid up</b>				
Equity Shares of Rs. 10/- each	932,873	93.29	932,873	93.29

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

(Rs.in lakhs)

Particulars	As at 31st March, 2020		As at 31st March 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	932,873	93.29	932,873	93.29
Issue of right shares during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	932,873	93.29	932,873	93.29

- b. The company has only one class of issued shares i.e Equity Shares having par value of Rs. 10/ each. The Equity Shares of the Company have voting rights and are subject to the restrictions as prescribed under the Companies Act, 2013. Each holder of equity share is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of directors is subject to approval of shareholders in the ensuing Annual general meeting.
- c. The Company has no holding Company.
- d. Details of shareholders holding more than 5% shares in the company.

Name of Shareholder	As at 31st March, 2020		As at 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Jai Prakash Agarwal	132,991	14.26	132,991	14.26
Mrs. Krishna Agarwal	48,800	5.23	48,800	5.23
Mrs. Shikha Jain	112,821	12.09	112,821	12.09
Mr. Vishal Jain	118,215	12.67	118,215	12.67
Mr. Sharad K. Shah	71,794	7.70	71,794	7.70

- e. During the last 5 years, the Company has neither issued any bonus shares nor allotted any shares pursuant to a contract without payment being received in Cash.
- f. No calls are unpaid by any director or officer of the company at the end of the reporting period.
- g. As per records of the Company, no shares have been forfeited by the Company during the year.

**Jost's Engineering Company Limited**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

**16:Other Equity**

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March 2019
<b>a. Securities Premium Account</b>		
Balance at the beginning of the year	1,063.86	1,063.86
Add:		
Issue of right shares during the year	-	-
Unpaid calls received during the year	-	-
Less:		
Right issue expsense	-	-
<b>Closing Balance</b>	<b>1,063.86</b>	<b>1,063.86</b>
<b>b. General Reserve</b>		
Balance at the beginning of the year	229.78	229.78
Add:		
Current year transfer	-	-
<b>Closing Balance</b>	<b>229.78</b>	<b>229.78</b>
<b>c. Retained Earnings</b>		
Balance at the beginning of the year	1,144.82	840.85
Add:		
Profit/ (loss) for the year	54.46	326.46
Less:		
Dividend paid for the previous year (including Dividend Distribution Tax)	(33.74)	(22.49)
<b>Closing Balance</b>	<b>1,165.54</b>	<b>1,144.82</b>
<b>d. Other comprehensive income (OCI)</b>		
Balance at the beginning of the year	(33.76)	(32.40)
Add:		
Remeasurement of defined benefit plan	(12.71)	(1.36)
<b>Closing Balance</b>	<b>(46.47)</b>	<b>(33.76)</b>
<b>Total</b>	<b>2,412.71</b>	<b>2,404.70</b>



**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**17A: Non-Current Borrowings**

**(Rs.in lakhs)**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March 2019</b>
<b>Secured:</b>		
Vehicle loan from bank (*)	11.69	17.88
Loan from banks & Financial Institutions	791.79	1,120.29
<b>Total</b>	<b>803.48</b>	<b>1,138.17</b>



**Jost's Engineering Company Limited**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

**17B:Current Borrowings**

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March 2019
<b>Secured:</b>		
From Banks (Repayable on demand):-		
(a) Cash Credit	499.96	245.12
(b) Bank overdraft	900.63	638.44
<b>Unsecured</b>		
Loan from Director	-	61.05
Letter of credit discounted with Bank	52.95	179.82
<b>Total</b>	<b>1,453.54</b>	<b>1,124.42</b>



**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**18: Non-Current provisions**

**(Rs.in lakhs)**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March 2019</b>
<b>Provision for employee benefits</b>		
Superannuation	19.13	18.21
Gratuity	182.32	159.83
Leave Encashment	49.17	38.98
<b>Total</b>	<b>250.62</b>	<b>217.02</b>





**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**19: Other Non-Current financial Liabilities**

**(Rs.in lakhs)**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March 2019</b>
Dealer deposits	30.05	24.05
Lease liability	41.78	-
<b>Total</b>	<b>71.83</b>	<b>24.05</b>

**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**20:Trade Payables**

**(Rs.in lakhs)**

Particulars	As at 31st March, 2020	As at 31st March 2019
Dues of Micro and Small Enterprises (Note a)	169.17	161.23
Dues to other creditors	1,897.03	1,930.09
<b>Total</b>	<b>2,066.20</b>	<b>2,091.32</b>

Note(a) Disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

(i) (a) Principal amount and the interest due thereon remaining unpaid to an	169.17	161.23
(b) Interest on (i)(a) above	-	-
(ii) The amount of interest paid along with the principal payment made to the	-	-
(iii) Amount of interest due and payable on delayed payments	-	-
(iv) Amount of further interest remaining due and payable for the earlier year	0.55	-
(v) Total outstanding dues of Micro and Small Enterprises		
- Principal	<b>169.17</b>	<b>161.23</b>
- Interest	<b>0.55</b>	-



**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**21:Other Current Financial Liabilities**

**(Rs.in lakhs)**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March 2019</b>
<b>Current maturity of term loan (*)</b>		
Vehicle	6.19	10.30
Machinery	458.77	359.60
Unpaid Dividend	5.96	8.94
Employee Security deposit	2.59	2.65
Security deposit	-	-
Lease Liability	31.89	22.39
Creditors for Capital Purchase	18.86	-
Salary and Reimbursements	210.37	216.46
<b>Total</b>	<b>734.63</b>	<b>620.34</b>



**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**22: Other Current Liabilities**

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March 2019
<b>1) Statutory dues payable</b>		
(a) Tax Deducted at Source	19.89	24.41
(b) Provident Fund and other employee deductions	20.25	21.57
(c) GST	91.42	128.16
(d) VAT, Service tax, Excise duty	-	-
(e) Others	5.28	3.16
<b>2) Revenue received in advance</b>	81.93	28.17
<b>3) Provision for expense</b>	133.09	120.28
<b>4) Other current liability</b>	8.71	-
<b>5) Advances from customers</b>	434.90	201.57
<b>6) Creditors for other liabilities</b>	135.73	175.91
<b>Total</b>	<b>931.20</b>	<b>703.23</b>



**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**23:A Current provisions**

**(Rs.in lakhs)**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March 2019</b>
Provision for warranty claims	34.82	15.19
<b>Provision for employee benefits</b>		
Superannuation	-	2.16
Gratuity	34.81	62.35
Leave Encashment	19.98	17.83
<b>Total</b>	<b>89.61</b>	<b>97.53</b>



**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**23B: Current Tax Liability**

(Rs.in lakhs)

Particulars	As at 31st March, 2020	As at 31st March 2019
Current Tax Liability (net of tax paid / refund)	-	9.36
<b>Total</b>	<b>-</b>	<b>9.36</b>



## Jost's Engineering Company Limited

### Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

#### 24: Revenue from Operations

(Rs.in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>(a) Sale of Products</b>		
Sale of manufactured goods(*)	4,399.79	5,501.71
Sale of traded goods	4,348.63	3,302.87
<b>Total (A)</b>	<b>8,748.42</b>	<b>8,804.58</b>
<b>(b) Sale of Services</b>		
Sale of services	1,918.65	1,654.25
<b>Total (B)</b>	<b>1,918.65</b>	<b>1,654.25</b>
<b>(c) Other Operating Revenues</b>		
Commission Income	821.90	777.67
Scrap & sundry sales	5.92	8.27
Other operating income	0.02	-
<b>Total (C)</b>	<b>827.84</b>	<b>785.94</b>
<b>Total (A+ B+ C)</b>	<b>11,494.91</b>	<b>11,244.77</b>



## Jost's Engineering Company Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

### 25: Other Income

(Rs.in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest Income	15.35	9.19
Dividend Income	0.69	0.74
Net gain from foreign currency transactions and translation	0.03	1.31
Net gain on sale of fixed assets	0.17	-
Excess provision of doubtful debts written back	-	37.94
Subsidy receivable	-	9.59
Other income	0.06	-
Gain on termination of lease liabilities	2.97	
<b>Total</b>	<b>19.27</b>	<b>58.77</b>



**JOST'S ENGINEERING COMPANY LIMITED**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**26A: Cost of Materials Consumed**

(Rs.in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Raw material consumed</b>		
Opening stock	644.37	631.09
Purchases	3,113.87	3,939.82
Closing stock	595.65	644.37
<b>Cost of material consumed</b>	<b>3,162.59</b>	<b>3,926.54</b>

**Breakup of cost of material consumed**

(Rs.in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Cost of material consumed</b>		
Steel	132.70	145.71
Batteries	732.12	1,194.53
Others (Tyres, Controller, motor, battery charger etc.)	2,297.77	2,586.30
<b>Total</b>	<b>3,162.59</b>	<b>3,926.54</b>

**26B: Purchase of stock in trade**

(Rs.in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Purchase of traded goods</b>		
Engineered Equipments	2,786.92	1,949.06
Other Components, accessories, spares, etc.	503.35	523.43
<b>Total</b>	<b>3,290.27</b>	<b>2,472.49</b>

**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**27: Changes in Inventories**

(Rs.in lakhs)

<b>Particulars</b>	<b>For the year ended 31st March 2020</b>	<b>For the year ended 31st March 2019</b>
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade		
Opening Stocks :		
Finished Goods - Manufactured	267.12	222.33
Finished Goods - Traded	360.59	400.91
Work-in-Progress	19.77	40.45
	<b>647.48</b>	<b>663.69</b>
Less: Closing Stocks :		
Finished Goods - Manufactured	233.05	267.12
Finished Goods - Traded	391.80	360.59
Work-in-Progress	285.74	19.77
	<b>910.59</b>	<b>647.48</b>
<b>Total</b>	<b>(263.11)</b>	<b>16.21</b>



**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**28: Employee Benefit Expense**

**(Rs.in lakhs)**

<b>Particulars</b>	<b>For the year ended 31st March 2020</b>	<b>For the year ended 31st March 2019</b>
Salaries, wages & bonus	2,366.35	2,195.97
Contributions to provident fund, gratuity and other funds	137.09	122.72
Staff welfare expenses	68.32	79.51
<b>Total</b>	<b>2,571.76</b>	<b>2,398.20</b>



**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**29: Finance Costs**

(Rs.in lakhs)

<b>Particulars</b>	<b>For the year ended 31st March 2020</b>	<b>For the year ended 31st March 2019</b>
Interest expense on term loan, cash credit & bank overdraft	263.73	212.75
Interest expense on other loans	9.56	5.12
Bank charges	42.85	43.75
Interest on Lease Liabilities	12.18	-
<b>Total</b>	<b>328.32</b>	<b>261.62</b>



**Jost's Engineering Company Limited**

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

**30: Other expenses**

(Rs.in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Sub contract and labour charges	162.08	192.00
Stores and spare parts consumed	31.79	32.27
Equipment Hiring Charges	4.35	42.71
Fuel and power	37.91	38.44
Repairs & maintenance (factory and office)	34.71	37.59
Repairs to machinery	97.32	60.69
Rent	47.44	69.99
Rates and taxes	14.01	28.83
Sales tax of earlier year write off (incl interest and tax amt)	71.67	29.15
Insurances	11.51	13.80
Travelling expenses	126.46	162.04
Postage, telephone and internet	38.71	45.35
Commission Expense	25.08	32.45
Testing and calibration	61.04	104.75
Advances in Subsidiary written off	-	28.41
Printing and stationery	13.35	16.90
Legal and professional charges	135.91	153.26
Audit fees (Refer note (a) below)	28.83	21.43
Conveyance expenses	161.31	135.81
Provision for doubtful debts	17.32	-
Bad Debts written off	204.62	150.00
Deposits written off	-	18.83
Loss on assets discarded	-	8.20
Freight on sales	184.92	212.66
Motor vehicle expenses	4.80	4.04
Directors' fees	6.70	7.85
Net loss on foreign currency transactions and translation	0.71	1.79
Miscellaneous expenses	140.37	146.27
<b>Total</b>	<b>1,662.92</b>	<b>1,795.51</b>

**Note (a) :**

**Auditor's Remuneration**

(Rs.in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
(a) Audit Fees	20.25	13.25
(b) Tax audit fees	3.05	3.30
(c) Other Services	4.50	4.50
(d) Reimbursement of out of pocket expenses	1.03	0.38
<b>Total</b>	<b>28.83</b>	<b>21.43</b>

**Jost's Engineering Company Limited**

**Notes forming part of the Consolidated Financial Statements**

**31 Contingent liabilities:**

		(Rs. in lakhs)	
Sr No.	Particulars	As at 31st March 2020	As at 31st March 2019
<b>a)</b>	Claims against company not acknowledged as debts		
i)	Sales Tax demands (Net)	130.56	392.78
ii)	Service Tax demands	-	5.44
iii)	Excise duty demands (Net)	-	1,454.28
iv)	Other Matters	6.25	6.25
<b>b)</b>	Bank Guarantees for performance of contracts	856.75	593.15
<b>c)</b>	On account of corporate guarantee to bankers on behalf of subsidiary for facilities availed by them (amount outstanding at	1,717.49	1,788.56
	<b>Total</b>	<b>2711.05</b>	<b>4240.46</b>

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the Holding company has made a provision of Rs 0.65 lakhs on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

**32 Capital commitments**

The estimated amount of contracts remaining to be executed on capital account and not provided for:

		(Rs. in lakhs)	
Particulars		As at 31st March 2020	As at 31st March 2019
<b>Capital Commitment</b>			
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for.		352.00	432.80
<b>Other Commitment</b>			
Letter of Credit (LC) issued to Vendors		127.38	206.73
<b>Total</b>	-	<b>479.38</b>	<b>639.53</b>

Note:

1) The Holding Company is in the process of acquiring leasehold land including building at a price of Rs 554.00 lacs and has entered into an agreement on April 12, 2018. During the year the Holding Company has made an advance of Rs 80.80 lacs towards the agreement ( Refer note no 14) and the balance is estimated capital commitment for the year. The land is located at MIDC Murbad, District Thane. The rationale behind investment is for expansion of Holding Company's manufacturing activities.

**33 Capital Management:**

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Group consists of debt and total equity of the Group.

The Group determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, External-commercial borrowings and short-term borrowings. The Group's policy is aimed at combination of short-term and long-term borrowings. The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

The Group is not subject to any externally imposed capital requirements.

		(Rs. in lakhs)	
Particulars		As at 31st March 2020	As at 31st March 2019
Total Debt		2,721.98	2,632.50
Total Equity		2,820.11	2,843.63
<b>Debt to Equity Ratio</b>		<b>0.97</b>	<b>0.93</b>

### 34 Disclosure of Financial Instruments:

#### Fair Value Measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other financial liabilities, short term loans from banks approximate their carrying amounts largely due to short term maturities of these instruments.

Accounting classification and fair value:

The following table shows the carrying amount and fair value of Financial assets and Financial liabilities:

Financial Instrument by category

(Rs. in lakhs)

Particulars	Note No.	31st March 2020		
		Fair Value routed through Profit & Loss	Carried at Amortized cost	Total
<b>FINANCIAL ASSETS</b>				
<b>Non-Current Assets</b>				
(i) Investments	5	-	1.03	1.03
(ii) Others	6A	-	30.30	30.30
<b>Current Assets</b>				
(i) Investments	8	12.71	-	12.71
(ii) Trade receivables	9	-	3,371.82	3,371.82
(iii) Cash and cash equivalents	10A	-	103.80	103.80
(iv) Other bank balances	10B	-	639.32	639.32
(v) Loans	11	-	9.67	9.67
(vi) Other Financial Assets	12	-	29.74	29.74
<b>Total Financial Assets</b>		<b>12.71</b>	<b>4,185.68</b>	<b>4,198.39</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
(i) Borrowings	17A	-	803.48	803.48
<b>Current liabilities</b>				
(i) Borrowings	17B	-	1,453.54	1,453.54
(ii) Trade payables	20	-	2,066.20	2,066.20
(iii) Other financial liabilities	21	-	734.63	734.63
<b>Total Financial Liabilities</b>		<b>-</b>	<b>5,057.85</b>	<b>5,057.85</b>

Financial Instrument by category

(Rs. in lakhs)

Particulars	Note No.	31st March 2019		
		Fair Value routed through Profit & Loss	Carried at Amortized cost	Total
<b>FINANCIAL ASSETS</b>				
<b>Non-Current Assets</b>				
(i) Investments	5	-	1.03	1.03
(ii) Others	6A	-	32.28	32.28
<b>Current Assets</b>				
(i) Investments	8	12.16	-	12.16
(ii) Trade receivables	9	-	3,462.03	3,462.03
(iii) Cash and cash equivalents	10A	-	384.95	384.95
(iv) Other bank balances	10B	-	205.20	205.20
(v) Loans	11	-	2.43	2.43
(vi) Other Financial Assets	12	-	18.13	18.13
<b>Total Financial Assets</b>		<b>12.16</b>	<b>4,106.05</b>	<b>4,118.21</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
(i) Borrowings	17A	-	1,138.17	1,138.17
<b>Current liabilities</b>				
(i) Borrowings	17B	-	1,124.43	1,124.43
(ii) Trade payables	20	-	2,091.32	2,091.32
(iii) Other financial liabilities	21	-	620.34	620.34
<b>Total Financial Liabilities</b>		<b>-</b>	<b>4,974.26</b>	<b>4,974.26</b>

### 35 Financial Risk management framework:

The Group is exposed primarily to market risk, credit risk and liquidity risk which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

#### Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates and other market changes. The Group's exposure to market risk relates to foreign currency exchange rate risk

#### Foreign currency risk management:

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

#### Trade Receivables

(Rs. in lakhs)

	Effect on profit before tax		Effect on pre tax equity	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31,2020</b>				
USD (Movement by 10%)	7.12	(7.12)	7.12	(7.12)
Euro (Movement by 10%)	36.02	(36.02)	36.02	(36.02)
<b>March 31,2019</b>				
USD (Movement by 10%)	0.77	(0.77)	0.77	(0.77)
Euro (Movement by 10%)	25.95	(25.95)	25.95	(25.95)

#### Trade Payables

(Rs. in lakhs)

	Effect on profit before tax		Effect on pre tax equity	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31,2020</b>				
USD (Movement by 10%)	2.02	(2.02)	2.02	(2.02)
Euro (Movement by 10%)	14.06	(14.06)	14.06	(14.06)
<b>March 31,2019</b>				
USD (Movement by 10%)	3.58	(3.58)	3.58	(3.58)
Euro (Movement by 10%)	13.66	(13.66)	13.66	(13.66)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

The carrying amount of Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	31st March 2020		31st March 2019	
	USD	EUR	USD	EUR
Trade payables	20.20	140.58	35.84	136.64
Trade receivables	71.20	360.20	7.68	259.46

#### Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest expenses and to manage the interest rate risk, management performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and variable rate financial instruments.

Exposure to interest rate risk:

(Rs. in lakhs)

Particulars	As at	As at
	31st March 2020	31st March 2019
<b>Fixed Rate Instruments:</b>		
Financial Liabilities	1,268.44	1,569.12
<b>Variable Rate Instruments:</b>		
Financial Liabilities	1,366.93	781.04

#### Interest rate sensitivity:

Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in an impact of (decrease/increase in net income)

Particulars	31st March 2020		31st March 2019	
	Sensitivity Analysis	Impact on Profit and Loss	Sensitivity Analysis	Impact on Profit and Loss
<b>Variable Rate Borrowings</b>				
Interest Rate Increase by	1.00%	13.67	1.00%	7.81
Interest Rate Decrease by	1.00%	13.67	1.00%	7.81



### Credit Risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Outstanding customer receivables are regularly monitored. The Group maintains its cash and cash equivalents and deposits with banks having good reputation and high quality credit ratings.

### Liquidity Risk:

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### Maturity Analysis for financial liabilities:

The following are the remaining contractual maturities of financial liabilities as at 31st March 2020:

(Rs. in lakhs)

Particulars	Note No.	31st March 2020		
		0 to 1 Year	More than 1 year	Total
<b>FINANCIAL LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
(i) Borrowings	17A	-	803.48	803.48
<b>Current liabilities</b>				
(i) Borrowings	17B	1,453.54	-	1,453.54
(ii) Trade payables	20	2,066.20	-	2,066.20
(iii) Other financial liabilities	21	734.63	-	734.63
<b>Total Financial Liabilities</b>		<b>4254.37</b>	<b>803.48</b>	<b>5057.85</b>

The following are the remaining contractual maturities of financial liabilities as at 31st March 2019:

(Rs. in lakhs)

Particulars	Note No.	31st March 2019		
		0 to 1 Year	More than 1 year	Total
<b>FINANCIAL LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
(i) Borrowings	17A	-	1,138.17	1,138.17
<b>Current liabilities</b>				
(i) Borrowings	17B	1,124.43	-	1,124.43
(ii) Trade payables	20	2,091.32	-	2,091.32
(iii) Other financial liabilities	21	620.34	-	620.34
<b>Total Financial Liabilities</b>		<b>3,836.09</b>	<b>1,138.17</b>	<b>4,974.26</b>

### 36 Employee Benefits:

#### A. Defined Contribution Plan

The Group has recognized Rs. 63.12 lakh for provident fund contribution in the Statement of Profit and Loss for the year ended March 31, 2020 (March 31, 2019 - Rs. 50.62 lakh).

#### B. Defined Benefit Plan

(Rs. in lakhs)

Particulars	As at	As at
	31st March 2020	31st March 2019
<b>i) Reconciliation of defined benefit obligation</b>		
Liability at the beginning of the year	241.28	295.77
Current Service Cost	24.40	14.46
Interest cost	13.57	15.48
Actuarial losses/(gains) arising from:		
Demographic assumption	-	-
Financial assumption	10.24	1.97
Experience Gain/(Loss) on Plan Assets	1.05	(7.23)
Benefits Paid	(32.07)	(79.17)
Projected benefit obligation at the end of the year	258.47	241.28
<b>ii) Reconciliation of Fair Value of Plan Asset</b>		
Fair value of the Plan assets at the beginning of the year	19.09	36.50
Expected return on plan Assets	(6.47)	(7.14)
Contribution	55.50	64.00
Benefits Paid	(32.07)	(79.17)
Actuarial Gain/ (Loss) on plan assets	5.29	4.91
Fair value of plan asset at the end of the year	41.34	19.10

<b>iii) Expenses recognized in statement of profit or loss under the head employee benefit expenses</b>		
Current Service Cost	24.40	14.46
Interest Expense on DBO	8.28	10.57
Expenses recognized in Statement of Profit or Loss	32.68	25.03
<b>iv) Re-measurement for the period</b>		
Experience Gain/(Loss) on Plan Liabilities	(2.19)	(7.23)
Demographic Gain/(Loss) on Plan Liabilities	-	-
Financial Gain/(Loss) on Plan Liabilities	(8.08)	1.97
Actuarial Gain/ (Loss) on plan assets	(6.48)	(4.91)
Total Actuarial Gain/(Loss) included in OCI	(16.75)	(10.17)
<b>v) Amount recognized in Other Comprehensive Income (OCI)</b>		
Opening Amount recognized in OCI	48.17	46.29
Re-measurement for the period – Plan Assets (gain)/loss	7.50	7.14
Experience adjustments	2.18	(7.23)
Changes in financial assumptions	8.08	1.97
Changes in demographic assumptions	-	-
Total re-measurement cost/(credit) for the period recognized in OCI	-	-
Closing Amount recognized in OCI	65.93	48.17
<b>vi) Principal Actuarial Assumptions</b>		
Financial Assumptions		
Discount Rate	5.50%	6.75%
Salary Escalation	5.00%	5.00%
<b>Demographic Assumptions</b>		
<b>Mortality Rate</b>	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Withdrawal Rate	0.00965	0.00965
Retirement age	58.00	58.00

Particulars	(Rs. in lakhs)	
	As at 31st March 2020	As at 31st March 2019
<b>Amount recognised in Balance Sheet</b>		
Present value of defined benefit obligation	258.47	241.28
Fair value of plan assets	41.34	19.10
Net (Liability)/ Asset recognised in the Balance Sheet	217.13	222.18

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

(b) Expected Return on Plan Assets (as certified by the actuary): This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.

(c) Salary Escalation Rate: The estimates of future salary increase considered taking into the account the inflation.

(d) Category of Plan Assets:

Particulars	(Rs. in lakhs)	
	As at 31st March 2020	As at 31st March 2019
Unquoted	10.31	11.25
Insurer Managed Funds *	31.02	7.84

The Group maintains gratuity fund, which is being administered by Life insurance corporation. Fund Value confirmed by Life Insurance corporation as at March 31, 2020 is considered to be the fair value.

A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

Particulars	31st March 2020		31st March 2019	
	Increase	Decrease	Increase	Decrease
<b>Sensitivity Analysis</b>				
Discount rate (0.5% movement)	1.40%	1.44%	1.41%	1.45%
Defined benefit obligation ( Rs in Lakhs)	233.73	240.45	228.69	235.33
Future salary growth ( 0.5% movement)	1.44%	1.41%	1.47%	1.44%
Defined benefit obligation ( Rs in Lakhs)	240.45	233.70	235.38	228.62

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

### 37 Segment Reporting

For management purpose, the Group is organized into business units based on its products and services.

Primary Segment information (by Business segment):

- I. Material Handling Division
- II. Engineered Products
- III. MHE Rentals India Pvt. Ltd. (Equipment Rental)

(Rs. in lakhs)

Particulars	For the Year Ended 31st March,2020				For the Year Ended 31st March,2019			
	Material Handling	Engineered Products	MHE Rentals India Pvt Ltd (Equipment Rental)	Total	Material Handling	Engineered Products	MHE Rentals India Pvt Ltd (Equipment Rental)	Total
<b>Segment Revenue</b>								
Revenue from operations	4,958.33	3,753.92	1,227.58	9,939.83	5,969.68	2,817.65	909.58	9,696.91
Commission Income	22.30	821.90	-	844.20	17.25	777.67	-	794.92
Other Income	190.33	505.02	0.81	696.16	211.14	590.30	2.87	804.31
	<b>5,170.96</b>	<b>5,080.84</b>	<b>1,228.39</b>	<b>11,480.19</b>	<b>6,198.07</b>	<b>4,185.62</b>	<b>912.45</b>	<b>11,296.14</b>
Unallocated Income				33.99				7.40
<b>Total</b>				<b>11,514.18</b>				<b>11,303.54</b>
<b>Segment Results</b>								
Segment results/ operating Profit /(Loss)	(44.82)	1,193.29	(78.28)	1,070.19	42.03	1,017.16	(110.61)	948.58
Unallocated income (including income from interest/dividend)				33.99				7.40
Unallocated expenses				315.11				468.36
Interest Expenses				328.32				261.62
Exceptional Item				383.77				-
Profit/ (Loss) before tax				76.98				226.00
Provision for taxation – current tax				76.22				75.38
Excess Provisions for Income Tax in respect of earlier years				(11.89)				10.80
Deferred Tax				(10.68)				(146.84)
<b>Profit/(Loss) after Tax</b>				<b>23.33</b>				<b>286.66</b>
Other Information								
Segment Assets	3,152.07	2,417.14	2,445.16	8,014.37	3,756.50	1,667.09	2,585.95	8,009.54
Unallocated Assets				1,206.85				859.54
<b>Total Assets</b>				<b>9,221.22</b>				<b>8,869.08</b>
Segment Liabilities	1,764.28	1,547.94	1,655.36	4,967.58	1,982.80	1,459.38	1,716.84	5,159.02
Unallocated liabilities (Including share capital and reserves)				1,433.53				3,710.06
<b>Total liabilities</b>				<b>6,401.11</b>				<b>8,869.08</b>
Cost incurred during the financial year to acquire segment fixed assets	54.05	44.03	120.22	218.30	70.25	23.85	1,365.57	1,459.67
Cost incurred during the financial year to acquire segment fixed assets (Unallocated)				1.76				11.69
Depreciation	54.35	25.99	179.96	260.30	61.18	19.68	110.79	191.65
Depreciation (Unallocated)				40.38				15.32

Note:

The Group has disclosed Business Segments as the Primary Segments. The segments have been identified taking into account the nature of the products, the differing risks & returns, the organisational structure and internal reporting system. The Holding Company's operations predominantly relate to manufacturing of Material Handling

The subsidiary operates in the business of renting of material handling equipment.

The Group has identified its Managing Director as CODM which assesses the operational performance and position of the Group and makes strategic decisions.

There are no reportable geographical segments as the export turnover is not significant. Segment results include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

**38 Related party disclosure, as required by Indian Accounting Standard-24, is as below:**

**A. Names of related parties and description of relationship:**

Sr. No	Name of related party	Relationship
1	Mr. Vishal Jain, Vice Chairman & Managing Director	Key Management Personnel
2	Mr. Kshitiz Bilala, Chief Financial Officer(CFO) (Upto on 17.12.19)	
3	Mrs.Babita Kumari, Company Secretary (Upto on 29.02.20)	
4	Mr. Jai Prakash Agarwal, Chairman and Dire	Board of Directors
5	Mr. Farokh Kekhushroo Banatwalla, Independent Director	
6	Mr. Shailesh Rajnikant Sheth, Independent Director	
7	Mr. Marco Philippus Ardeshir Wadia, Independent Director	
8	Mrs. Shikha Jain, Women Director	
9	Mr. Kailash C Somani, Director of MHE Rentals India Private Limited	
10	Ms Anshu Agarwal	Relative of Chairman
11	Vishidhara Investment Advisors LLP	Directors as Partner
12	Amphenol Interconnect India Private Limited	Private company having common director
13	Amphenol Omniconnert India Private Limited	
14	Chambal Fertilizer and Chemicals Limited	Public Company having common Director
15	Stovec Industries Limited	
16	Simmonds Marshall Limited	

**B. Transactions with Related parties:**

Following transactions have been carried out with related party during the year

(Rs. in lakhs)

Sr No.	Related Party	Nature of transactions	For the Year ended	For the Year ended
			31st March 2020	31st March 2019
1	Stovec Industries Ltd.	Sale of Goods	4.63	0.19
2	Chambal Fertilizer and Chemicals Limited	Sale of Goods	4.94	25.41
3	Simmonds Marshall Limited	Sale of Goods	7.79	-
4	Mr. Shailesh Sheth	Registration fees	0.17	-
5	Mr. Shailesh Sheth	Registration fees repaid	0.17	-
6	Mr. Vishal Jain	Loan taken	102.50	80.00
7	Mr. Vishal Jain	Loan repaid	162.50	20.00
8	Mr. Vishal Jain	Interest paid on Loan	8.04	1.44
9	Vishidhara Investment Advisors LLP	Advance against PO	142.50	-
10	Amphenol Interconnct India Private Limited	Sale of Goods	0.47	2.28
11	AMPHENOL OMNICONNECT INDIA PRIVATE LIMITED	Sale of Goods	15.37	-
12	Mr. Jai Prakash Agarwal	Dividend payment	3.98	3.98
13	Ms Anshu Agarwal	Salary paymnet	-	-
14	Mr. Vishal Jain	Dividend payment	3.55	3.55
15	Mrs. Shikha Jain	Dividend payment	3.38	3.38
16	Mr. Marco Philippus Ardeshir Wadia	Dividend payment	0.01	0.01

(Note: The above amounts are inclusive of GST)

**C. Sitting fees:**

(Rs. in lakhs)

Name of the Directors	For the Year ended	For the Year ended
	31st March 2020	31st March 2019
1) Mr. J. P. Agarwal	1.80	1.80
2) Mr. Marco Wadia	0.75	1.40
3) Mr. F. K. Banatwalla	1.80	2.20
4) Mr. Shailesh Sheth	1.90	2.20
5) Mr. Vishal Jain	0.10	-
5) Mr. K. C Somani	0.10	-
5) Mrs. Shikha Jain	0.25	0.25
	<b>6.70</b>	<b>7.85</b>

**D. Compensation of Key Managerial Personnel:**

(Rs. in lakhs)

Name of KMP	Designation	For the Year ended	For the Year ended
		31st March 2020	31st March 2019
Mr. Kshitiz Bilala	CFO (Upto 17.12.19)	27.74	34.44
Mrs. Babita Kumari	Company Secretary (Upto 29.02.20)	6.13	2.34
Mr. Vishal Jain	Vice Chairman and Managing Director		
	a.Short Term benefits	28.40	34.56
	b.Post Employments benefits	7.60	1.44

**E. Outstanding balances with related party as at balance sheet date:**

(Rs. in lakhs)

Year End Balances	For the Year ended 31st March 2020	For the Year ended 31st March 2019
	<b>Receivable</b>	
Simmonds Marshall Limited	2.31	-
Stovec Industries Ltd.	0.40	-
Chambal Fertiliser and Chemicals Limited	0.83	0.13

**39 Leases**

The Group has adopted Ind AS 116 effective 1st April, 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated. In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard has an impact of decrease of profit by Rs 2.97 lakh for the year. The weighted average incremental borrowing rate of 11% has been applied to lease liabilities recognised in the balance sheet at the date of initial application

The impact of adopting Ind AS 116 on the consolidated financial statements for the year ended 31 March 2020 is as follows:

Sr No.	Particulars	Year ended 31.03.20 (Restated)	Year ended 31.03.20 (As per Ind AS 116)	Increase/ (Decrease) in profit
1	Other Expenses	1696.2	1,662.90	33.30
2	Finance Cost	316.13	328.31	(12.18)
3	Depreciation & Amortisation	272.48	300.69	(28.21)
4	Reversal of lease liability on termination of lease			(2.97)
5	Loss Before Tax			(4.12)
6	Deferred Tax Impact			(1.15)
7	Loss After Tax			(2.97)

**Lease Liability- Maturity Analysis**

(Rs. in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Not later than one year	31.90	-
Between one to five years	41.78	-
Later than five years	-	-

**40 Earnings per share**

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
a. Net Profit attributable to shareholders (Rs.in lakhs)	23.36	286.66
b. Weighted average number of Equity Shares (in lakhs)		
Basic	9.33	9.33
c. Weighted average number of Equity Shares (in lakhs)		
Diluted	2.50	30.73

**41 Events Occuring after Balance Sheet date**

The Board in its meeting held on June 15, 2020 has recommended a dividend of Rs. 3 per share on a share of Rs. 10 each to the shareholders of the company. This amount is to be paid after approval from shareholders in the ensuing annual general meeting.

**42 Income Tax**

(Rs. in lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
(a) Amount recognised in Statement of Profit & Loss		
Current tax		
Current tax on profits for the year	76.22	75.38
Income Tax for Earlier Years	(11.89)	10.80
<b>Total current tax expense (A)</b>	<b>64.33</b>	<b>86.18</b>
Deferred tax		
(Increase) in deferred tax assets	(10.68)	(146.84)
<b>Total deferred tax expense/ (credit) (B)</b>	<b>(10.68)</b>	<b>(146.84)</b>
<b>Income tax expense reported in the Statement of Profit &amp; Loss (A+B)</b>	<b>53.65</b>	<b>(60.66)</b>

(b) Reconciliation of effective tax rate

(Rs. in lakhs)

Particulars	For year ended 31 March 2020	For year ended 31 March 2019
Profit before income tax expense	77.01	226.00
Statutory income tax rate	27.82%	27.82%
<b>Amount of tax at statutory income tax rate (I)</b>	<b>21.42</b>	<b>62.87</b>
<b>Adjustments:</b>		
Income Tax for Earlier Years	-11.89	10.80
Difference in property, plant and equipment & employee benefit Provision as per books and Income tax Act, 1961	(0.20)	(0.40)
Mat Credit Entitlement	(0.51)	37.61
Tax Difference	-	-
Tax impact of brought forward losses	-	(54.94)
Deferred tax	(10.68)	(146.84)
Various allowance/ disallowance of expenses	56.51	(11.04)
Loss of Subsidiary on which Deferred tax asset not recognized	22.45	38.20
Others	(23.45)	3.08
<b>Adjustments (II)</b>	<b>32.23</b>	<b>(123.53)</b>
<b>Total Adjustment (I+II)</b>	<b>53.65</b>	<b>(60.66)</b>

**43 Exceptional Item**

Sabka Vishwas Scheme, 2019, was introduced under Union Budget, 2019, to resolve all disputes relating to the erstwhile Service Tax and Central Excise Acts, which are now subsumed under GST. The Holding Company had submitted its Central Excise and Service Tax matters under dispute for settlement, which were accepted by the

**44** The MCA wide notification dated October 11, 2018 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. The Company has incorporated ap

**45** The Company Secretary resigned on 28-02-2020 and the Holding Company is in process to appoint the Company Secretary as required under section 203 of the Companies Act 2013. As on 31st March 2020, the office of Company Secretary was vacant.

**46** Previous year figures have been regrouped/ re-arranged wherever necessary.

**As per our report of even date attached**

For Singhi & Co.  
Chartered Accountants  
Firm Registration No. 302049E

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

Vishal Jain

Vice Chairman & Managing Director

**Sukhendra Lodha**  
Partner  
Membership No.071272

Jai Prakash Agarwal

Director

Place: Mumbai  
Date: 15th June 2020

Place: Mumbai  
Date: 15th June 2020

**FORM AOC - 1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014

**Statement containing salient features of the Financial Statement of Subsidiaries or Associate Companies or Joint Ventures as on 31st March,2020**



**Part A Subsidiaries**

(Information in respect of each subsidiary to be presented with amount in lakhs)

Sl. No.	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on last date of the relevant Financial year in the case of foreign subsidiaries.	Share capital	Reserves and Surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation (Deferred Tax)	Profit after taxation	Proposed dividend	Extent of shareholding (in %)
1	MHE Rentals India Private Limited	20/04/2017	Not Applicable	Not Applicable	999.18	(209.38)	2,445.16	1,655.36	0.03	1,228.39	(78.28)	0.00	(79.31)	-	60.23

Notes :

1 Names of subsidiaries which are yet to commence operations- Not Applicable

**Part B Associates and Joint Ventures**

**Not Applicable**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates or Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	Not applicable		
2. Date on which the Associate or joint Venture was associated or acquired			
3. Shares of Associates or Joint Ventures held by the company on the year end No.			
Amount of Investment in Associates or Joint Venture			
Extent of Holding (in percentage)			
4. Description of how there is significant influence			
5. Reason why the associate/Joint venture is not consolidated			
6. Networth attributable to shareholding as per latest audited Balance Sheet			
7. Profit or Loss for the year			
i. Considered in Consolidation			
ii. Not considered in Consolidation			

1. Names of associates or Joint Ventures which are yet to commence operations. Not applicable  
 2. Names of associates or joint ventures which have been liquidated or sold during the year. Not applicable

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

Vishal Jain Vice Chairman & Managing Director  
 Jai Prakash Agarwal Chairman

Place: Thane  
 Date: 15th June 2020



To:  
M/s Computech Sharecap Limited  
Unit: Jost's Engineering Company Limited  
147, Mahatma Gandhi Road,  
3<sup>rd</sup> Floor, Opp. Jehangir Art Gallery,  
Fort, Mumbai- 400001

Dear Sir,

**CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM**

**Members holding shares in Electronic Mode**

I/ We hereby give my/ our CONSENT to the Company to use my/our registered E-mail ID in my / our Demat Account with the Depository Participant for sending the Notices of General Meetings, Annual Report, Postal Ballot and other Shareholder's communication to me/ us.

- 1. Name(s) of Shareholder(s)** 1 .....
- (including joint holder, if any)** 2.....
- 3.....
- 2. No. of Shares held** : .....
- 3. DP ID / Client ID Number** : .....
- 4. Email Id** : .....
- 5. Signature(s) of the Shareholder(s)** 1.....
- 2.....
- 3 .....

**Members holding shares in Physical Mode**

I/ We hereby give my / our CONSENT to the Company, to use my / our following e-mail id for sending the Notices of General Meetings, Annual Report, Postal Ballot and other Shareholders' communication to me / us.

- 1. Name(s) of Shareholder(s)** 1 .....
- (including joint holder, if any)** 2 .....
- 3 .....
- 2. No. of Shares held** : .....
- 3. Registered Folio Number** : .....
- 4. Email Id** : .....
- 5. Signature(s) of the Shareholder(s)** 1.....
- 2.....
- 3.....

Place: .....

Date: .....





Since 1907

[www.josts.com](http://www.josts.com)

**REGISTERED OFFICE ADDRESS**

Great Social Building, 60, Sir Phirozeshah Mehta Road, Mumbai - 400 001.

Tel. : 91-22-6237 8200 | Fax : 91-22-6237 8201

**THANE FACTORY**

C-7, Wagle Industrial Estate, Road No. 12, Thane - 400 604.

Tel. : 91-22-6267-4000