



Please scan this code to view the Letter of Offer

Letter of Offer Dated: August 13, 2025
For Eligible Shareholders only



JOSTS ENGINEERING COMPANY LIMITED

Our Company was incorporated on May 09, 1907, pursuant to certificate of incorporation issued by RoC, Bombay, as a public limited company under the name of “Jost’s Fans Supply and Engineering Company Limited”. The name of our Company was changed to “Josts Engineering Company Limited” through a special resolution passed on February 12, 1914, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC, Bombay, on February 25, 1918. For details, in respect of change in the Registered Office of our Company, please see the chapter titled “**General Information**” on page 45 of this Letter of Offer.

Registered Office: Great Social Building 60 Sir Phirozeshah Mehta Road, Fort, Mumbai, Maharashtra, India, 400001; **Tel:** +91 022-22694956;

Corporate Office: C-7, Road No. 12, Wagle Industrial Estate, Thane West, Mumbai, Maharashtra, India, 400604; **Tel:** +91 022-62674000

E-mail: jostsho@josts.in, **Website:** www.josts.com

Contact Person: Babita Kumari, Company Secretary and Compliance Officer

Corporate Identity Number: L28100MH1907PLC000252

OUR PROMOTERS - KRISHNA AGARWAL, JAI PRAKASH AGARWAL, ANITA AGARWAL, RAJENDRA KUMAR AGARWAL, VISHAL JAIN AND SHIKHA JAIN FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF JOSTS ENGINEERING COMPANY LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY

ISSUE OF UPTO 18,47,913 FULLY PAID-UP EQUITY SHARES OF FACE VALUE ₹1/- EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹270/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹269/- PER EQUITY SHARE) (THE “ISSUE PRICE”), AGGREGATING UPTO ₹4,989.37 LAKHS* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 5 (FIVE) RIGHTS EQUITY SHARES FOR EVERY 27 (TWENTY SEVEN) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON AUGUST 20, 2025 (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 270 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED “**TERMS OF THE ISSUE**” ON PAGE 111 OF THIS LETTER OF OFFER.

*Assuming full subscription

WILFUL DEFAULTER(S) OR FRAUDULENT BORROWER(S)

Neither our Company, nor our Promoters, or any of our Directors have been identified as Wilful Defaulter(s) or Fraudulent Borrower(s) by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Letter of Offer. Specific attention of the investors is invited to the section titled “**Risk Factors**” on page 20 of this Letter of Offer.

OUR COMPANY’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The existing Equity Shares are listed on BSE Limited (“BSE”) (the “Stock Exchange”). Our Company has received ‘in-principle’ approvals from BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide their letters dated August 05, 2025. Our Company will also make applications to BSE to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE Limited.

REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PRIVATE LIMITED

Office no S6-2, 6th floor, Pinnacle Business Park,
Mahakali Caves Road, Next to Ahura Centre,
Andheri East, Mumbai, Maharashtra, India, 400093.

Telephone: +91 91 22 62638200

Email : rightsissue@bigshareonline.com

Website: www.bigshareonline.com

Investor Grievance Email id: investor@bigshareonline.com

Contact Person: Mr. Suraj Gupta

SEBI Registration No.: INR000001385

Validity of Registration: Permanent

CIN: U99999MH1994PTC076534

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON**
Friday, August 29, 2025	Wednesday, September 03, 2025	Tuesday, September 09, 2025

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

**Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

*Provided that terms used in the sections/ chapters titled “**Industry Overview**”, “**Summary of this Letter of Offer**”, “**Financial Information**”, “**Statement of Special Tax Benefits**”, “**Outstanding Litigation and Defaults**” and “**Issue Related Information**” on pages 64, 17, 88, 60, 98 and 111 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.*

General Terms

Term	Description
“Josts Engineering Company Limited”, “our Company” / “the Company” / “the Issuer” / “JOSTS”	Josts Engineering Company Limited, a public limited company incorporated under the Indian Companies Act, 1882, presently having its registered office at Great Social Building, 60 Sir Phirozeshah Mehta Road Fort, Mumbai, Maharashtra, India,400001
“we” / “us” / “our”	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries on consolidated basis.

Company Related Terms

Term	Description
“Articles” / “Articles of Association” / “AoA”	Articles / Articles of Association of our Company, as amended from time to time.
“Audit Committee”	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“ SEBI Listing Regulations ”) and Section 177 of the Companies Act, 2013.
“Audited Consolidated Financial statements”	The audited consolidated financial statements of our Company as at for the year ended March 31, 2025, March 31, 2024 and March 31, 2023, which comprises the consolidated balance sheet as at March 31, 2025, March 31, 2024 and March 31, 2023, the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information
“Auditor” / “Statutory Auditor”/ “Peer Review Auditor”	Statutory and peer review auditor of our Company, namely, Shah Gupta and Co., Chartered Accountants
“Board” / “Board of Directors”	Board of Directors of our Company or a duly constituted committee thereof.
“Chief Financial Officer / CFO”	Pranesh Bhandari, the Chief Financial Officer of our Company.
“Company Secretary and	Babita Kumari, the Company Secretary and Compliance Officer of our

Term	Description
Compliance Officer”	Company.
“Corporate Office”	Corporate office of our Company situated at C-7, Road No. 12, Wagle Industrial Estate, Thane West, Mumbai, 400604.
“CSR”	Corporate Social Responsibility
“Director(s)”	The director(s) on the Board of our Company, unless otherwise specified, as described in the chapter titled “ Our Management ” on page 83 of this Letter of Offer.
“Equity Shareholder”	A holder of Equity Shares(s) of our company, from time to time
“Equity Shares”	Equity shares of our Company of face value of ₹1/- each, unless otherwise specified in context thereof.
“Executive Directors”	Executive Directors of our Company. For details of the Executive Director(s), see “ Our Management ” on page 83 of this Letter of Offer
“Independent Director(s)”	Independent Director of our Company as per Section 2(47) and Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations, and as described in the chapter “ Our Management ” on page 83 of this Letter of Offer.
“Joint Venture”	Suryavayu Renewable and Energy Solutions Private Limited, a joint venture of our company with Kay Cee Energy & Infra Limited.
“Key Management Personnel” / “KMP”	Key Management Personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled “ Our Management ” on page 83 of this Letter of Offer.
“Memorandum of Association” / “MoA”	Memorandum of Association of our Company, as amended from time to time.
“Nomination and Remuneration Committee”	Nomination and Remuneration Committee of our Board.
“Non-executive Director(s)”	Non-executive Director(s) on our Board, as described in “ Our Management ” on page 83 of this Letter of Offer.
“Promoters”	Krishna Agarwal, Jai Prakash Agarwal, Anita Agarwal, Rajendra Kumar Agarwal, Vishal Jain and Shikha Jain are the Promoters of our Company.
“Promoter Group”	Persons and/or entities constituting the promoter group as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.
“Registered Office”	The Registered Office of our Company located at Great Social Building, 60 Sir Phirozeshah Mehta Road Fort, Mumbai 400001
“Registrar of Companies”/ “RoC”	The Registrar of Companies, Mumbai, Maharashtra.
“Rights Issue Committee”	The committee of our Board constituted for purposes of the Issue and incidental matters thereof.
Senior Management	Senior management of our Company determined in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations. For details, see “ Our Management ” on page 83 of this Letter of Offer.
“Shareholders/ Equity Shareholders”	The Equity Shareholders of our Company, from time to time.
“Stakeholders’ Relationship Committee”	Stakeholder Relationship Committee of our Board.
“Subsidiary(ies)”	MHE Rentals India Private Limited, JECL Engineering Limited, Josts Foundation and Josts Engineering Inc. are the subsidiaries of our Company.
“Materiality Policy”	Policy for Determination and Disclosure of Materiality of Events or Information formulated in accordance with SEBI Listing Regulations, read with the materiality threshold as modified and adopted by the Board on August 14, 2023.

Issue Related Terms

Term	Description
Abridged Letter of Offer / ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and

Term	Description
	the Companies Act.
Additional Rights Equity Shares.	The Rights Equity Shares applied or allotted under the Issue in addition to the Rights Entitlement
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
Allot/Allotment/Allotted	Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account(s)	The account to be opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Advice	The note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to the Issue.
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer, including an ASBA Investor.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ASBA	Application (whether physical or electronic) used by ASBA Applicants to make an Application authorizing a SCSB to block the Application Money in the ASBA Account
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Applicant / ASBA Investor	As per the SEBI Master Circular, all investors (including renouncee) shall make an application for a rights issue only through ASBA facility.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
Banker to the Issue	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, being Kotak Mahindra Bank Limited.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in “ <i>Terms of the Issue</i> ” on page 111
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form.
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and/or

Term	Description
	such other website(s) as may be prescribed by the SEBI / Stock Exchange(s) from time to time.
Demographic Details	Details of Investors including the Investor's address, PAN, DP ID, Client ID, occupation and bank account details, where applicable
Designated Branches	SCSB Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Exchange	Stock BSE Limited
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Escrow Account	One or more no-lien and non-interest-bearing accounts to be opened with the Escrow Collection Bank for the purposes of collecting the Application Money from resident investors–eligible equity shareholders as on record date making an Application through the ASBA facility.
Eligible Equity Shareholders	Existing Equity Shareholder(s) as on the Record Date i.e. August 20, 2025. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see “ <i>Notice to Investors</i> ” on page 10 of this Letter of Offer.
IEPF	Investor Education and Protection Fund
Issue / Rights Issue	Issue of up to 18,47,913 Equity Shares of face value of ₹1/- each of our Company for cash at a price of ₹270/- per Rights Equity Share (including a premium of ₹269/- per Rights Equity Share) aggregating up to ₹4,989.37 Lakhs) on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 5 (Five) Rights Equity Shares for every 27 (Twenty Seven) fully paid-up Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date, i.e., August 20, 2025
Issue Closing Date	Tuesday, September 09, 2025
Issue Opening Date	Friday, August 29, 2025
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Material	Collectively, the Abridged Letter of Offer, the Common Application Form and Rights Entitlement Letter and any other material relating to the Issue.
Issue Price	₹270/- per Rights Equity Share.
Issue Proceeds	Gross proceeds of the Issue.
Issue Size	The issue of up to 18,47,913 Rights Equity Shares of face value ₹1/- each not exceeding to ₹4,989.37 Lakhs
Investor(s)	Eligible Equity Shareholder(s) of our Company as on the Record Date and/ or Renouncee(s) applying in the Issue
Letter of Offer/LOF	This letter of offer dated August 13, 2025, filed with Stock Exchange and submitted to SEBI.
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchange in terms of the SEBI Listing Regulations
MICR	Magnetic Ink Character Recognition
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application.
Net Proceeds	Proceeds of the Issue less our Company's share of Issue related expenses. For further information about the Issue related expenses, see “ <i>Objects of the Issue</i> ”

Term	Description
	on page 53 of this Letter of Offer.
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees.
Non-Institutional Bidders or NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Master Circular and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Master Circular and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before Wednesday, September 03, 2025 .
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being August 20, 2025.
Refund Bank	The Banker to the Issue with whom the Refund Account(s) will be opened, in this case being Kotak Mahindra Bank Limited.
Refund through electronic transfer of funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable
“Registrar to the Company” / “Registrar to the Issue”	Bigshare Services Private Limited
Registrar Agreement	Agreement dated April 28, 2025, entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renouncee(s)	Person(s) who has/have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on Wednesday, September 03, 2025 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Bidders(s)/Retail Individual Investor(s)/ RII(s)/RIB(s)	An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹200,000/- in the Issue as defined under Regulation 2(1)(ww) of the SEBI ICDR Regulations.
RE ISIN	ISIN for Rights Entitlement i.e, INE636D20017
Rights Entitlement	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being 5 (Five) Rights Equity Shares for every 27 (Twenty Seven) fully paid-up Equity Shares held on August 20, 2025. The Rights Entitlements with a separate ISIN: INE636D20017 will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the record date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue.
Rights Issue Account Agreement	Agreement to be entered into by and among our Company, the Registrar to the Issue and the Bankers to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where

Term	Description
	applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
“Self-Certified Syndicate Banks” or “SCSBs”	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Stock Exchange	Stock Exchange where the Equity Shares are presently listed, being BSE Limited.
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter and Fraudulent Borrower	A wilful defaulter or a fraudulent borrower, as defined under the SEBI ICDR Regulations
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Maharashtra are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Business and Industry related Terms or Abbreviations

Term	Description
ACC	Advanced Chemistry Cell
AEs	Advanced Economies
AI	Artificial Intelligence
AICTE	All India Council of Technical Education
APAC	Asia-Pacific
AWP	Aerial Work Platforms
B2B	Business to Business
BC	Belt Conveyer
BEML	Bharat Earth Movers Limited
BIS	Bureau of Indian Standards
BPCL	Bharat Petroleum Corporation Limited
CAD	Current account deficit
CNC	computer numeric control
Consumer Price Index CPI	An economic measure that gauges the average change in prices paid by Consumers for a basket of goods and services over time, used to measure inflation.
CU	Capacity Utilisation
EMDE	Emerging Market and Developing Economies
EPD	Engineering Products Division and Services
FPI	Foreign Portfolio Investment
FQC	Final Quality Control
GVA	Gross Value Added
HFI	High-Frequency Indicators
HMI	Human-Machine Interface

Term	Description
IEMA	India Energy Storage Alliance
Indian Brand Equity Foundation (IBEF)	Industry Report Provider
IoT	Internet of Things
ISO	Indian Standard Organisation
LG	Length Grader
LIC India	Life Insurance Corporation of India
MHD	Material Handling Division
MHI	Ministry of Heavy Industries
NABL	National Accrediation for Testing and Calibration Laboratories
PLI	Production Linked Incentive
PMKVY	Pradhan Mantri Kaushal Vikas Yojna
QC	Quality Control
QMS	Quality Management System
SDGs	Sustainable Development Goals
SHGs	Self-Help Groups
SPECS	Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors
STT Program	Short-term Training Program
VNA Trucks	Very Narrow Aisle Trucks
VRC	Vertical Reciprocating Conveyors

Conventional and General Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Companies Act, 2013 /Companies Act	Companies Act, 2013 along with rules made thereunder
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
CS	Company Secretary
CSR	Corporate Social Responsibility
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948

Term	Description
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended from time to time
INR or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India.
ISIN	International Securities Identification Number
IT	Information Technology
MCA	The Ministry of Corporate Affairs, GoI
Mn / mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
NSDL	National Securities Depository Limited
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the Securities Act
R&D	Research and Development

Term	Description
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, as amended
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, since repealed and replaced by the SEBI (AIF) Regulations
Securities Act	The United States Securities Act of 1933.
STT	Securities Transaction Tax
State Government	The Government of a State in India
Trademarks Act	Trademarks Act, 1999, as amended
TDS	Tax Deducted at Source
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31.
YoY	Year -on- Year

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement (collectively “**Issue Material**”) and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Draft Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email, who have provided their valid e-mail address to our Company and physical dispatch through speed post the Rights Issue related Issue Materials only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, this Letter of Offer, the Draft Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Letter of Offer, the Draft Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of, our Company, the Registrar and SEBI and the Stock Exchange.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Draft Letter of Offer, the Abridged Letter of Offer or any Issue Materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Draft Letter of Offer or the Abridged Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer, the Draft Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer, the Draft Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Draft Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer, the Draft Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer, the Draft Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of this Letter of Offer, the Draft Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer, the Draft Letter of Offer or the date of such information.

Neither the delivery of this Letter of Offer, the Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer, the Draft Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof (“**United States**”), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Letter of Offer / the Draft Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this Letter of Offer / Draft Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the “**US SEC**”), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Public Limited (Listed) Company under the laws of India and all the Directors and all Executive Officers are residents of India. It may not be possible or may be difficult for investors to affect service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments.

However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the “**Civil Procedure Code**”). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code.

The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction;
- The judgment has not been given on the merits of the case;
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
- The proceedings in which the judgment was obtained are opposed to natural justice;
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

All references to “India” contained in this Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Letter of Offer is in Indian Standard Time (“IST”).

Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Letter of Offer has been derived from our Financial Statements. For details, please see “*Financial Information*” on page 88. Our Company’s financial year commences on April 01 and ends on March 31 of the next calendar year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The GoI has adopted the Indian accounting standards (“**Ind AS**”), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (“**IFRS**”) and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the “**Ind AS Rules**”). The Financial Statements of our Company have been prepared in accordance with Ind AS and recognition and measurement principles laid down in Ind AS 34 prescribed under the Section 133 of the Companies Act 2013 and Regulation 33 of SEBI Listing Regulations. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in this Letter of Offer in “lakh” units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Letter of Offer should accordingly be limited. For further information, see “*Financial Information*” on page 88.

Certain figures contained in this Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to

other than two decimal points in their respective sources, such figures appear in this Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America;
- “Euro” or “€” or “EUR” are to Euros, the official currency of the European Union;
- “AED”, are to United Arab Emirates dirham the official currency of United Arab Emirates; and
- “OMR”, are to Omani Rial, the official currency of Sultanate of Oman.

Our Company has presented certain numerical information in this Letter of Offer in “lakh” or “Lac” units. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Consolidated Financial Information.

Exchange Rates

This Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Name of the Currency	(in ₹)		
	March 31, 2025	March 31, 2024	March 31, 2023
1 USD	85.58	83.37	82.22
1 EUR	92.32	90.22	89.61
1 AED	23.27	22.71	22.38
1 OMR	221.98	216.83	213.40

(Source: www.rbi.org.in, xe.com and www.fbil.org.in)

Note: On instances where the given day is a holiday, the exchange rate from the previous working day has been considered. Exchange rate is rounded off to two decimal places

Industry and Market Data

Unless stated otherwise, industry and market data used in this Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Accordingly, investment decisions should not be based solely on such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 20, this Letter of Offer.

The extent to which the market and industry data used in this Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD – LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute ‘forward looking statements.’ Investors can generally identify forward looking statements by terminology such as, ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘expected to’, ‘intend’, ‘is likely’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘shall’, ‘should’, ‘will’, ‘would’, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our Company’s expectations include, among others:

- 1. We derive a substantial portion of our revenue from operations from a limited number of customers. Our top 10 (ten) customers contributed ₹6,685 lakhs, ₹4,045 lakhs, and ₹3,524 lakhs respectively to our revenue from operations for Fiscal 2025, Fiscal 2024, and Fiscal 2023 comprising of 32.51%, 23.22 % and 22.07 % of the total revenue from operations, respectively. Our business is dependent on our continuing relationships with our customers and any deterioration in our relations with any of them could materially and adversely affect our business, results of operations, cash flows and financial condition.*
- 2. Our Company has negative cash flows from its operating activity, investing activity and financing activity. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.*
- 3. Our Company intends to allocate a substantial portion of the net proceeds from the Rights Issue towards meeting their working capital requirements, which is subject to operational risks and monitoring challenges.*
- 4. We have entered, and will continue to enter into related party transactions which may involve conflicts of interest. These or any future related party transactions may potentially involve conflict of interest and there can be no assurance that we could not have achieved better terms, had such arrangements been entered into with unrelated parties. Further, our Whole Time Director - Mr. Jai Prakash Agarwal and our Managing Director – Mr. Vishal Jain has interests in our Company other than reimbursement of expenses incurred and normal remuneration or benefits.*
- 5. Our Order Book may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our business, financial condition, results of operations and prospects.*
- 6. We shutdown our manufacturing unit located in Thane.*
- 7. Few of our Promoters do not have the experience of operating in the material handling equipment sector. Some of our promoters do not have adequate experience and have not actively participated in business activities of our Company.*
- 8. We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further, we have not identified any alternate source of financing the ‘Objects of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.*
- 9. Our inability to meet our obligations, including financial and other covenants under our credit facilities could adversely affect our business and financial results.*
- 10. The Promoters of our Company were involved in regulatory proceeding initiated by Securities and Exchange Board of India which has been settled.*

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 20, 74 and 92, respectively, of this Letter of Offer.

The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements.

In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI ICDR Regulations and Stock Exchange’s requirements, our Company will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions for the Rights Equity Shares by the Stock Exchange.

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SUMMARY OF THIS LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including the chapters, "**Risk Factors**", "**The Issue**", "**Capital Structure**", "**Objects of the Issue**", "**Industry Overview**", "**Our Business**", "**Outstanding Litigation and Defaults**" and "**Terms of the Issue**" beginning on pages 20, 44, 50, 53, 64, 74, 98 and 111 respectively of this Letter of Offer.

Summary of Primary Business of our Company

Our Company is engaged in business of sales and services of Material Handling and Engineered Products. We have been partnering growth over a range of business verticals across India for over a hundred years now. Our all-India sales and service network enables us to respond to customer needs with quality and value-added solutions. Our products are sold under the brand name JUMBO, PYGMY and JOTRUK.

Our Company has a diverse business portfolio with a focus on sale of manufactured material handling and engineered products. Over the years, the company had dealings with several other companies to enhance its offerings, expand its reach, and strengthen its position in the market.

Our product range consists of Industrial Platform Trucks, Tow Trucks, Hand Pallet Trucks, Electric Pallet Trucks, Electric Pallet Stackers, Reach Trucks, Forklifts, Racking Systems, Scissor Lifts, Dock Leveller, Pneumatic Sample Transport Systems, Battery Operated Passenger Carriers and various other customized products.

For further information, please refer to "**Our Business**" beginning on page 74 of this Letter of Offer.

Industry Overview

Our Company caters to a diverse range of industries, primarily Material Handling, Engineered Products, Power, Oil and Gas, Defense, Aerospace, Automobile, and other critical industries. For further information, please refer to "**Industry Overview**" beginning on page 64 of this Letter of Offer.

Objects of the Issue

The Net Proceeds are proposed to be used in the manner set out in the following table:

(₹ in Lakhs)		
Sr. No.	Particulars	Estimated Amount
1.	Funding the working capital requirements of our Company	4,358.00
2.	General Corporate Purposes*	551.37
	Total Net Proceeds**	4,909.37

*The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

**Assuming full subscription in this Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

For further details, please see the chapter titled "**Objects of the Issue**" beginning on page 53 of this Letter of Offer.

Intention and extent of participation by our Promoters and Promoter Group in the Issue

Our Promoters and members of the Promoter Group vide their respective letters dated April 28, 2025, have confirmed that they along with the promoter group (i) may or may not subscribe to the full extent of their rights entitlement; and (ii) may or may not subscribe to the unsubscribed portion over and above their rights entitlement. If they do subscribe to the full extent of their rights entitlement and to the unsubscribed portion over and above their rights entitlement, such subscription shall be in accordance with Regulation 3 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended (the "**Takeover Code**") and the exemption under Regulation 10(4) of Takeover Code. Further, such subscription shall not result in breach of the minimum public shareholding requirement stipulated in the Securities and Exchange Board of

India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities Contracts (Regulation) Rules, 1957, as amended.

For further details, please see the chapter titled “*Capital Structure*” beginning on page 50.

Summary of Financial Information

Following are the details as per the Consolidated Financial Information as at and for Financial Years ended on March 31, 2025, March 31, 2024, and March 31, 2023:

Particulars	(₹ in Lakhs)		
	March 31, 2025	March 31, 2024	March 31, 2023
Authorised Share Capital	1,000	100	100
Paid-up Capital	99.79	97.79	93.29
Total Revenue	24,020	18,821	17,299
Profit / (Loss) after Tax	1,754	990	731
Total other comprehensive income / (loss) for the quarter / year	4	(11)	10
Total comprehensive income / (loss) for the quarter / year	1,758	979	741
Earnings per Share (basic) (in ₹)	18	20	16
Earnings per Share (diluted) (in ₹)	18	20	16
Net Asset Value per Equity Share	78.60	118.61	205.39
Net Worth	7,843	5,799	3,832

For further details, please refer the section titled “*Financial Information*” on page 88 of this Letter of Offer.

Summary of Outstanding Litigations

A summary of outstanding litigation proceedings involving our Company and Subsidiaries as on the date of this Letter of Offer is provided below:

Type of Proceeding	Number of Cases	(₹ in Lakhs) ^
		Aggregate Amount Involved
Cases by our Company		
Issues involving moral turpitude or criminal liability	NIL	NIL
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	NIL	NIL
Cases Against our Company		
Issues involving moral turpitude or criminal liability	NIL	NIL
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	NIL	NIL
Material violations of statutory regulations	NIL	NIL
Matters involving economic offences where proceedings have been initiated	NIL	NIL
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	NIL	NIL
Taxation cases involving our Company		
Direct Tax Proceedings	15	4.48
Indirect Tax Proceedings*	02	121.82 [#]
Cases by our Subsidiaries		
Issues involving moral turpitude or criminal liability	01	11.20
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	NIL	NIL

Type of Proceeding	Number of Cases	Aggregate Amount Involved
Cases Against our Subsidiaries		
Issues involving moral turpitude or criminal liability	NIL	NIL
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	NIL	NIL
Material violations of statutory regulations	NIL	NIL
Matters involving economic offences where proceedings have been initiated	NIL	NIL
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of Subsidiaries	NIL	NIL
Taxation cases involving our Subsidiaries		
Direct Tax Proceedings	08	0.52
Indirect Tax Proceedings	NIL	NIL**

**Our subsidiary, MHE Rentals India Private Limited, had an outstanding GST demand of ₹15.52 lakhs, comprising a tax liability of ₹6.99 lakhs and interest and penalties amounting to ₹8.53 lakhs. Pursuant to the GST Amnesty Scheme, the interest and penalties of ₹8.53 lakhs were waived, and the Company discharged the tax liability of ₹6.99 lakhs.

^(1) In relation to Financial Year 2017–18 and the tax period July 2017 to March 2018, the Department of Goods & Services Tax, Government of Maharashtra, issued a notice in Form GST ASMT-10 on September 3, 2021, highlighting discrepancies in the Company's returns. Subsequently, a Demand Order dated June 15, 2022, was issued under Sections 73, 50, and 122 of the MGST Act, 2017, raising a demand of ₹65.93 lakhs based on alleged irregularities including delayed ITC claims, interest liabilities, contraventions of Sections 155 and 73(1), and excess RCM ITC. The Company filed an appeal against the said Demand Order in Form GST APL-01 on September 13, 2022, contesting the observations of the GST Department.

^(2) In relation to Financial Year 2018–19 and the tax period April 2018 to March 2019, the Department of Goods & Services Tax, Government of Maharashtra, issued a notice in Form GST ASMT-10 on August 10, 2023, highlighting discrepancies in the Company's returns. Subsequently, a Demand Order dated February 02, 2024, was issued under Sections 73, 50, and 122 of the MGST Act, 2017, raising a demand of ₹55.89 lakhs based on alleged discrepancies including excess outward tax, ITC from non-filer suppliers, and mismatched ITC claims. The Company filed an appeal against the said Demand Order in Form GST APL-01 on May 1, 2024, contesting the observations of the GST Department.

*The Company had an outstanding GST demand of ₹0.31 lakhs, which has been duly paid. However, the said demand continues to be reflected on the GST portal.

For detailed information, see "**Outstanding Litigation and Defaults**" on page 98 of the Letter of Offer.

Risk Factors

For details of the risks applicable to us, including to our business, the industry in which we operate, and our Equity Shares, please refer to the chapter titled "**Risk Factors**" beginning on page 20, of this Letter of Offer.

Contingent Liabilities

For details of the contingent liabilities, as reported in the Consolidated Audited Financial Statements, please refer to the section titled "**Financial Information**" beginning on page 88 of this Letter of Offer.

Summary of Related Party Transactions

For details, please refer to the section titled "**Financial Information**" beginning on page 88 of this Letter of Offer.

Issue of Equity Shares made in last one year for consideration other than cash

Our Company has not made any issuance of Equity Shares in the last one year for consideration other than cash.

SECTION II RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Letter of Offer, including the risks and uncertainties described below and the "Financial Information" on page 88 of this Letter of Offer, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 64, 74, and 92, respectively, as well as the other financial information included in this Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below.

However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. The following factors have been considered for determining the materiality:

- 1. Some events may not be material individually but may be found material collectively;*
- 2. Some events may have material impact qualitatively instead of quantitatively; and*
- 3. Some events may not be material at present but may have material impact in future.*

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, please refer to "Forward Looking Statements" beginning on page 15 of this Letter of Offer.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Financial Statements and Unaudited Interim Financial Information included in this Letter of Offer. For further information, please refer to "Financial Information" beginning on page 88 of this Letter of Offer. In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Josts Engineering Company Limited.

INTERNAL RISK FACTORS

- 1. We derive a substantial portion of our revenue from operations from a limited number of customers. Our top 10 (ten) customers contributed ₹6,685, ₹4,045 lakhs, and ₹3,524 lakhs respectively to our revenue from operations for Fiscal 2025, Fiscal 2024, and Fiscal 2023 comprising of 32.51%, 23.22% and 22.07% of the total revenue from operations, respectively. Our business is dependent on our continuing relationships with our customers and any deterioration in our relations with any of them could materially and adversely affect our business, results of operations, cash flows and financial condition.*

Fluctuations in performance of industries in which certain of our customers operate including adverse general economic conditions or decline in business/sales of such customers, unfavourable financial position of such customers or our relationships with these customers may result in a loss of customers, decrease in the volume of work we undertake for a number of reasons, or the price at which we offer our services or if such customers decide to choose our competitors over us, could materially and adversely affect our business, results of operations, cash flows and financial condition. For details of our business, see "Our Business" on page 74 of this Letter of Offer

We cannot assure you that we will be able to maintain historic levels of business from our top 10 customers, or that we will be able to reduce customer concentration in the future. The volume and timing of sales to our top 10 customers may vary due to variation in demand from such customers. Any decrease in the demand for our products from our top 10 customers, or a termination of our arrangements with them, could adversely impact our business, results of operations, financial condition and cash flows.

Larger contracts from few customers may represent a larger part of our portfolio, increasing the potential volatility of our results and exposure to individual contract risks. We may be vulnerable to accepting onerous contractual terms with regard to change in scope of work or inclusion of additional work within the scope of an existing contract. While such instances have not occurred in the past, however such concentration of our business on a few projects or clients may have an adverse effect on our results of operations and result in a significant reduction in the award of contracts which could also adversely affect our business if we do not achieve our expected margins or suffer losses on one or more of these large contracts, from such clients. We cannot assure you that we can maintain the historical levels of project orders from these clients or that we will be able to find new clients in case we lose any of them. Further, major events affecting our clients, such as adverse market conditions, regulatory changes, adverse cash flows, change in government or applicable governmental policies, could adversely impact our business. If any of our major clients become financially strained, we may face delays in receiving payments from our project clients, which may adversely impact our cash flows and financial condition. For instance, we are experiencing delayed payments from some of our clients, which adversely impacted our cash flows.

In the event we are unable to complete our projects within the duration prescribed under our contracts, or the quality of our work deteriorates, then our relationship may get strained, and we may not get further orders from our current clients which could adversely affect our business. In addition, our clients may also be entitled to terminate the agreement in the event of delay in completion of the work if the delay is not on account of any of the agreed exceptions. In the event any one or more such clients should terminate their contracts for any reason or cease doing business with us in the future or be affected by external or internal risks that impact their ability to make contracted payments to us, our business and prospects may be adversely affected.

2. *Our Company has negative cash flows from its operating activity, investing activity and financing activity. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.*

Our Company had reported certain negative cash flows in previous years as per the Standalone and Consolidated Financial Statements, as stated below:

Cash Flow of our Company (on a standalone basis)

	<i>(₹ in Lakhs)</i>		
Cash Flow From	Fiscal 2025	Fiscal 2024	Fiscal 2023
Profit / (Loss) Before Tax	2,156	1,343	972
Operating Activities	1,763	(539)	714
Investing Activities	(1,216)	(1,392)	(597)
Financing Activities	(426)	1,866	(69)

Cash Flow of our Company (on a consolidated basis)

	<i>(₹ in Lakhs)</i>		
Cash Flow From	Fiscal 2025	Fiscal 2024	Fiscal 2023
Profit / (Loss) Before Tax	2,377	1,370	1,009
Operating Activities	455	194	1,064
Investing Activities	(920)	(2,307)	(325)
Financing Activities	638	2,067	(715)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. Since our Company is in a growth phase, our working capital requirement has

increased and this has resulted in negative cash flow from operations in Fiscal Year 2024. If our Company is not able to generate sufficient operating cash flows, it may adversely affect our business and financial operations. For further details, please see “*Financial Information*” on page no 88.

3. *Our Company intends to allocate a substantial portion of the net proceeds from the Rights Issue towards meeting their working capital requirements, which is subject to operational risks and monitoring challenges.*

Our Company intends to allocate in aggregate ₹4,358 Lakhs towards the working capital requirements, which is a substantial portion of the net proceeds from the Rights Issue.

On the basis of existing and estimated and projected working requirements, the Rights Issue Committee of the Board, pursuant to their resolution dated April 28, 2025, has approved the fund requirement towards working capital for the Fiscal 2025 and 2026. The estimated working capital requirements for Fiscal 2025 and 2026 as stated below:

Sr. No.	Particulars	Financial Year 2025 [Actual]	Financial Year 2026 [Estimated]
I.	Current Assets		
1.	Inventories	557	1,184
2.	Financial Assets		
a.	Current Investments	17	19
b.	Trade Receivables	7,573	11,461
c.	Cash and cash equivalents	550	1,069
e.	Loans	211	350
f.	Other current financial assets	171	350
3.	Other current assets	733	3,983
	Total Current Assets (A)	9,812	18,416
II.	Current Liabilities		
1.	Financial liabilities		
a.	Short Term Borrowings	292	593
b.	Lease liabilities	50	50
c.	Trade payables	4,210	5,567
d.	Other current financial liabilities	125	160
2.	Other current liabilities	857	1,242
3.	Current provisions	101	210
4.	Income tax liabilities (net)	216	77
	Total Current Liabilities (B)	5,851	7,899
III.	Total Working Capital Requirements		
	Total Current Assets (A) - Total Current Liabilities (B)	3,961	10,517
IV.	Funding pattern		
1.	Working Capital Funding from Banks	253	550
2.	Internal accruals/ other sources	3,708	5,608
3.	Net Proceeds from the proposed Placement	-	4,358
V.	Days		
1.	Raw material (inventories)	21	-
2.	Unbilled Work-in-progress (other current financial assets)	2	-
3.	<u>Finished Goods</u>	<u>12</u>	<u>12</u>
4.	Trade Receivables	113	108
5.	Trade Payables	93	74

Working capital, which comprises funds allocated for daily business operations such as inventory, trade receivables, other current assets, trade payables and other short-term financial obligations, continuously circulates through the business cycle. The deployment of working capital is inherently subject to various factors, including fluctuations in operational costs, changes in market conditions, and business growth. Unlike fixed assets, which remain relatively stable over time, working capital is subject to frequent changes based on operational demands, market conditions, and cash flow movements. Given the nature of working capital utilization, continuous monitoring, tracking and managing its usage can be difficult. Any inefficiencies or mismanagement in the deployment of these funds may impact our liquidity position, cash flows, and overall financial health.

Further, since working capital requirements may vary based on business cycles and external factors, there can be no assurance that the allocated funds will be sufficient to meet our future working capital needs. Any shortfall in working capital may require us to arrange for additional financing, which could impact our financial position and profitability.

The fund requirements, proposed deployment of funds and the intended use of the Net Proceeds is based on our current business plan, internal management estimates, current circumstances of our business, prevailing market conditions and other commercial considerations. We may have to revise our funding requirement on account of factors, such as financial and market conditions, competition, price fluctuations, and other external factors, which may not be within the control of our management. This may also entail rescheduling of the proposed deployment of the Net Proceeds at the discretion of our management, subject to compliance with applicable laws.

4. ***We have entered, and will continue to enter into related party transactions which may involve conflicts of interest. These or any future related party transactions may potentially involve conflict of interest and there can be no assurance that we could not have achieved better terms, had such arrangements been entered into with unrelated parties. Further, our Whole Time Director Jai Prakash Agarwal and our Managing Director Vishal Jain has interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

Our Company has entered into certain transactions with our related parties including our wholly owned subsidiaries, Promoters and close relatives of directors over which they are able to exercise significant influence. Further, our Whole Time Director Jai Prakash Agarwal and our Managing Director Vishal Jain has interests in us other than reimbursement of expenses incurred and normal remuneration or benefits. Our Promoters, Promoter Group and Directors are interested in our Company to the extent (i) in their capacity as Promoters and/or Directors, as applicable; (ii) of their shareholding in our Company; (iii) the dividend payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company, from time to time; (iv) normal remuneration or benefits and reimbursement of expenses; and (v) transactions undertaken by our Company with entities wherein, our Promoters, our Promoter Group holds shares, directly or indirectly exercise control/significant influence, and are classified as Related Parties as per the criteria laid down in IND-AS 24.

MHE Rentals India Private Limited (MHE), is engaged in equipment rental business. Our Company is involved in selling various equipment to MHE, wherein sale of goods/services to MHE for F.Y. 2025 was ₹90 Lakhs, for F.Y. 2024 was ₹163 Lakhs and for F.Y. 2023 was ₹98 Lakhs. Our Company receives continuous orders from MHE Rentals resulting in the increase in value of transactions.

There is no potential conflict of interest between the Issuer and its related parties, including its corporate promoters as all such transactions have been conducted on an arm's length basis, and are in compliance with applicable laws, including the Companies Act, 2013. We cannot assure that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. Furthermore, it is likely that we will enter into related party transactions in the future.

Although all material related party transactions that we may enter into, will be subject to Audit Committee and Board or shareholder approval, as necessary under the Companies Act, 2013 and the SEBI Listing Regulations, there can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation. For further details, please refer to "***Financial Information***" on page no 88 in this Letter of Offer.

5. ***Our Order Book may not be representative of our future results and our actual income may be less than the estimates reflected in our Order Book, which could adversely affect our business, financial condition, results of operations and prospects.***

As on March 31, 2025, our Order Book position was 21,056 Lakhs which has increased consistently over a period of time. While the Order Book provides a useful indication of committed work, it may not always translate into revenue as scheduled, due to various factors such as project delays, changes in scope or modifications by customers apart from delayed payments by customers, regulatory bottlenecks, unforeseen operational challenges, or other circumstances beyond our control including force majeure events.

Although during the last two financial years, there were no instances of termination of contract. However, we may not assure you the occurrence of the said events in future.

6. ***We have shut down our existing manufacturing unit in issuer company located at Thane and set-up a new facility at Murbad in Wholly Owned Subsidiary (WOS) of the Company which may impact our operations and cost competitiveness in short term.***

Our Company has discontinued manufacturing operations at its factory located at C-7, Wagle Industrial Estate, Road No. 12, Thane – 400604, with effect from January 31, 2025, due to ageing of the factory, and old machinery resulted into, higher cost of production, subsequently becomes uneconomical to continue manufacturing at Thane factory. However, company has set-up a new manufacturing facility in WOS and started obtaining its requirement of the products/ inventory through it as well as from reliable third-party manufacturers and suppliers to ensure consistent product quality, timely delivery, and cost competitiveness.

While the cessation of in-house manufacturing may impact our cost structure and production control in the short term, till the newly unit at WOS fully optimize its operations.

7. ***Few of our Promoters do not have the experience of operating in the material handling equipment sector. Some of our promoters do not have adequate experience and have not actively participated in business activities of our Company.***

Few of our Promoters do not have prior experience in the sector in which our Company operates. They have not acquired any technical expertise which is required in our field. Our Company relies on the technical expertise of its employees. There can be no assurance that we will be successful in our business plans due to the lack of such direct experience of our Promoters.

Moreover, some of our Promoters, Krishna Agarwal (wife of promoter Jai Prakash Agarwal), Rajendra Kumar Agarwal (brother of promoter Jai Prakash Agarwal) and Anita Agarwal (wife of promoter Rajendra Kumar Agarwal) do not have experience and have not actively participated in the business activities undertaken by us.

8. ***We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further, we have not identified any alternate source of financing the 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

As of date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. We meet our capital requirements through our bank finance, owned funds and internal accruals. Any shortfall in our owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and the results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled "***Objects of the Issue***" beginning on page 53 of this Letter of Offer.

In the event our Company does not receive the minimum subscription of 90% of the total Issue Size or the subscription level falls below 90% of the total Issue Size after the Issue Closing Date, on account of withdrawal of Applications or technical rejections or any other reason, our Company shall refund the entire subscription amount received within such period as may be prescribed under applicable law. On occurrence of such an event, we shall be unable to meet our capital requirements. We do not have any alternate sources of finance available, therefore in such an event we shall be forced to approach lenders for seeking additional finance for meeting our Objects of the Issue. The occurrence of any such event could have an adverse impact on our financial conditions and results of operations

9. *Our inability to meet our obligations, including financial and other covenants under our credit facilities could adversely affect our business and financial results.*

As of March 31, 2025, our aggregate outstanding indebtedness was ₹361 Lakhs comprising of short-term borrowings, current maturities of long-term debts and vehicle loans. The total finance cost incurred by our Company to service such outstanding indebtedness for the Fiscal Years 2025, 2024 and 2023 was ₹187 lakhs and ₹117 lakhs and ₹82 Lakhs respectively. Our credit facilities contain certain restrictive covenants that may require prior written approval of lenders and limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial results. Upon the occurrence of certain events or otherwise, certain lenders to our Company inter alia have the right to:

- the bank's commitment to advance any undrawn balance of the loan shall cease and all the amounts due will become repayable forthwith on demand in writing being made by the bank at any time;
- impose penal/default interest;
- accelerate the facility and declare all amounts payable by our Company in respect of the facility to be due and payable immediately or otherwise payable on demand;
- enforce the security; Additionally, some of our borrowings may be secured against all or a portion of our assets, and lenders may be able to sell such assets to enforce their claims for repayment.

Our failure to meet our obligations under credit facilities could have an adverse effect on our business and financial results. If we are unable to repay or refinance our outstanding indebtedness, or if we are unable to obtain additional financing on terms acceptable to us, our business, financial condition and results of operations may be adversely affected. However, till the date of filing of the letter of Offer, there has been no default on any of our obligations.

10. *The Promoters of our Company were involved in regulatory proceeding initiated by Securities and Exchange Board of India which has been settled.*

Securities and Exchange Board of India (“SEBI”) had alleged that the promoters of our company Mr. Jai Prakash Agarwal, Ms. Anita Agarwal and Mr. Krishna Agarwal were indulged in creation of Artificial Volume through reversal of trade transactions in illiquid stock options at BSE Limited in terms of Rule 4 (1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 to our Company, in relation to trading in illiquid stock options, which was allegedly in violation of the provisions of the SEBI Act, 1992 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

The alleged Promoters of our company applied to SEBI for settlement of the proceedings by filing settlement applications in terms of the SEBI Settlement Scheme, 2022 and had thereafter paid the settlement amount of ₹1 lakh each to SEBI. We cannot assure you that regulatory proceedings will not be initiated against our Company, or any regulatory actions will not be taken against us in the future for any violation of applicable laws. Any such regulatory proceedings, or any adverse action as a result of such regulatory proceedings, may affect our reputation or business.

11. ***Certain properties of our Company are not owned by us but taken on leave and license basis for which leave and license agreements are untraceable. Our inability to locate such leave and license agreements may lead to civil dispute and/or us having to vacate premises of our registered office on a short notice. Further, some of our properties are not located on land owned by us and we have only leasehold rights. Our inability to renew the lease agreements and/or leave and license agreements or any adverse impact on the title or ownership rights of our landlords / owners in relation to these premises may impede our operations.***

Our properties are on premises that have been taken on leave and license/lease from third parties. Our Registered Office has also been taken on rental basis from LIC India. However, the lease agreement/lease and license agreement, entered between LIC India and our Company is untraceable.

While we have conducted physical searches of the agreements at our Company's offices and the online database available, we have not been able to trace the aforementioned corporate records.

In the event of any dispute arising out of non-availability of Lease / leave and license agreement, we may not be able to effectively enforce our rights arising out of such agreements which may have a material and adverse impact on the business of our Company.

Some of our other properties are also on lease and license/lease from third parties. Upon expiration of the leave and license/ lease agreements for each of our premises, we will be required to negotiate the terms and conditions. Our leave and license/ lease agreements are renewable on mutually acceptable terms and upon payment of such rent escalations as stated in the agreements. Any delay or non-payment of rent may result in vacation of the property.

We cannot assure that we will be able to renew our lease/ leave and license agreements on commercially acceptable terms or at all. If we do not comply with the terms of the leave and license/ lease agreements, it may lead to termination which would have an adverse effect on our business, and results of operations. Further, any adverse impact on the title or ownership rights of the landlords, may force us to vacate such premises and we would be required to make alternative arrangements. In the event that we are required to vacate our current premises, we could be required to make alternate arrangements for our infrastructure and there can be no assurance that the new arrangements will be on commercially acceptable terms.

Further, relocation of any part of our operations may cause disruptions to our business and may require significant expenditure. If we are required to relocate our business operations, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

12. ***There are certain outstanding legal proceedings involving the Company and Subsidiaries which may adversely affect our business, financial condition and results of operations.***

As of the date of this Letter of Offer, our Company and Subsidiaries are involved in some legal proceedings, including certain civil cases filed against us, criminal cases filed by us, and other outstanding legal matters. These proceedings are pending at various levels of adjudication before different courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and may include amounts claimed jointly and/or severally from us and/or other parties, as the case may be.

We cannot assure you that these legal proceedings will be decided in favour of our Company and Subsidiaries or that no further liability will arise from these proceedings. We may incur significant expenses in such legal proceedings and may need to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations, and financial condition.

		(₹ in Lakhs) ^
Type of Proceeding	Number of Cases	Aggregate Amount Involved
<i>Cases by our Company</i>		
Issues involving moral turpitude or criminal liability	NIL	NIL
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	NIL	NIL
<i>Cases Against our Company</i>		
Issues involving moral turpitude or criminal liability	NIL	NIL
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	NIL	NIL
Material violations of statutory regulations	NIL	NIL
Matters involving economic offences where proceedings have been initiated	NIL	NIL
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	NIL	NIL
<i>Taxation cases involving our Company</i>		
Direct Tax Proceedings	15	4.48
Indirect Tax Proceedings*	02	121.82 [#]
<i>Cases by our Subsidiaries</i>		
Issues involving moral turpitude or criminal liability	01	11.20
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	NIL	NIL
<i>Cases Against our Subsidiaries</i>		
Issues involving moral turpitude or criminal liability	NIL	NIL
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	NIL	NIL
Material violations of statutory regulations	NIL	NIL
Matters involving economic offences where proceedings have been initiated	NIL	NIL
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of Subsidiaries	NIL	NIL
<i>Taxation cases involving our Subsidiaries</i>		
Direct Tax Proceedings	08	0.52
Indirect Tax Proceedings	NIL	NIL**

^To the extent quantifiable

**Our subsidiary, MHE Rentals India Private Limited, had an outstanding GST demand of ₹15.52 lakhs, comprising a tax liability of ₹6.99 lakhs and interest and penalties amounting to ₹8.53 lakhs. Pursuant to the GST Amnesty Scheme, the interest and penalties of ₹8.53 lakhs were waived, and the Company discharged the tax liability of ₹6.99 lakhs.

[#](1) In relation to Financial Year 2017-18 and the tax period July 2017 to March 2018, the Department of Goods & Services Tax, Government of Maharashtra, issued a notice in Form GST ASMT-10 on September 3, 2021, highlighting discrepancies in the Company's returns. Subsequently, a Demand Order dated June 15, 2022, was issued under Sections 73, 50, and 122 of the MGST Act, 2017, raising a demand of ₹65.93 lakhs based on alleged irregularities including delayed ITC claims, interest liabilities, contraventions of Sections 155 and 73(1), and excess RCM ITC. The Company filed an appeal against the said Demand Order in Form GST APL-01 on September 13, 2022, contesting the observations of the GST Department.

[#](2) In relation to Financial Year 2018–19 and the tax period April 2018 to March 2019, the Department of Goods & Services Tax, Government of Maharashtra, issued a notice in Form GST ASMT-10 on August 10, 2023, highlighting discrepancies in the Company's returns. Subsequently, a Demand Order dated February 02, 2024, was issued under Sections 73, 50, and 122 of the MGST Act, 2017, raising a demand of ₹55.89 lakhs based on alleged discrepancies including excess outward tax, ITC from non-filer suppliers, and mismatched ITC claims. The Company filed an appeal against the said Demand Order in Form GST APL-01 on May 1, 2024, contesting the observations of the GST Department.

*The Company had an outstanding GST demand of ₹0.31 lakhs, which has been duly paid. However, the said demand continues to be reflected on the GST portal.

For detailed information, see "**Outstanding Litigation and Defaults**" on page 98 of this Letter of Offer.

13. Our Company has certain contingent liabilities and commitments, which, if they materialize, may adversely affect our results of operations, financial condition and cash flows.

The table below set forth our Contingent Liabilities as for Fiscal 2025 and Fiscal 2024, and Fiscal 2023:

Particulars	(₹ in Lakhs)		
	Fiscal 2025	Fiscal 2024	Fiscal 2023
Contingent Liabilities			
A) Claims against the Company, not acknowledged as Debts			
Goods and Services Tax Demand	122	122	66
B) Bank Guarantees	2,186	1,407	772
C) Letter of credit issued to vendor	1,606	364	73
D) On account of corporate guarantee to bankers on behalf of subsidiary for facilities availed by them	572	703	577

If a significant portion of our contingent liabilities except for the guarantees issued by the Company's Bankers on behalf of our Company materialises, it could affect our business, financial condition, results of operations and cash flows.

There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Financial Year or in the future. For further details in relation to our contingent liabilities, please refer to the section entitled "**Financial Statements**" and "**Management's Discussion and Analysis of Financial Position and Results of Operations**" on page 88 and 92, respectively, of this Letter of Offer.

14. Delays associated with the collection of trade receivables may adversely affect our business and results of our operations

There may be delays associated with the collection of trade receivables which may result as a strain on our resources and as on March 31, 2025, ₹7,820 Lakhs of our total trade receivable were outstanding. The ageing of the outstanding debts for the preceding three years has been provided below:

Particulars	(₹ in Lakhs)		
	Fiscal 2025	Fiscal 2024	Fiscal 2023
Not Due	3,214	2,266	1,808
Less than 6 Months	2,672	3,048	1,965
6 months to 1 years	1,395	298	499
1-2 year	255	306	257
2-3 years	203	54	70
More than 3 years	81	75	85
Total	7,820	6,047	4,684

We cannot assure you that we will be able to collect our receivables in time or at all which may have an adverse effect on our cash flows, business, results of operations and financial condition. Delays in client payments may require us to make a working capital investment. If a client defaults in making its payments

for which we have devoted significant resources it could have a material adverse effect on our results of operations and financial condition. Securing adequate banking facilities towards borrowings is crucial for our long-term growth. However, our ability to obtain necessary funds timely and on favorable terms is uncertain, influenced by our financial health, market conditions. Inability to meet these financial obligations could lead to negative cash flows and hamper our working capital needs, adversely impacting our business and operations and creating additional interest cost.

15. *The management of our Company is dependent upon our Senior Management Personnel, Whole Time Director and Key Managerial Personnel.*

We operate in an industry where the quality of our people is a critical asset. We benefit significantly from the vision, strategic guidance, experience and skills of several key members of our management team, which includes our Promoters, supported by the skills, efforts, expertise, continued performance and motivation of our Key Managerial Personnel, Senior Management and other personnel.

The table below sets forth the Key Managerial Personnel and Senior Management who have resigned from employment in Fiscal 2025, 2024 and Fiscal 2023 from our Company:

	Key Managerial Personnel and Senior Management (Number)	Key Managerial Personnel and Senior Management Attrition (Number)	Key Managerial Personnel and Senior Management Attrition rate (%)[#]
Fiscal 2025	9	1	11%
Fiscal 2024	9	-	-
Fiscal 2023	8	1	13%

[#]Attrition rate= (Total number of KMP and SMP resigned during the reporting period/ Total number of KMP and SM as on the last day of the reporting period) * 100

If any of our Whole Time Director, Key Managerial Personnel and Senior Management cease to be associated with our Company and we fail to recruit suitable replacements in a timely manner, our ability to manage our growth and our business, results of operations and prospects may be adversely affected. For further details, see "**Our Management**" on page 83 of this Letter of Offer.

The overall attrition rate in our Company is 11%, 24% and 23% for Fiscal 2025, Fiscal 2024 and 2023, respectively.

16. *Deployment of funds raised through this issue not subject to any monitoring agency.*

Since, the Net Proceeds from Issue is less than ₹10,000 lakh, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. However, our Audit committee will also review and Monitor the end use of funds of the Issue. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

17. *Our business is significantly dependent on a few suppliers for procurement of finished goods and an inability to procure the desired quality and/or quantity of finished goods in a timely manner and at a reasonable cost, or at all, may have a negative impact on our business, results of operations, financial condition and cash flows.*

We procure goods based on orders received from our customers. As our products are capital goods and are of high values, we procure goods based on orders or tenders received from our customers. However, for standard equipment and spares we maintain minimal inventories in our warehouse. Our changes in inventories of finished goods for the FY 2025, F.Y 2024 and F.Y 2023 was ₹383 lakhs, ₹635 lakhs, and ₹745 lakhs and respectively. Our Finished Goods Inventory turnover ratio for FY 2025, F.Y 2024 and F.Y 2023 was 1.76%, 3.64%, 4.67% respectively. We rely on third party and our subsidiary to supply the finished goods. Any shortage in supply, delay in deliveries or not delivering the goods may have a

material adverse effect on our business, results of operations and financial condition

18. *Trade constraints between the countries we export to and India may adversely affect our business and results of operation.*

Most of our customers operate across diverse geographies and we supply our products to customers in various countries. 0.43% in Fiscal 2025 and 0.32% in Fiscal 2024 of our revenue of operations has been from export sales. Thus, any change in the political or economic scenario in such countries or their economic and trade relation with India, change in sales strategy of our customers in such countries, change in demand for our products in such countries, or imposition of trade embargo on such countries by India or vice-versa, may have an adverse effect on our business and operations.

19. *We operate in highly competitive markets and our business, results of operations, financial condition and future prospects will depend on how effectively we compete.*

We face competition from various international and domestic companies. Our competitors may have significantly greater financial or marketing resources and operate larger global networks than we do. Further, we operate within an industry comprising of Indian and multinational players resulting in a stiff competition from these players. Pricing is unregulated in our industry and is a key differentiator in our industry and, accordingly, our competitors may engage in price competition.

If we do not maintain or gain sufficient market presence or are unable to differentiate ourselves from our competitors, we may not be able to compete effectively with our competitors. Our ability to compete effectively may be constrained by the following factors:

- Loss of key members of our management team and experienced employees (in particular, those that have relationships with our key customers) to our competitors;
- Competitors may enter into alliances with international providers and have access to an extensive distribution network, larger customer base as well as resources and technologies that may not be available to us;
- Our competitors may be able to procure funding for their operations at more favorable terms than us;
- Our competitors may deploy more advanced technology; and
- Certain domestic or regional competitors may have a lower cost base than ours

While we have historically been able to conduct our business at competitive margins and on a cost-effective basis, there can be no assurance that we will be able to do so in the future. Some of our competitors may have significantly greater financial resources, provide better pricing, or provide shorter delivery times and may have greater market reach as compared to us. Also, our ability to compete depends on a number of factors beyond our control, including the ability of our competitors to attract, train, motivate and retain highly skilled technical employees which may adversely affect our profitability and market share, in turn, affecting our business, financial condition, results of operations and future prospects.

For further details, please see “*Industry Overview*” and “*Our Business*” on page 64 and 74.

20. *We are required to furnish bank guarantees as part of our business. Our inability to arrange such guarantees or the invocation of such guarantees may adversely affect our cash flows and financial condition.*

As part of our business and as is customary, we are required to provide advance bank guarantees, contract performance bank guarantees and/or performance bank guarantees in favour of our clients under the respective orders. We typically issue bank guarantees to our clients with whom the contractual arrangement or order has been entered into. Advance bank guarantees are required to be furnished for receiving advance money from our customers, contract performance bank guarantees are to be issued in the initial period of the contract which needs to be valid till the performance period and performance bank guarantees is required to be issued to release the retention money and should remain valid up till completion of performance period which generally ranges between 12 to 24 months. We may not be able

to continue obtaining new financial and performance bank guarantees in sufficient quantities to match our business requirements. If we are unable to provide sufficient collateral to secure the financial bank guarantees, performance bank guarantees or letters of credit, our ability to enter into new contracts or obtain adequate supplies could be limited and could have a material adverse effect on our business, results of operations and financial condition. Further, the process of obtaining letters of credit, financial and performance bank guarantees, tends to increase our working capital requirements.

As for Fiscal 2025 and Fiscal 2024 as extracted from our Financial Information, we had issued bank guarantees amounting to 1,606 and ₹1,407 Lakhs respectively, towards securing our financial / performance obligations under our ongoing projects.

We may be unable to fulfil any or all of our obligations under the contracts entered into by us in relation to our ongoing projects due to unforeseen circumstances which may result in a default under our contracts resulting in invocation of the bank guarantees issued by us. If any or all the bank guarantees are invoked, it may result in a material adverse effect on our business and financial condition.

21. *The Industry information included in this Letter of Offer has not been derived from any commissioned or paid agency.*

The industry-related information contained in this Letter of Offer has been compiled from publicly available sources, including government publications, industry reports, official websites, and other publicly accessible data platforms, which we believe to be reliable and accurate to the best of our knowledge. Our Company has not commissioned any third-party or independent agency for the preparation of an exclusive industry report in connection with this Letter of Offer. The information presented under the section “**Industry Overview**” on page 64 is based on data available in the public domain from “Manufacturing Sector in India - India Brand Equity Foundation” available on www.ibef.org, and is intended to provide a general understanding of the Equipment handling and engineering products industry in India.

While reasonable care has been taken in compiling and presenting this information, we cannot guarantee the accuracy, completeness, or reliability of the data sourced from such public materials. Different sources may employ varying methodologies and assumptions, and such assumptions are subject to change over time due to various economic, regulatory, and industry-specific developments. The industry data may also have been reclassified or modified by us for the purposes of presentation and may not be comparable across different sources.

Prospective investors are advised not to place undue reliance on this information and are encouraged to undertake their own independent analysis and consult their own advisors before making any investment decisions regarding the Issue. The inclusion of industry information in this Letter of Offer should not be construed as a recommendation to invest in or divest from our Company.

22. *Our Company is involved in an ongoing legal dispute with Renew Solar Energy (Jharkhand One) Private Limited due to non-payment of invoices by it. Our Company had resolved to settle this dispute through mediation, but the mediation failed. The Company is considering alternate ways to resolve this dispute, including filing of legal proceedings. If we are not able to resolve the dispute or do not initiate legal proceedings in a timely manner, the claim may be barred by limitation and this may temporarily affect our cash flows.*

Our Company had initiated mediation proceedings against Renew Solar Energy (Jharkhand One) Private Limited (“**Renew Solar Energy**”) for certain unpaid invoices and wrongful invocation of a performance bank guarantee by Renew Solar Energy. Our Company raised an invoice of ₹29.07 lakhs for our services, but Renew Solar Energy disputed the invoice and invoked the performance bank guarantee of ₹30.16 lakhs issued by our Company.

In the mediation proceedings, our Company claimed an aggregate amount of ₹78.70 lakhs, comprising ₹29.07 lakhs towards unpaid invoices, ₹30.16 lakhs towards the performance bank guarantee and ₹19.47 lakhs towards interest at 18% per annum. The mediation proceedings failed, and the mediator did not pass any order or award either in favour or against any party.

23. ***Any failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and results of operation.***

Presently, our Company is using the logo . For further details, please see “***Our Business – Intellectual Property Rights***” on page 81. The use of our trademarks or logos by third parties could adversely affect our reputation, which could in turn adversely affect our business and results of operations. We may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted. If our trademarks or other intellectual property are improperly used, the value and reputation of our brands could be harmed. The measures we take to protect our intellectual property may not be adequate to prevent unauthorized use of our intellectual property by third parties. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe upon our rights, which may have an adverse effect on our business, results of operations and financial condition.

24. ***Any inability on our part to maintain quality standards or keep pace with the technological developments could adversely impact our business, results of operations and financial conditions.***

Our business is dependent on the trust our customers have in the quality of our products. The products we supply must meet our customers’ quality standards. Although we have put in place quality control procedures, we cannot assure that our products will always be able to satisfy our customers’ quality standards.

Any negative publicity regarding our Company, or products, including those arising from a drop in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation, our operations and our results from operations. Any rapid change in our customers’ expectation on account of changes in technology or introduction of new products or for any other reason and failure on our part to meet their expectation could adversely affect our business, result of operations and financial condition. Our failure to anticipate or to respond adequately to changing technical, market demands and/or client requirements could adversely affect our business and financial results.

25. ***Our Company has provided corporate guarantees in relation to facilities availed by the Wholly Owned Subsidiaries.***

As on March 31, 2025, our Company has provided corporate guarantees on behalf of the Wholly Owned Subsidiaries, as mentioned below that are repayable on demand to the relevant lender. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition. Any action invoking the corporate guarantee for repayment, may adversely affect our cash flows.

<i>(₹ in Lakhs)</i>	
Name of the Entity	Amount
Wholly Owned Subsidiary	
MHE Rentals India Private Limited	786
JECL Engineering Limited	1,400

26. ***There are certain instances of delays in payment of statutory dues. Any delay in payment of statutory dues or non-payment of statutory dues in dispute may attract financial penalties from the respective government authorities, which may have an adverse impact on our financial condition and cash flows.***

Our Company and Subsidiaries is required to pay certain statutory dues including in relation to TDS, labour welfare fund charges, provident fund, employee state insurance and professional taxes. The table below sets out details of the delays in statutory dues payable by our Company and subsidiaries for the years indicated:

(₹ in Lakhs)				
Nature of Payment	Entity	Financial Year	Financial Year	Financial Year
		2025	2024	2023
Provident Fund	Company	-	-	-
	Subsidiary	14.03	-	0.19
	Total	14.03	-	0.19
Employee state insurance	Company	-	-	-
	Subsidiary	3.52	0.46	-
	Total	3.52	0.46	-
Professional taxes	Company	-	-	-
	Subsidiary	0.16	-	0.32
	Total	0.16	-	0.32
Labour welfare fund charges	Company	-	0.06	0.14
	Subsidiary	0.12	0.07	NIL
	Total	0.12	0.13	0.14
TDS	Company	-	29.01	-
	Subsidiary	0.74	-	0.06
	Total	0.74	29.01	0.06

There has been some delay in filing provident fund, professional tax, labour welfare fund charges, goods and service tax and TDS returns. The Company is taking steps to adhere to the timelines and to ensure that such delays do not take place in the future. There can be no assurance that such delays may not arise in future. This may lead to financial penalties from respective government authorities which may have an impact on our financial condition and cash flows.

27. *As the securities of our Company are listed on BSE Limited, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.*

The Equity Shares of our Company are listed on BSE Limited, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations. There have been instances in the past wherein, our Company has failed to comply with the requirements of the SEBI Listing Regulations in a timely manner, the details of such non-compliances during the Financial Year 2025, 2024 and 2023 have been provided below:-

S. No.	Non-Compliance alleged	Fine / Penalty levied (in ₹)	Date of Payment of Fine
1.	Non-compliance under Regulation 23(9) of the SEBI Listing Regulations	17,700.00	July 26, 2022

28. *Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a financial institution or a bank or any other independent agency and are based on management estimates.*

Our funding requirements set out in the section titled “*Objects of the Issue*” on page no 53 are based on management estimates and have not been appraised by any bank or financial institution or any other independent agency. Our funding requirements are based on our current business plan and may vary based on various factors including macro-economic and other changes. In view of the dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and, consequently, the funding requirement and the utilisation of proceeds from the Issue may also change. This may also include rescheduling the proposed utilisation of Net Proceeds at the discretion of our management estimates and we have also not entered into definitive agreements to utilize certain portions of the Net Proceeds of the Issue. We may make necessary changes to utilisation of Net Proceeds in compliance with the provisions of the Companies Act. In the event of any variation in actual utilisation

of the Net Proceeds, any increased fund deployment for a particular activity may be met from funds earmarked from any other activity and/or from our internal accruals, subject to compliance with applicable laws. Further, any such revision in the estimates may require us to revise our projected expenditure which may have a bearing on our profitability.

29. *Any variation in the utilisation of our Net Proceeds would be subject to certain compliance requirements, including prior Shareholders' approval.*

We propose to utilise the Net Proceeds towards our working capital and general corporate purposes. For further details of the proposed objects of the Issue, please see section titled “*Objects of the Issue*” on page 53. We cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. However, we have not entered into any definitive agreements and do not have any definite and specific commitments towards the aforementioned purposes for which our Company intends to use the Net Proceeds. Further, the Net Proceeds are intended to be utilised by the Company only. The planned use of the Net Proceeds is based on current conditions and is subject to changes in external circumstances, costs, other financial conditions or business strategies. Any variation in the planned use of the Net Proceeds would require Shareholders' approval by passing a special resolution and our Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, in accordance with SEBI ICDR Regulations and may involve considerable time or cost overrun and in such an eventuality it may adversely affect our operations or business.

30. *If we are unable to raise additional capital, our business, operations, prospects or financial results may be materially and adversely affected.*

We will continue to incur significant expenditure in maintaining and growing our existing business. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any unfavorable change to terms of borrowings may materially and adversely affect our cash flows, operations, prospects or financial results. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, operations, prospects or financial results could be materially and adversely affected.

31. *Any change in existing government policies providing support to the engineering sector, or new policies withdrawing support presently available could adversely affect our business and the results of operations.*

Any change in existing government policies providing support to engineering sector, or new policies withdrawing support presently available, in the jurisdictions in which we have operations could adversely affect the supply and demand balance and the competitive environment.

32. *Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements.*

Our Company has declared dividends amounting to ₹98 Lakhs, ₹70 Lakhs and ₹56 Lakhs for Fiscal 2025, Fiscal 2024 and Fiscal 2023, respectively. The declaration, payment and amount of any future dividends is subject to the discretion of the Board and Shareholders, and will depend upon various factors, inter alia, our earnings, financial position, capital expenditures and availability of profits, restrictive covenants in our financing arrangements and other prevailing regulatory conditions from time to time. Any of these factors may thus restrict our ability to pay dividends in the future. If we are unable to pay dividends in the future realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will

appreciate in value.

33. *We are unable to trace certain historical, legal and secretarial record in relation to incorporation of our Company.*

Certain certificate and special resolutions passed by our shareholders are not traceable. These corporate records include: (i) the original certificate of incorporation dated May 9, 1907 issued to our Company by Registrar of Companies, Bombay; and (ii) special resolution dated February 12, 1914 pursuant to the name change application and issuance of new certificate of incorporation dated February 25, 1918.

While we have conducted searches of our records at our Company's offices, on the MCA portal maintained by the Ministry of Corporate Affairs, we have not been able to trace the aforementioned corporate records.

We cannot assure you that, in future, we will not be subjected to any liability on account of such non-compliances. Although no legal proceedings or regulatory actions have been initiated or are pending against us in relation to such untraceable secretarial and other corporate records and documents, if we are subject to any such liability, it may have an adverse effect on our reputation, financial condition, cash flows and results of operations. Further, there can be no assurance that there will be no such delays or non-compliances in the future and our Company will not be subject to adverse actions by the authorities.

34. *Our Promoters and Promoter Group will continue to retain significant control in our Company after the Issue, which will allow them to influence the outcome of matters submitted to shareholders for approval. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control.*

After the completion of this Issue, our Promoters and Promoter Group will continue to hold significant shareholding in our Company. As a result, our Promoters and Promoter Group will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting. Our Promoters and Promoter Group may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or a change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. We cannot assure you that our Promoter and Promoter Group will act in our interest while exercising their rights in such entities, which may in turn materially and adversely affect our business and results of operations. We cannot assure you that our Promoters and Promoter Group will act to resolve any conflicts of interest in our favour. If our Promoters and Promoter Group sells a substantial number of the Equity Shares in the public market, or if there is a perception that such sale or distribution could occur, the market price of the Equity Shares could be adversely affected. No assurance can be given that such Equity Shares that are held by the Promoter will not be sold any time after the Issue, which could cause the price of the Equity Shares to decline. For further details, please see "*Capital Structure*" beginning on page 50.

35. *We may not have sufficient insurance coverage to cover our economic losses as well as certain other risks including those pertaining to claims by third parties and litigation.*

Our business involves many risks and hazards which may adversely affect our profitability, including breakdown, failure or substandard performance of equipment, third party liability claims, labour disturbances, employee frauds, infrastructure failure and terrorist activities.

Our insurance may not provide adequate coverage in these circumstances including those involving claims by third parties and litigation and is subject to certain deductibles, exclusions and limits on coverage. We cannot assure you that the operation of our business will not be affected by any of the incidents and hazards listed above. If our arrangements for insurance or indemnification are not adequate to cover claims, including those exceeding policy aggregate limitations or exceeding the resources of the indemnifying party, we may be required to make substantial payments and our financial condition and results of operations may be adversely affected.

36. *We require certain licenses, permits and approvals in the ordinary course of business, and the failure to obtain or retain them in a timely manner may adversely affect our operations.*

We are required to obtain certain approvals, registrations, permissions and licenses under various regulations, guidelines, circulars and statutes regulated by authorities such as the Government of India, the State Governments and certain other regulatory and government authorities, for operating our business, including, LEI code granted by the Legal Entity Identifier India Limited, importer-exporter code issued by the Office of Additional Director General of Foreign Trade, registration under the Maharashtra Shop and Establishments (Regulations of Employment and Conditions of Service) Act, 2017, GST registrations, registration under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and registration under Employees' State Insurance Act, 1948. These approvals, licenses, registrations and permissions may be subject to numerous conditions. If we fail to obtain some or all of these approvals or licenses, or renewals thereof, in a timely manner or at all, or if we fail to comply with applicable conditions or it is claimed that we have breached any such conditions, our license or permission for carrying on a particular activity may be suspended or cancelled and we may not be able to carry on such activity, which could adversely affect our business, results of operations, cash flows and financial condition. For further information on the nature of approvals and licenses required for our business and for information on the status of material approvals, see "*Government and Other Approvals*" on page 102. In addition, we may need in the future, to apply for certain additional approvals, including the renewal of approvals, which may expire from time to time.

We cannot assure you that such approvals and licenses will be granted or renewed in a timely manner or at all by the relevant governmental or regulatory authorities. Failure to obtain or renew such approvals and licenses in a timely manner would make our operations non-compliant with applicable laws and may result in the imposition of penalties by relevant authorities and may also prevent us from carrying out our business. Our licenses and approvals are subject to various conditions, including periodic renewal and maintenance standards. Any actual or alleged failure on our part to comply with the terms and conditions of such regulatory licenses and registrations could expose us to legal action, compliance costs or liabilities, or could affect our ability to continue to operate at the locations or in the manner in which we have been operating thus far.

37. *We could be harmed by employee misconduct that are difficult to detect and any such incidences could adversely affect our financial conditions, results of operations and reputation.*

There has been no instance of employee misconduct in our Company. However, future instances of the same could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may undertake actions that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

38. *We are subject to the risk of fraud, theft, embezzlement by our employees, contractors and customers, employee negligence or similar incidents may adversely affect our results of operations and financial condition.*

Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during stocking. While we have not encountered such situations in the past, we acknowledge that there is a possibility of experiencing some inventory loss on account of employee/contractor/vendor fraud, theft, embezzlement and general administrative error. Although, we have set up various security measures, including tagging our products, CCTV in our offices and the existing manufacturing facility at Thane, deployment of security guards and follow stringent operational processes such as periodic stock taking there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition.

39. ***Our Company does not have any similar and comparable listed peer which is involved in same line of business.***

As on the date of this Letter of Offer, there are no comparable peer which is listed in India and which are engaged in the same line of business as our Company for comparison of performance and therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue.

ISSUE SPECIFIC RISK

40. ***Our Company will not distribute Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and Application Form to overseas Shareholders who have not provided an address in India for service of documents.***

Our Company will dispatch Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "**Issuing Materials**") to such Shareholders who have provided an address in India for the service of documents. Our Company may send the Issue Materials to overseas Shareholders by electronic mode, whose email addresses are registered with the Company. The Shareholders who do not receive the Issue Materials may apply for the Rights Issue Shares, along with the requisite application money, by making an application that is available on the website of the Company, Registrar, and Stock Exchange or on a plain paper with same details as per the application form available online.

41. ***SEBI has recently, by way of a Master Circular streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in this Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Master Circular and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. Further, while in accordance with the SEBI Master Circular, the credit of Rights Entitlements shall be made into the demat accounts of the Eligible Equity Shareholders as on the Record Date, such Eligible Equity Shareholders shall participate in the Issue only in accordance with the applicable laws in their respective jurisdictions. For details, see "**Terms of the Issue**" beginning on page 111 of this Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

42. ***Shareholders will not receive rights equity shares in physical form.***

According to the Regulation 77A of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circular, the credit of Rights Entitlements and the allotment of Rights Equity Shares will only be made in dematerialized form. As such, investors will not have the option to receive the allotted Rights Equity Shares in physical form.

43. ***The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in an escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date shall lapse. Further, pursuant to a press release dated December 03, 2018, issued by the SEBI, with effect from April 01, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

44. ***Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, please refer to "*Terms of the Issue*" beginning on page 111 of this Letter of Offer.

45. ***Equity Shares of the Promoters are locked-in pursuant to conversion of warrants to equity shares. Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Pursuant to conversion of warrants to equity shares of our company on December 04, 2024, allotted shares of three promoters of our company namely Mr. Jai Prakash Agarwal, Mr. Vishal Jain and Ms. Shikha Jain are locked-in as per Regulation 167 (1) of SEBI (ICDR) Regulations, 2018. Locked in shares of Mr. Jai Prakash Agarwal are 1,00,000 shares, Mr. Vishal Jain are 50,000 shares and Ms. Shikha Jain are 50,000 shares.

There can be no assurance that we will not issue further Equity Shares or that our existing Shareholder (i.e. our Promoters) will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber its Equity Shares. Any future issuances could also dilute the value of shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

46. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment

of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

47. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.*

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

48. *You may not receive the Equity Shares that you subscribe to in the Issue until within fifteen days after the date on which this Issue closes, which will subject you to market risk.*

The Equity Shares that you subscribe to in the Issue may not be credited to your demat account with the depository participants until within 15 days from the Issue Closing Date will result in market risk. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

49. *There is no guarantee that our Equity Shares will be listed, or continue to be listed, on the stock exchange in a timely manner or at all, which may adversely affect the trading price of our Equity Shares.*

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchange until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchange. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

50. *Holders of Equity Shares in foreign jurisdictions could be restricted in their ability to exercise their entitlement to shares of an Indian company and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, a company incorporated in India must first offer its shares to the holders of

its equity shares to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages, unless this entitlement has been waived by the holders of equity shares by adoption of a special resolution. If the law of the foreign jurisdiction that you are in does not permit the exercise of such entitlement, without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to subscribe to the shares of our Company, unless we make such a filing. We may elect not to file a registration statement in relation to such shares. To the extent that you are unable to exercise the entitlement granted in respect of the Equity Shares, your proportional interests in us would be reduced.

51. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

52. *Rights of shareholders under Indian laws may differ under the laws of other jurisdictions.*

Indian laws and legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law, including in relation to class actions, may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholder of an entity in another jurisdiction.

53. *No market for the Right Entitlements may develop and the price of the Right Entitlements may be volatile.*

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Rights Equity Shares may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

54. *Risk of Market Disruptions Due to SEBI's Circuit Breaker Mechanism*

Our Equity Shares are subject to the index-based market-wide circuit breaker system imposed by SEBI. This mechanism is triggered by significant volatility in the market, which may result in a temporary suspension of trading or restrictions on price movements. Due to the existence of the index-based market-wide circuit breaker, there is no assurance that shareholders will be able to sell our Equity Shares at their desired price or at all, at any given point in time.

EXTERNAL RISK FACTOR

55. ***Availability of credit or financing is a major factor which can have a direct bearing on the performance of the Company.***

Availability of credit or financing is a major factor which can have a direct bearing on the performance of the Company. Tightening of credit norms by the financiers due to economic conditions can have an adverse effect on the performance of the Company.

56. ***Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.***

The industry in which we operate is subject to significant changes in technology. To maintain the competitiveness of our business, we need to keep pace with technological developments and changing standards. If we are unable to adequately respond to the technological changes and the technologies currently employed by us become obsolete, our business, financial condition and results of operations may be materially and adversely affected. In addition, the cost of implementing new technologies and upgrading our plants to keep pace with technological developments may be significant and may adversely affect our results of operations.

57. ***Our business may be affected by certain disruptions.***

Industrial disruptions, work stoppages, labour disputes, refurbishments, installation of new plants etc. can result in production losses, which may adversely affect our profitability. Production may fall below historic or estimated levels as a result of these causes.

58. ***Failure to keep abreast with the latest trends in technology may adversely affect our cost competitiveness and may affect our financial condition adversely.***

Our Company cannot assure that it would successfully implement new technology effectively or adapt to emerging industry standards. If our Company is unable to upgrade itself due to technical, financial, legal and/or other reasons to adapt in timely manner to the changing market conditions, its business, financial performance could be adversely affected.

59. ***If we are unable to implement our growth strategies in a timely manner, our business and results of operations could be adversely affected.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy may place significant demands on our management and other resources. Our growth strategies involve risks and difficulties, many of which are beyond our control and accordingly there can be no assurance that we will be able to complete our plans on schedule or without incurring additional expenditures or at all. There can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse effect on our business, financial condition and results of operations.

60. ***Any mishaps or accidents at facilities could lead to property damage, production loss and accident claims.***

Any mishap or accident in facilities could result in claims against us for damages by employees. We could suffer loss of production, receive adverse publicity and experience diversion of management attention and resources in defending such claims. Any such significant event could have an adverse effect on business, financial condition and results of operations.

61. ***The failure to keep technical knowledge confidential could erode competitive advantage.***

The Company possesses extensive technical knowledge about products. Technical knowledge is a

significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. Some of the technical knowledge is protected only by secrecy. As a result, we cannot be certain that technical knowledge will remain confidential in the long run. A significant number of employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain employees may leave us and join various competitors

62. *Adverse geopolitical conditions such as increased tensions between India and its neighbouring countries, could adversely affect our business, results of operations and financial condition.*

Adverse geopolitical conditions such as increased tensions between India and its neighbouring countries, resulting in any military conflict in the region could adversely affect our business and operations. Such events may lead to countries including the Government of India imposing restrictions on the import or export of products or raw materials, among others, and affect our ability to procure raw materials required for our manufacturing operations. We could also be affected by the introduction of or increase in the levy of import tariffs in India, or in the countries to which we export our products, or changes in trade agreements between countries. For instance, the Government of India has imposed additional tariffs in the nature of countervailing duty and anti-dumping duty on a number of items imported from China. Any such measure which affects our raw material supply or reciprocal duties imposed on Indian products by China or other countries may adversely affect our results of operations and financial condition.

63. *Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.*

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity, which could have an adverse effect on our business, financial condition and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

64. *A slowdown in economic growth in India could cause our business to suffer.*

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;

- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

65. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

66. *We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.*

We are incorporated in India, and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries;
- hostile or war like situations with the neighboring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on January 28, 2025, pursuant to Section 62(1)(a) of the Companies Act, 2013. The following is a summary of this Issue and should be read in conjunction with and is qualified entirely by the information detailed in the chapter titled “*Terms of the Issue*” on page 111 of this Letter of Offer.

Particulars	Details of Equity Shares
Rights Equity Shares proposed to be issued	Upto 18,47,913 Equity Shares
Rights Entitlement	5 (Five) Equity Share(s) for every 27 (Twenty-Seven) fully paid-up Equity Share(s) held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 27 (Twenty-Seven) Equity Shares or is not in multiples of 27 (Twenty-Seven), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Record Date	August 20, 2025
Face value per Equity Shares	₹1/-
Issue Price per Rights Equity Shares	₹270/-
Issue Size	Upto 18,47,913 Equity Shares of face value of ₹1/- each for cash at a price of ₹270/- (Including a premium of ₹269/-) per Rights Equity Share aggregating to an amount of up to ₹4,989.37 Lakhs*
	*Assuming full subscription with respect to Rights Equity Shares.
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank pari passu in all respects with the Equity Shares of our Company.
Equity Shares issued and subscribed and are outstanding prior to the Issue	99,78,730 Equity Shares For details, please refer to “ <i>Capital Structure</i> ” beginning on page 50 of this Letter of Offer
Equity Shares subscribed, paid-up and outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	1,18,26,643 Equity Shares
Money payable at the time of Application	₹270/-
Use of Issue Proceeds	For details please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 53 of this Letter of Offer.
Terms of the Issue	For details please refer to the chapter titled “ <i>Terms of the Issue</i> ” on page 111 of this Letter of Offer.
Terms of Payment	The full amount is payable on application
Scrip Details	ISIN for Equity Shares: INE636D01041 BSE: 505750 ISIN for Rights Entitlements: INE636D20017

GENERAL INFORMATION

Our Company was incorporated on May 09, 1907, pursuant to certificate of incorporation issued by Registrar of Joint Stock Companies (“RoC”) Bombay, as a public limited company under the name of “Jost’s Fans Supply and Engineering Company Limited”. The name of our Company was changed to “Jost’s Engineering Company Limited” through a special resolution passed on February 12, 1914 and a fresh certificate of incorporation consequent upon change of name was issued by the RoC, Bombay, on February 25, 1918.

Registered Office:

Josts Engineering Company Limited

Great Social Building
60, Sir Phirozeshah Mehta Road,
Fort, Mumbai 400001
Telephone: +91 022-22694956

Corporate Office:

Josts Engineering Company Limited

C-7, Road No. 12,
Wagle Industrial Estate, Thane West,
Mumbai, 400604
Telephone: +91 022-62674000

Contact Details of our Company

E-mail: jostsho@josts.in

Website: www.josts.com

Registration Number: 000252

CIN: L28100MH1907PLC000252

Details of change in Registered Office

At the time of incorporation, the Registered Office of our Company was situated at Standard Buildings, Hornby Road, Fort, Bombay (*now Mumbai*). The details of the changes undertaken in the Registered Office of our Company have been provided below:

S. No.	Date of change	Particulars of change
01	June 22, 1908	The registered office of our Company was shifted from Standard Buildings, Hornby Road, Fort, Bombay, to Siddick Buildings, Hornby Road, Fort, Bombay.
02	October 26, 1911	Siddick Buildings, Hornby Road, Fort, Bombay, to Morar Bhai Buildings, Apollo Street, Fort, Bombay
03	August 04, 1924	Morar Bhai Buildings, Apollo Street, Fort, Bombay, to Harrarwala Buildings, Willet Road, Ballard Estate, Bombay
04	October 27, 1941	Harrarwala Buildings, Willet Road, Ballard Estate, Bombay to Great Social Building, 60, Sir Phirozeshah Mehta Road, Bombay.

Registrar of Companies

Our Company is registered with the Registrar of Companies, Mumbai, which is situated at the following address:

The Registrar of Companies, Maharashtra, Mumbai

100, Everest, Marine Drive
Mumbai-400 002
Maharashtra, India

Our Board of Directors

Set forth below are the details of our Board of Directors as on the date of this Letter of Offer:

Name	Age	Designation	Address	DIN
Jai Prakash Agarwal	66	Promoter, Chairman & Whole Time Director	2601, A-wing, 26 th Floor, Raheja Atlantis, Near Shreeram Mill, G.K. Marg, Lower Parel, Mumbai - 400013, Maharashtra, India	00242232
Vishal Jain	52	Promoter & Managing Director and Chief Executive Officer	A-802, Mantri Pride, 1 st Block, Near Madhavan Park, Jayanagar, Bangalore South, Bengaluru-560011, Karnataka, India	00709250
Shikha Jain	50	Promoter & Non-Executive Non-Independent Director	A-802, Mantri Pride, 1 st Block, Near Madhavan Park, Jayanagar, Bangalore South, Bengaluru-560011, Karnataka, India	06778623
Sanjiv Swarup	66	Non-Executive Independent Director	103, Srushti Apartment, Old Prabhadevi Road, Opposite Century Bazar, Prabhadevi, Mumbai – 400025, Maharashtra, India	00132716
Pramod Kumar Maheshwari	54	Non-Executive Independent Director	112-B, Shakti Nagar, Dadabari, Kota – 324009, Rajasthan, India	00185711
Rekha Shreeratan Bagry	53	Non-Executive Independent Director	402 A, Kent Residency, Eksar Road, Opposite Mayur Tower, Borivali West, Mumbai -400092, Maharashtra, India	08620347

For further details, please refer to the chapter titled “*Our Management*” on page 83 of the Letter of Offer.

Company Secretary and Compliance Officer

Babita Kumari, Company Secretary and Compliance officer of our Company. Her contact details are set forth hereunder.

Josts Engineering Company Limited

C-7 Wagle Industrial Estate,
Road No 12, Thane 400604.

Telephone: 022-62674000

E-mail Id: cs@josts.in

Details of Key Intermediaries pertaining to this Issue of our Company:

Legal Advisor to the Issue

Rajani Associates, Advocates and Solicitors

204-207, Krishna Chambers

59, New Marine Lines

Mumbai 400 020

Telephone: +91 22 4096 1000

Contact Person: Sangeeta Lakhi

Website: www.rajaniassociates.net

E-mail: sangeeta@rajaniassociates.net

**Statutory and Peer Review Auditor of our Company
Shah Gupta & Co.**

Chartered Accountants

Telephone: +91 9821672790

Email: prabhakar.vedula@shahgupta.com

Contact Person: Vedula Prabhakar Sharma

Membership No: 123088

Firm Registration No: 109574W

Peer Review No.: 019101

Registrar to the Issue

Bigshare Services Private Limited

Office No. S6-2, 6th Floor, Pinnacle Business Park

Mahakali Caves Road,

next to Ahura Centre

Andheri East,

Mumbai- 400093

Maharashtra, India

Telephone: +91 22 62638200

Email: rightsissue@bigshareonline.com

Website: <https://www.bigshareonline.com>

Investor Grievance Email id: investor@bigshareonline.com

Contact Person: Suraj Gupta

SEBI Registration No.: INR000001385

URL of SEBI Website:

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>

Banker to the Issue/ Refund Bank

Kotak Mahindra Bank Limited

Intellion Square, 501, 5th Floor, A Wing,

Infinity IT Park,

Gen. A.K. Vaidya Marg,

Malad – East,

Mumbai 400097

Telephone: 022-69410636

E-mail: cmsipo@kotak.com

Contact Person: Mr. Siddhesh Shirodkar

Website: www.kotak.com

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Underwriting

The Issue is not underwritten, and our Company has not entered into any underwriting arrangement.

Investor grievances

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related problems such as non-receipt of demat credit, Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process. For details on the ASBA process, please see “*Terms of the Issue*” on page 111 of this Letter of Offer.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinion:

Our Company has received written consent dated August 12, 2025, from the Statutory Auditor to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI (ICDR) Regulations, 2018 in this Letter of Offer as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) report dated May 29, 2025, May 15, 2024 and May 18, 2023 on our Audited Financial Statements for the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023, respectively; and (ii) statement of tax benefits dated August 12, 2025, in this Letter of Offer and such consent has not been withdrawn as on the date of this Letter of Offer. The term ‘expert’ and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Credit Rating

As this is an Issue of Equity Shares, credit rating is not required for the Issue.

Debenture Trustees

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency

Since the Issue size does not exceed ₹100 crores, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulations, 2018.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 w.e.f. September 28, 2020, has amended Regulation 3 (b) of the SEBI (ICDR) Regulations as per which the threshold of the rights issue size under Regulation 3 of the SEBI (ICDR) Regulations has been increased from ₹10,00,00,000/- (Rupees Ten Crores Only) to ₹50,00,00,000/ (Rupees Fifty Crores Only). Since the size of this Issue falls under the said threshold, this Letter of Offer had been filed with the BSE Limited and will not be filed with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the BSE Limited.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Last date for credit of Rights Entitlements	Friday, August 22, 2025
Issue Opening Date	Friday, August 29, 2025
Last Date for On Market Renunciation of Rights Entitlements [#]	Wednesday, September 03, 2025
Issue Closing Date*	Tuesday, September 09, 2025
Finalisation of Basis of Allotment (on or about)	Tuesday, September 16, 2025
Date of Allotment (on or about)	Wednesday, September 17, 2025
Date of credit (on or about)	Friday, September 19, 2025
Date of Listing (on or about)	Monday, September 22, 2025

[#] Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

* Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., September 09, 2025 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts at least one day before the Issue Closing Date, i.e., September 09, 2025.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Neither our Company nor the Registrar to the Issue will be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. For details on submitting Common Application Forms, see “*Terms of the Issue*” beginning on page 111 of this Letter of Offer.

Please note that if no valid Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at <https://www.bigshareonline.com> after keying in their respective details along with either security control measures implemented there at. For further details, see “*Terms of the Issue – Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” beginning on page 114 of this Letter of Offer.

Minimum Subscription

The Promoter and Promoter Group may or may not subscribe their rights entitlement arising out of the proposed Rights and may renounce whole or a part of their Rights Entitlement in the favor of third parties, which our Promoters and Promoter Group may identify in due course or may renounce/sell part of their Rights Entitlement in the open market. Further, the object of the issue involves funding of working capital requirements. Therefore, the minimum subscription criteria (of at least 90% of the Issue) as provided in regulation 86(1) of the SEBI ICDR Regulations is applicable to this Issue. Pursuant to regulation 86(2) of the SEBI (ICDR) Regulations, 2018 in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than four days from the closure of the Rights Issue.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Letter of Offer and after giving effect to the Issue is set forth below:

Sr. No	Particulars	<i>Amount (in ₹ lakhs, except share data)</i>	
		Aggregate value at face Value	Aggregate value at Issue Price
A.	Authorized Share Capital		
	10,00,00,000 Equity Shares of face value of ₹1/- each	1,000.00	NA
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	99,78,730 Equity Shares of face value of ₹1/- each	99.79	NA
C.	Present Issue in terms of this Letter of Offer⁽¹⁾		
	Fresh Issue of up to 18,47,913 Equity Shares of face value of ₹1/- each at a price of ₹270/- per equity share	18.48	4,989.37
D.	Issued, Subscribed and Paid-Up Share Capital after the Issue⁽²⁾		
	1,18,26,643 Equity Shares of face value of ₹1/- each	118.27	NA
E.	Securities Premium Account		
	Before the Issue (As on March 31, 2025)		2,706
	After the Issue		7,676.88

⁽¹⁾ The present Issue has been authorized vide a resolution passed at the meeting of the Board of Directors dated January 28, 2025. The terms of the Issue including the Record Date and Rights Entitlement Ratio, have been approved by resolution passed by our Rights Issue Committee at its meeting held on August 13, 2025.

⁽²⁾ Assuming full subscription for and allotment of the Rights Entitlement.

NOTES TO CAPITAL STRUCTURE

1. Details of shares locked-in, pledged, encumbrance by Promoter and Promoter Group

The details of the share locked-in, pledged and encumbered by the Promoters and Promoters Group may be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=505750&qtrid=126.00&QtrName=Jun-25>

2. Intention and extent of participation by our Promoter and Promoter Group in the Issue:

The Promoter and Promoter Group may or may not subscribe their rights entitlement arising out of the proposed Rights and may renounce whole or a part of their Rights Entitlement in the favor of third parties, which our Promoters and Promoter Group may identify in due course or may renounce /sell part of their Rights Entitlement in the open market. Further, the object of the Issue involves funding of working capital requirements. Therefore, the minimum subscription criteria (of at least 90% of the Issue) as provided in regulation 86(1) of the SEBI ICDR Regulations is applicable to this Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than four days from the closure of the Rights Issue.

Further, the Promoter may also apply for additional Equity Shares along with their Rights Entitlement and/or renunciation. Such subscriptions of Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in his shareholding above their current

shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI (SAST) Regulations and is exempted subject to fulfillment of the conditions of Regulation 10 of the SEBI (SAST) Regulations. The Promoters acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after this Issue does not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI (LODR) Regulations.

The ex-rights price of the Equity Shares offered pursuant to this Issue and in compliance with the valuation formula set out in Regulation 10(4)(b)(ii) of the Takeover Regulations is ₹471.82/- per Equity Share.

All the Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares on the date of this Letter of Offer. Further, the Rights Equity Shares when issued shall be fully paid-up.

No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in the rights issue, except for fees or commission for services rendered in relation to the Issue.

3. Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchange in compliance with the SEBI Listing Regulations

The shareholding pattern of our Company as on June 30, 2025, can be accessed on the website of the BSE Limited at: <https://www.bseindia.com/stock-share-price/josts-engineering-company-ltd/josts/505750/qtrid/126.00/shareholding-pattern/June-2025/>

Statement showing holding of Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on June 30, 2025, can be accessed on the website of the BSE Limited at: <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=505750&qtrid=126.00&QtrName=June-25>

4. Details of shareholders of our Company holding 1% or more of the paid-up capital of the issuer as last disclosed to the stock exchange

The table below sets forth details of Equity Shareholders holding 1% or more of the paid-up of our Company, as of June 30, 2025

No.	Name of the Equity Shareholders	Number of Equity Shares held	Percentage of Equity Shares held(%)
1	Jai Prakash Agarwal	14,29,910	14.33
2	Vishal Jain	12,32,150	12.35
3	Shikha Jain	11,78,210	11.81
4	Krishna Agarwal	2,60,650	2.61
5	Sharad Kanayalal Shah	11,18,360	11.21
6	Anita Agarwal	2,07,400	2.08
7	Rajendra Kumar Agarwal	2,07,400	2.08
8	Amit Khemka	1,41,795	1.42
9	Bhavin Ramakant Saraiya	1,18,940	1.19
10	Priya Singh Aggarwal	1,00,400	1.01
11	Dotch Sales Private Limited	3,00,000	3.01

5. Details of specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of the Letter of Offer:

The following are the details of specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of the Letter of Offer:

Allotment of 2,00,000 equity shares of face value of ₹1/- as fully paid-up shares at a price of ₹253.25/- per equity share upon the conversion of 1,00,000 warrants of face value of ₹2/- issued by our Company for ₹506.50/-. Following below persons are the allottees of equity shares post conversion of the warrants:

Sr. No.	Name of the Promoter	Date of the Transaction	Stock Exchange	Number of Equity Shares of face value of ₹1/-	Price per Equity Share (in ₹)	Nature of Transaction
1.	Jai Prakash Agarwal	December 04, 2024	BSE	1,00,000	253.25	Conversion of Warrants into Equity
2.	Vishal Jain	December 04, 2024	BSE	50,000	253.25	Conversion of Warrants into Equity
3.	Shikha Jain	December 04, 2024	BSE	50,000	253.25	Conversion of Warrants into Equity

Further details of the transactions undertaken by our Promoters in the preceding one year can be accessed on the website of BSE at : <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=505750&qtrid=126.00&QtrName=Jun-25>

Except, as stated above, the members of our Promoter Group have not acquired any Equity Shares in the last one year immediately preceding the date of filing of the Letter of Offer.

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

1. Funding the working capital requirements of our Company; and
2. General Corporate Purposes

(collectively, referred to as the “Objects”)

The objects set out in the Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue and the activities for which the funds are being raised through the issue.

Net Proceeds

The details of the Net Proceeds of the Issue are summarized in the table below:

Particulars	Estimated Amount
Gross Proceeds of the Issue*	Up to 4,989.37
(Less) Estimated Issue related expenses**	80.00
Net Proceeds	4,909.37

*Assuming full subscription in the Issue and subject to finalization of the basis of allotment.

**For details, see “Issue Related Expenses” on page 57 of this Letter of Offer.

Requirement of Funds and Utilization of Net Proceeds:

Sr. No.	Particulars	Estimated Amount
1.	Funding the working capital requirements of our Company	4,358.00
2.	General Corporate Purposes*	551.37
	Total Net Proceeds**	4,909.37

*The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

**Assuming full subscription in this Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

We propose to deploy the entire Net Proceeds towards the Objects by the end of Fiscal 2026.

Means of Finance

The funding requirements mentioned above are based on, inter alia, our Company’s internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment, costs of commodities, interest or exchange rate fluctuations. Our Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds and identifiable internal accruals. Therefore, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purpose in accordance with the estimated schedule of deployment of funds set forth in the table below:

Particulars	Estimated Amount	Proposed Schedule for deployment of the Net Proceeds
		Fiscal 2026
Funding the working capital requirements of our Company	4,358.00	4,358.00
General Corporate Purposes*	551.37	551.37
Net Proceeds**	4,909.37	4,909.37

*The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

**Assuming full subscription in this Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

Details of the Objects of the Issue

1. Funding the working capital requirements of our Company

Our business operation is working capital intensive and our Company avails a majority of our working capital in the ordinary course of business from internal accruals along with borrowings from the banks. We operate in a competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also under go change.

The Company has been awarded a contract by Haryana Vidyut Prasaran Nigam Limited amounting to ₹2,950 lakhs (inclusive of GST). Additionally, the Company, in joint venture with Kaycee Energy and Infra Limited, has secured an order from Rajasthan Rajya Vidyut Prasaran Nigam Limited valued at ₹36,294 lakhs, of which the Companys share is ₹14,074 lakhs (inclusive of GST). As of March 31, 2025, our outstanding order book stood at ₹21,056 lakh and in order to execute these contract efficiently, the Company requires adequate working capital funding.

Further, these projects are milestone-based in nature, and cash inflows are generated upon achievement of specific milestones which may result in additional working capital requirement for smooth execution of the projects

Basis of estimation of working capital requirement

The details of Company's composition of net current assets or working capital as of, March 31, 2025, March 31, 2024 and March 31, 2023, derived from the Financial Information and source of funding are provided in the table below are as under:

(₹ in Lakhs)

Sr. No.	Particulars	As on March 31, 2023	As on March 31, 2024	As on March 31, 2025
I.	Current Assets			
1.	Inventories	1,260	1,152	557
2.	Financial Assets			
a.	Current Investments	16	429	17
b.	Trade Receivables	4,495	5,839	7,573
c.	Cash and cash equivalents	189	399	202
d.	Bank balances other than cash and cash equivalents	16	429	348
e.	Loans	110	506	211
f.	Other current financial assets	28	192	171
3.	Other current assets	424	628	733
	Total Current Assets (A)	6,522	9,145	9,812
II.	Current Liabilities			
	Financial liabilities			
a.	Short term Borrowings	101	865	292
b.	Lease liabilities	28	31	50
c.	Trade payables	3,313	3,144	4,210
d.	Other current financial liabilities	106	135	125
2.	Other current liabilities	801	1,050	857
3.	Current provisions	166	178	101
4.	Income tax liabilities (Net)	68	44	216
	Total Current Liabilities (B)	4,583	5,447	5,851
III.	Total Working Capital Requirements			
	Total Current Assets (A) less Total Current Liabilities (B)	1,939	3,698	3,961

Sr. No.	Particulars	As on March 31, 2023	As on March 31, 2024	As on March 31, 2025
IV.	Funding Pattern			
	Working capital funding from banks	101	859	253
	Internal accruals/ other sources	1,838	2,839	3,708
V.	Days			
	Raw material (inventories)	25	36	21
	Unbilled Work-in-progress	3	4	2
	Finished Goods (Inventories)	24	22	12
	Trade Receivables	89	108	113
	Trade Payables	93	105	93

On the basis of existing, estimated and projected working requirements, the Rights Issue Committee of the Board, pursuant to their resolution dated April 28, 2025, has approved the fund requirement towards working capital for the Fiscal 2026. The estimated working capital requirements for Fiscal 2026 as stated below:

Details of Projected Working Capital Requirements

		(₹ in Lakhs)
Sr. No.	Particulars	Financial Year 2026 [Projected]
I.	Current Assets	
1.	Inventories	1,184
2.	Financial Assets	
a.	Current Investments	19
b.	Trade Receivables	11,461
c.	Cash and cash equivalents & Other Bank Balances	1,069
d.	Loans	350
e.	Other current financial assets	350
3.	Other current assets	3,983
	Total Current Assets (A)	18,416
II.	Current Liabilities	
2.	Financial liabilities	
a.	Short Term Borrowings	593
b.	Lease liabilities	50
c.	Trade payables	5,567
d.	Other current financial liabilities	160
2.	Other current liabilities	1,242
3.	Current provisions	210
4.	Income tax liabilities (net)	77
	Total Current Liabilities (B)	7,899
III.	Total Working Capital Requirements	
	Total Current Assets (A) - Total Current Liabilities (B)	10,517
IV.	Funding pattern	
4.	Working Capital Funding from Banks	550
5.	Internal accruals/ other sources	5,608
6.	Net Proceeds from the proposed Placement	4,358
V.	Days	
6.	Raw material (inventories)	-
7.	Unbilled Work-in-progress (other current financial assets)	-
8.	Finished Goods	12
9.	Trade Receivables	108

Sr. No.	Particulars	Financial Year 2026 [Projected]
10.	Trade Payables	74

Holding levels

The details of the holding levels (with days rounded to the nearest whole number) for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 and the estimated holding levels (with days rounded to the nearest whole number) as projected for the financial years ended March 31, 2026 are as under:

Sr. No.	Particulars	Number of days			
		For Financial Year 2023 (Actual)	For Financial Year 2024 (Actual)	For Financial Year 2025 (Actual)	For Financial Year 2026 (Estimated)
1	Inventories				
(a)	Raw Material	25	36	21	-
(b)	Unbilled Work-In-Progress	3	4	2	-
(c)	Finished Goods	24	22	12	12
2	Trade Receivables	89	108	113	108
3	Trade Payables	93	105	93	74

Note: The holding levels are calculated as given below

Particulars	Formula
Raw Material	Average of raw material inventories for the current and previous period / cost of material consumed * 365
Unbilled Work-In-Progress	Average of unbilled work-in-progress inventories for the current and previous period / cost of material consumed * 365
Finished Goods	Average of finished goods inventories for the current and previous period / cost of material consumed * 365
Trade Receivables	Average of trade receivables for the current and previous period/ revenue from operations * 365
Trade Payables	Average of trade payables for the current and previous period / cost of goods sold * 365

Justification for Holding Period Level

The table below sets forth the key justifications for holding levels:

Particulars	Details
Raw Material (Inventories)	The Company had maintained inventory days as 25 days in Fiscal 2023, 36 days in Fiscal 2024 and 21 days in Fiscal 2025. The Company estimates Nil for Fiscal 2026. This significant decrease in raw material inventory in March 2026 is a direct result of the manufacturing operations being closed since January 31, 2025.
Unbilled Work-In-Progress (Inventories)	The holding levels of the Company's Work-in-Progress have ranged from 3 to 6 days during the Fiscal 2023, Fiscal 2024, and Fiscal 2025. The Company estimates holding levels of Nil for Fiscal 2026. This reduction in Work-in-progress is due to closing of manufacturing operations.

Particulars	Details
Finished Goods (Inventories)	The Company had maintained inventory days of 24 days in Fiscal 2023, 22 days in Fiscal 2024 and 12 days in Fiscal 2025. In Fiscal Year 2026, inventory days are projected to remain at 12. As Manufacturing facility has been closed since 31st January 2025, the finished goods stock of manufacturing products will be reduced significantly in Fiscal 2026.
Trade Receivables	The Company's trade receivable days have trended upwards, from 89 days in Fiscal 2023 to 108 days in Fiscal 2024 and 113 days in Fiscal 2025. This longer collection cycle for supply invoices is inherent to their nature, where initial payments are partial, and the remaining amounts are linked to the achievement of key milestones such as testing, installation, and commissioning of equipments. Conversely, receivables from service invoices are settled upon service completion, as specified in the contract terms. Considering the orders in hand and changing composition with new orders anticipated in Fiscal 2026, the average trade receivable holding period is projected to be 108 days in Fiscal 2026.
Trade Payables	The Company had maintained trade payable days of 93 days in Fiscal 2023, 105 days in Fiscal 2024 and 93 days in Fiscal 2025. It is projected to reduce to 74 days for Fiscal 2026 mainly due to increase in advance to suppliers. Also, Previous preferential issue of Equity shares helped in reducing the trade payable holding levels.

2. General Corporate Purposes

Our Company intends to deploy the balance net proceeds, aggregating to ₹551.36 lakhs towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross Proceeds in compliance with Regulation 62(2) of the SEBI ICDR Regulations.

The general corporate purposes for which our Company proposes to utilise Gross Proceeds may include, but are not limited to funding growth opportunities, strategic initiatives, joint-ventures, partnerships, marketing and business development expenses, expansion of facilities and meeting exigencies and expenses incurred by our Company in the ordinary course of business. In addition to the above, our Company may utilise the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved periodically by the Board or a duly constituted committee thereof, subject to compliance with necessary provisions of the Companies Act.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law. However, our Company shall utilise the Net Proceeds in compliance with necessary provisions of the Companies Act and SEBI ICDR Regulations.

Issue Related Expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses, registrar & depository fees and Regulatory fees. The estimated Issue related expenses are as follows:

Activity	(₹ in Lakhs)		
	Estimated amount (₹ lakhs)	Percentage of the total estimated Issue expenses (%)	Percentage of the total Issue size (%)
Fees payable to the legal advisors, other professional service providers [^]	51.50	64.37	1.03
Fees payable to the Registrar to the Issue	5.50	6.88	0.11
Fees payable to the Monitoring Agency	-	-	0
Advertising, marketing expenses and shareholder	2.50	3.13	0.05

Activity	Estimated amount	Percentage of the total estimated Issue expenses	Percentage of the total Issue size
	(₹ lakhs)	(%)	(%)
outreach expenses			
Fees payable to regulators, including Stock Exchanges, depositories and other statutory fee	13.00	16.25	0.26
Printing and stationery, distribution, postage, etc.	2.00	2.5	0.04
Other expenses (including miscellaneous expenses and stamp duty)	5.50	6.87	0.11
Total estimated Issue expenses*	80.00	100.00	1.60

* Amount will be finalized at the time of filing of the Letter of Offer and determination of the Issue price and other details.

^ Includes fees payable to the Legal Counsel, Statutory Auditor, Advisor etc

Interim Use of Funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds, however, utilization of Net Proceeds will be in accordance with applicable laws. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Net Issue Proceeds for any investment in equity and/ or real estate products and/ or equity linked and/ or real estate linked products.

Appraisal by Appraising Agency

None of the objects have been appraised by any bank or financial institution or any other independent third party organizations.

Bridge Financing Facilities

As on the date of this Letter of Offer, we have not entered into any bridge financing arrangements which is subject to being repaid from the Issue Proceeds.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Monitoring of Utilization of Funds

Since the Issue is for an amount less than ₹10,000 lakhs, in terms of Regulation 82 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of the Issue. As required under the SEBI Listing Regulations, the Audit Committee shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our company shall disclose to the Audit Committee the uses / application of funds on a quarterly basis. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in this letter of offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Statutory Auditor.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in this letter of offer.

Key Industry Regulations for the Objects of the Issue

No additional provisions of any acts, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Promoter group, directors, associates or key management personnel or group companies, except as stated above and in the normal course of business and in compliance with applicable laws.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

Date: August 12, 2025

The Board of Directors
Joists Engineering Company Limited
Great Social Building 60
Sir PM Road, Fort
Mumbai 400001

Dear Sir/Ma'am,

Re: Proposed rights issue of equity shares of face value of Rs. 1 each (“Equity Shares”) of Joists Engineering Company Limited (“Company” and such rights issue, the “Issue”).

This certificate is issued in accordance with the terms of our engagement letter dated April 05, 2025 with the Company in the context of the Issue in accordance with Chapter III of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”) and applicable provisions of the Companies Act, 2013, as amended (the “Companies Act”).

We report that the enclosed statement in the **Annexure A and B**, states the possible special tax benefits under direct tax laws i.e. Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by the Finance Act, 2025 (hereinafter referred to as “**Income Tax Laws**”), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 (hereinafter referred to as “**Indirect Tax Laws**”) as amended, including the relevant rules and regulations, circulars and notifications issued there under, Foreign Trade Policy force in India, available to the Company and its shareholders. Several of these benefits are dependent on the Company, its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders faces in the future, the Company and its shareholders may or may not choose to fulfill.

We confirm that while providing this certificate, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”). We also have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, ‘*Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements*,’ issued by the ICAI.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and do not cover any general tax benefits available to the Company or its shareholders. The tax benefits listed herein are only the possible special tax benefits which may be available under the current direct tax laws presently in force in India. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

The benefits discussed in the enclosed Statement in the **Annexure A and B** are not exhaustive. The preparation of the contents stated in the Annexures is the responsibility of the Company’s management. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

We do not express any opinion or provide any assurance as to whether:

- (i) the Company or its shareholders will continue to obtain these benefits in future; or
- (ii) the conditions prescribed for availing the benefits, where applicable, have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We also consent to the references to us as “Experts” as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Letter of Offer (“LOF”) (“Offer Document”) of the Company or in any other documents in connection with the Issue.

We hereby give consent to include this statement of special tax benefits in the Offer Document and in any other material used in connection with the Issue.

This certificate is issued for the sole purpose of the Issue, and can be used, in full or part, for inclusion in the Offer Document and any other material used in connection with the Issue, and for the submission of this certificate as may be necessary, to any regulatory/statutory authority, recognized stock exchange, any other authority as may be required.

This certificate may be relied on by the Company, their affiliates, and the legal counsel in relation to the Issue.

We undertake to immediately update you, in writing, of any changes in the abovementioned information until the date the Equity Shares issued pursuant to the Issue commence trading on the recognized stock exchange. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate until the date the Equity Shares commence trading on the recognized stock exchange.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Document.

Yours faithfully,

For Shah Gupta & Co
Chartered Accountants
Firm Registration Number: 109574W

Vedula Prabhakar Sharma
Partner
ICAI Membership Number: 123088
UDIN: 25123088BMIPKF9848

Date: August 12, 2025
Place: Mumbai

Encl: As above

CC:

Rajani Associates
204-207, Krishna Chambers
59, New Marine Lines
Mumbai 400020

ANNEXURE A

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO JOSTS ENGINEERING COMPANY LIMITED (THE “COMPANY”) AND ITS SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (HEREINAFTER REFERRED TO AS “INCOME TAX LAWS”)

1. Special tax benefits available to the Company under the Income Tax Laws

Lower Corporate Tax rate under Section 115BAA

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 (“the Amendment Act, 2019”) granting an option to domestic companies to compute corporate tax at a Reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%) from the Financial Year 2019-20, provided such companies do not avail specified exemptions/incentives (e.g. deduction under Section 10AA, 32(1)(iia), 33ABA, 35(2AB), 80-IA etc.).

Section 115BAA also provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax (“MAT”) under Section 115JB. The CBDT has further clarified that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available.

2. Special tax benefits available to the shareholders under the Income Tax Laws

There are no special tax benefits available to the shareholders for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the Act (arising from sale of equity shares of the Company).

Section 112A of the Act provides for concessional rate of tax at the rate of 12.5% on long term capital gain arising on transfer of equity shares with effect from July 23, 2024 subject to conditions. Any long-term capital gain, exceeding INR 1,25,000 arising from the transfer of a long-term capital asset (i.e., capital asset held for the period of 12 months or more) being an Equity Share of a company or a unit of an equity-oriented fund wherein Securities Transaction Tax (‘STT’) is paid on both acquisition and transfer, income tax is charged at a rate of 12.5% without giving effect to indexation. Further, the benefit of lower rate is extended in case STT is not paid on acquisition / allotment of equity shares through Initial Public Offering.

Section 111A of the Act provides for concessional rate of tax @ 20% in respect of short-term capital gains (provided the short-term capital gains exceed the basic threshold limit of exemption, where applicable) arising from the transfer of a short-term capital asset (i.e. capital asset held for the period of less than 12 months) being an Equity Share of a company or a unit of an equity-oriented fund wherein STT is paid on both acquisition and transfer.

Notes:

- a. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- b. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- c. The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment year 2025-26.
- d. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- e. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- f. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE B

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO JOSTS ENGINEERING COMPANY LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER THE CENTRAL GOODS AND SERVICES TAX ACT, 2017, INTEGRATED GOODS AND SERVICES TAX ACT, 2017, RESPECTIVE STATE GOODS AND SERVICES TAX ACT, 2017 ('GST ACT'), CUSTOMS ACT, 1962 ('CUSTOM ACT'), CUSTOMS TARIFF ACT, 1975 ('TARRIF ACT') (HEREINAFTER REFERRED TO AS "INDIRECT TAX LAWS")

1. Special tax benefits available to the Company under the Indirect Tax Laws

There are no special indirect tax benefits available to the Company.

2. Special tax benefits available to the shareholders under the Indirect Tax Laws

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

Notes:

- a. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
- b. The above statement covers only above-mentioned indirect tax laws benefits and does not cover any direct tax law benefits or benefit under any other law.
- c. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.
- d. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information.

GLOBAL VIEW

Global Economic Overview

The year 2024 has been marked by significant global events. Unprecedented electoral activity took place across many countries, with more than half of the world's population participating in major elections. At the same time, conflicts such as the Russia-Ukraine war and the Israel-Hamas conflict exacerbated regional instability, impacting energy and food security, driving prices higher, and contributing to inflation. Cyber-attacks also became more frequent and severe, with the growing digitisation of critical infrastructure amplifying their human and financial toll. Geopolitical tensions have reshaped global trade dynamics, while trade policies and policy uncertainty have added to the volatility in global financial markets.

In the face of higher interest rates, advanced economies (AEs) experienced steady growth in the first half of 2024, supported by moderating inflation and resilient employment and consumption levels. However, the growth outlook differs between the United States (US) and the Euro Area. The US economy is expected to maintain strong growth at 2.8% in 2024, though it may slow slightly in 2025 due to a reduction in consumption and exports.

India's current account deficit (CAD) moderated slightly to 1.2% of GDP in Q2 of FY25 against 1.3% of the GDP recorded in Q2 of FY24. The recent rise in the CAD can be attributed to an increase in the merchandise trade deficit, which rose to US\$ 75.3 billion in Q2 of FY25 from US\$ 64.5 billion in the corresponding quarter of the previous year. The rising net services receipts and increase in private transfer receipts cushioned the expansion in the merchandise trade deficit. Net service receipts increased to US\$ 44.5 billion in Q2 of FY25 from US\$ 39.9 billion in the corresponding quarter in FY24.

(Source-Economic Survey 2024-25; www.indiabudget.gov.in)

Global View for Growth

The global economy grew by 3.3% in 2023, with the International Monetary Fund (IMF) forecasting growth of 3.2% in 2024 and 3.3% in 2025. Over the next five years, global growth is expected to average 3.2%, which is considered moderate by historical standards.

(Source-Economic Survey 2024-25; www.indiabudget.gov.in)

INDIAN ECONOMY AT A GLANCE

Overview of the Indian Economy

The Indian economy's growth story emphasizes a welfare-enhancement approach by the government, focusing on empowering all citizens and ensuring the efficient delivery of welfare measures. The government's initiative aims to provide opportunities for everyone, enabling them to achieve their professional and personal goals. With the focus on education, health, skilling, and innovation, with improved social and economic infrastructure the aim is to achieve welfare for all.

While the education and health system has made significant progress through various initiatives aimed at achieving national goals, there is a critical need to enhance the delivery mechanisms. By rethinking and improving these systems and integrating innovation and technologies, one can ensure that benefits effectively reach the last mile and are fully realised by those who need them most.

The importance of focusing on learning outcomes is underscored by reports revealing the gap between class standards and actual learning levels. To address this gap and enhance learning outcomes, it is crucial to implement innovative teaching methods and strategies that prioritise peer learning, social and emotional development, digital literacy, and life skills. These approaches will not only boost academic performance but also foster cognitive and critical thinking skills among students

The government's focus on rural infrastructure, housing, and livelihoods reflects a comprehensive 'welfare for all' approach. By improving rural connectivity, sanitation, housing, access to drinking water, and social inclusion, alongside supporting microfinance, SHGs, and localisation of SDGs, these initiatives ensure inclusive development. Together, they uplift rural communities, bridging gaps in equity and quality of life.

Regulatory institutions in the areas of health and education must constantly balance the needs of the society and that of the ease of provision of such services by the providers. Where the market can do an effective job, regulations can either be withdrawn or compliance made voluntary with disclosure. Tight regulations increase the compliance and supervision burden on state capacity that is already stretched. This gives rise to unfulfilled expectations on the part of the public. Therefore, for India to receive the demographic dividend in full in the coming years, regulatory institutions need to evolve to focus on allowing outcomes to happen without being fixated on inputs. Trust-based regulation backed up by transparency and disclosure on the part of the regulated deserves a chance. Regulators must develop their assessment parameters and report on their own effectiveness transparently. There is no better way to demand right behaviour than to set an example.

(Source-Economic Survey 2024-25; www.indiabudget.gov.in)

Review of Developments in 2024 -25

India's trade sector has demonstrated remarkable stability and growth, achieving milestones despite global economic headwinds. Following a dip in FY20 amid the global downturn and the pandemic, overall exports rebounded strongly in FY22, reaching a record high in FY23. This momentum continued into FY24, with overall exports surpassing the previous year's record, even as imports moderated slightly

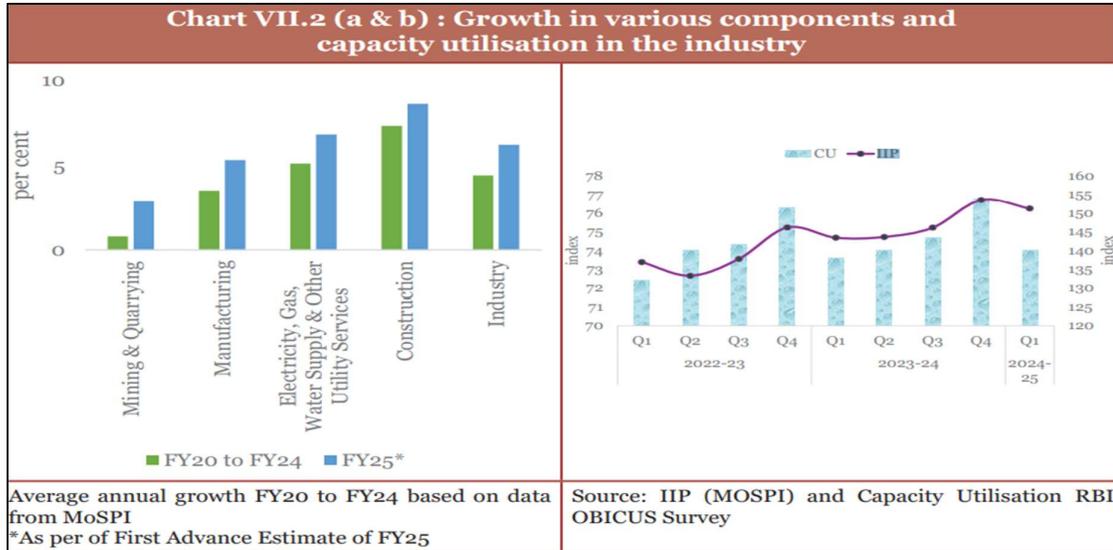
India's total exports (merchandise and services) have shown positive momentum in the first nine months of FY25, reaching US\$ 602.6 billion, witnessing a YoY growth of 6%. This increase demonstrates the resilience of exports, which have been building on a steady upward trend in recent years despite global economic challenges. Total imports during April-December 2024 reached US\$ 682.2 billion, registering a YoY growth of 6.9%. This positive import growth indicates a steady demand for goods in the Indian market, supporting domestic consumption and production needs. A more significant increase in overall imports compared to exports led to a rise in the overall trade deficit from US\$ 69.7 billion during April-December 2023 to US\$ 79.5 billion in the corresponding period of FY25.

During April-December 2024, non-petroleum exports were up by 7.1%. Over the same period, non-petroleum and non-gems and jewellery exports rose by 9.1%. Specific sectors like drugs and pharmaceuticals, electronic goods, engineering goods, and chemicals saw an increase in exports, growing by 6.4%, 28.6%, 9.9% and 5% respectively, during April-December 2024 on a YoY basis. Textile exports also saw a YoY increase of 7.6% during the same period. Rising inflationary pressures on cereals, pulses, and edible oils limited the exports of agricultural and allied products. Overall, merchandise exports registered a modest growth of 1.6% (YoY basis) primarily attributed to a decline in the value of petroleum product exports due to a fall in international commodity prices.

(Source-Economic Survey 2024-25; www.indiabudget.gov.in)

Sector wise Performance

➤ Industrial Sector



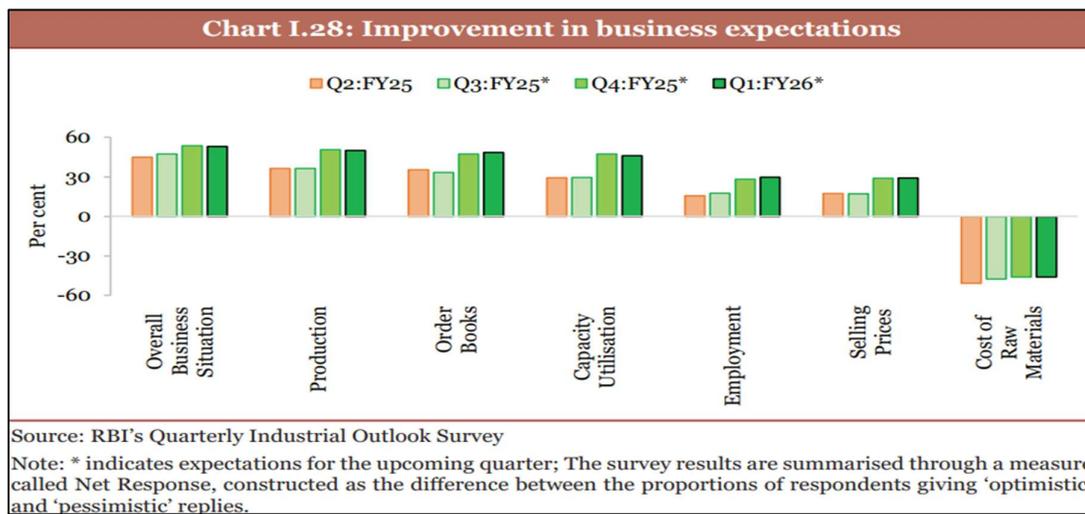
The industrial sector (including four sub-sectors, i.e., mining and quarrying; electricity, gas, water supply and utilities; manufacturing and construction) was affected significantly by the pandemic, leading to a contraction in FY21. This led to growth fluctuations in subsequent years. Hence, comparing FY25 with an average of the previous five years, including the pre-pandemic FY20, is appropriate. Chart VII.2(a) shows that the industrial growth in FY25 is expected higher than the previous five-year average. The industrial sector grew by 6.2% in FY25, driven by robust growth in electricity and construction

The industrial growth rate for the second quarter Q2FY25 has registered a decline to 3.6%, primarily driven by three significant factors that affected key sectors of the economy. These factors are outlined below:

The major contributors to the decline in industrial growth was the sharp slowdown in manufacturing exports. This slowdown can be attributed to several external economic challenges. Firstly, economic difficulties in key destination countries, where demand for exports has weakened, played a critical role. Additionally, intensified trade competition from global markets, coupled with shifting industrial policies by major trading nations, further strained the competitiveness of domestic manufacturers. These factors collectively contributed to the slowdown in export-driven manufacturing, which in turn impacted the overall industrial growth.

The second significant factor influencing industrial performance during Q2FY25 was the unprecedented levels of rainfall observed during the monsoon season. While the monsoon had positive effects, such as replenishing reservoirs and supporting agricultural activities, it also produced several challenges for other industrial sectors. Specifically, activities like mining, construction, and certain manufacturing processes were slowed down due to adverse weather conditions. The delayed or interrupted operations in these sectors contributed to a slower overall industrial output during the quarter.

The third factor affecting industrial growth was the variation in the timing of festivals between September and October of the current and previous years. Festivals typically drive higher consumer spending and boost economic activity due to increased demand for goods and services, including consumer items like automobiles. In the current year, however, the timing of these key festivals was slightly different from the previous year, leading to a statistical downward bias in the Q2FY25 growth figures. The timing shift resulted in a delay in the spike of festival-related economic activity, which traditionally contributes to Q2FY25 growth. While the sales of select consumer items, including automobiles, picked up in October, the overall impact on Q2FY25 was muted due to this timing discrepancy.



According to the RBI's Industrial Outlook Survey, manufacturing firms reported improved demand conditions in Q3 FY25 and expect further improvements in Q4 FY25 and Q1 FY26. The survey also reflected better expectations for production, order books, employment, capacity utilisation, and the overall business environment during Q4 FY25 and Q1 FY26

(Source-Economic Survey 2024-25; www.indiabudget.gov.in)

Outlook for Growth

The services sector continues to perform well in FY25. The growth in Q1 and Q2 resulted in 7.1% growth in H1FY25. Across sub-categories, all the sub-sectors have performed well. The robust performance of the services sector is also reflected in high-frequency indicators (HFIs). PMI services have been in an expansionary zone during H1FY25, supported by growth in new orders, rise in output, improvement in sales and enhanced employment generation. The hospitality sector performed well, with hotel occupancy rates in H1FY25 similar to the previous year. Average daily rates and revenue per room increased due to higher corporate and leisure travel. Air cargo activity grew in double digits, while port traffic remained stable. Information Technology (IT) companies also performed better than the previous quarter.

Union government capex is up 8.2% in July – November 2024 and is expected to pick up further pace. Early results of the RBI's Order Books, Inventory, and Capacity Utilisation Survey (OBICUS) show that the seasonally adjusted capacity utilisation (CU) in manufacturing firms was 74.7% in Q2 FY25, above the long-term average of 73.8%. A private sector report's analysis of a sample of capital goods companies indicates that the order books of these companies have registered a sharp increase of 23.6% in FY24 as against a compound annual growth rate (CAGR) of 4.5% in the preceding four years. Moreover, in H1 FY25, there was a growth of 10.3% compared to the end of FY24. The RBI's report on private investments showed that investment intentions increased to ₹2.45 lakh crore for FY25 as compared to ₹1.6 lakh crore for FY24. Along with fresh investment, some of the existing intentions would spill over and be implemented in FY26.

On the external front, exports of goods and non-factor services at constant prices increased by 5.6 per cent in H1 FY25, while imports increased by 0.7%. In Q2 FY25, imports of goods and services at constant prices contracted by 2.9%, primarily driven by a decline in commodity prices. As a result, net exports contributed positively to real GDP growth in this period.

The industrial sector grew by 6% in H1 FY25. Q1 saw a strong growth of 8.3%, but growth moderated in Q2 due to three key factors. First, manufacturing exports slowed significantly due to weak demand from destination countries, and aggressive trade and industrial policies in major trading nations. Second, the above average monsoon had mixed effects - while it replenished reservoirs and supported agriculture, it also disrupted sectors like mining, construction, and, to some extent, manufacturing. Third, the variation in the timing of festivities

between September and October in the previous and current years led to a modest growth slowdown in Q2 FY25.

(Source-Economic Survey 2024-25; www.indiabudget.gov.in)

There are three main downside risks to the forecast.

The value of the Indian Rupee (₹) is market-determined, with no target or specific level or band. Various domestic and global factors influence the exchange rate of the ₹, such as the movement of the Dollar Index, trends in capital flows, level of interest rates, movement in crude prices, current account deficit, etc. In the first nine months of FY25 (up to 6 January 2025), the ₹ depreciated a modest 2.9%, performing better than currencies such as the Canadian Dollar, South Korean Won and the Brazilian Real, which depreciated by 5.4%, 8.2% and 17.4% respectively, during the same period. One of the primary factors behind the rupee depreciation during 2024 has been the broad-based strengthening of the US\$ amidst geopolitical tensions in the Middle East and uncertainty surrounding the US election.

Global inflation peaked at 8.7% in 2022, driven by supply chain disruptions and geopolitical tensions, to 5.7% in 2024. In India, retail inflation moderated from 5.4% in FY24 to 4.9% in FY25 (April-December) despite challenging food price dynamics. Food items constitute about two-fifths of the consumer price index in India. Hence, the Consumer Food Price Index (CFPI) is a significant determinant of retail inflation. In recent years, food inflation has been a major contributor to headline inflation. However, an increase in prices is not widespread across all food categories. It is primarily driven by a few items.

Geopolitical risks and policy uncertainty, especially around trade policies, have also contributed to increased volatility in global financial markets.

Geopolitical risks remain high due to ongoing conflicts, which pose substantial risks to the global economy. These tensions can affect growth, inflation, financial markets, and supply chains. The intensification of conflicts like those in the Middle East or between Russia and Ukraine could lead to market revaluation of sovereign risks and disrupt global energy markets. While the oil market is currently well-supplied, damage to energy infrastructure could create supply constraints and increase uncertainty.

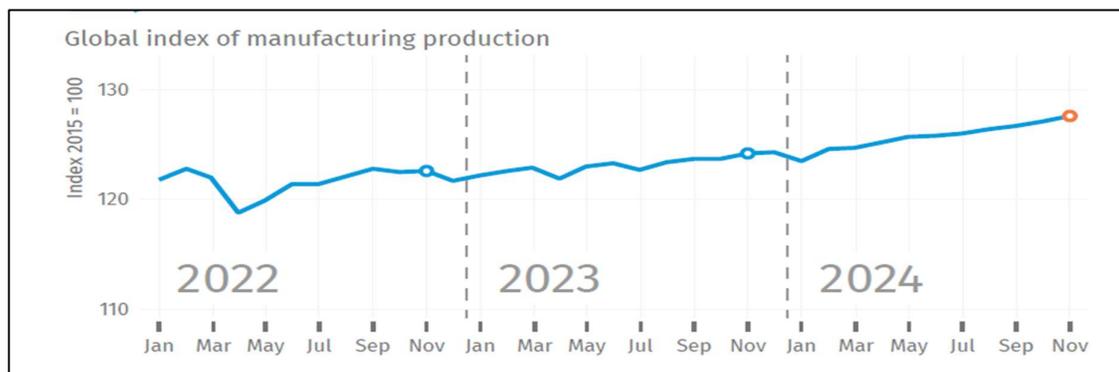
In the Middle East, tensions have also disrupted trade through the Suez Canal, a critical shipping route handling 15% of global maritime trade. As a result, ships are rerouting around the Cape of Good Hope, causing delivery delays of over 10 days on average. This has led to higher freight rates and impacted global trade activity.

(Source-Economic Survey 2024-25; www.indiabudget.gov.in)

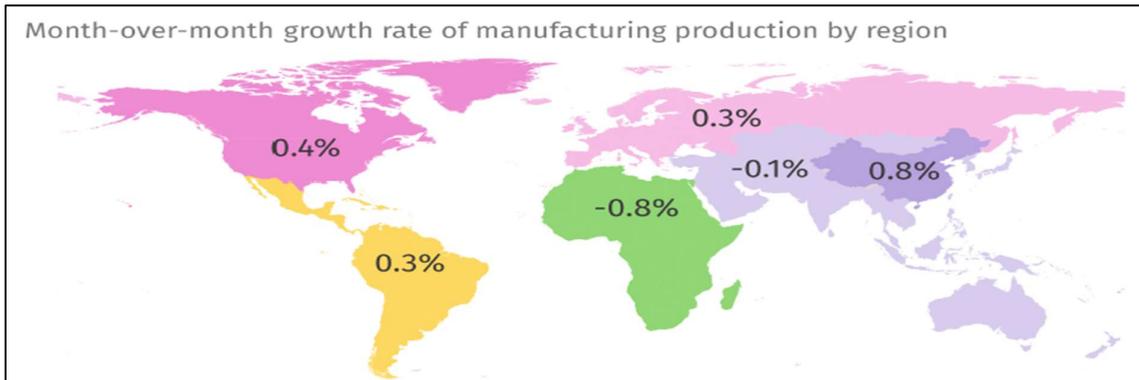
MANUFACTURING SECTOR

Manufacturing Growth

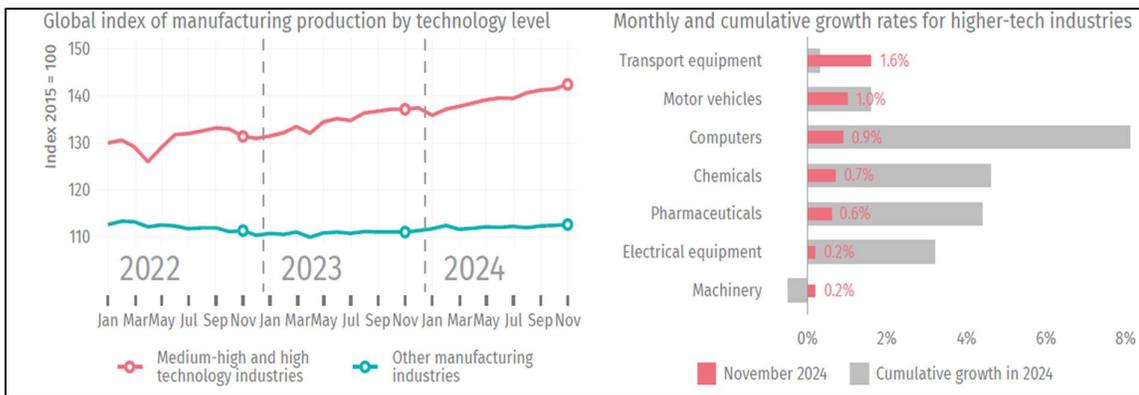
Global Manufacturing



Regional Performance



Sectoral Trends



(Source: World Manufacturing Production- November 2024; United Nations Industrial Development Organisation - www.unido.org)

Developing and Emerging Industrial Economies

Manufacturing is the engine of economic growth. Economic growth and development are positively correlated with industrialization. This empirical regularity is supplemented by a large body of literature emphasizing the role of manufacturing as the key “progressive sector”. Several reasons explain this unique role. Manufacturing has a higher potential to benefit from static and dynamic economies of scale than other sectors of the economy. At the same time, the expansion of manufacturing tends to increase the productivity level of the economy, raise the level of savings necessary to fund investment, foster technological innovation, and create foreign exchange. Moreover, manufacturing has the strongest potential to stimulate the rest of the economy through productive linkages and technological spillovers.

Industry and job creation. Besides the direct industrialization-growth nexus, the industrial sector also stabilizes the economy by providing well-paid and high-quality jobs. Industry’s potential to provide a large and growing number of stable and well-paid jobs varies considerably across countries and regions, owing to historical heritage and institutional factors.

(Source: Industrial Development Report 2024 - www.unido.org)

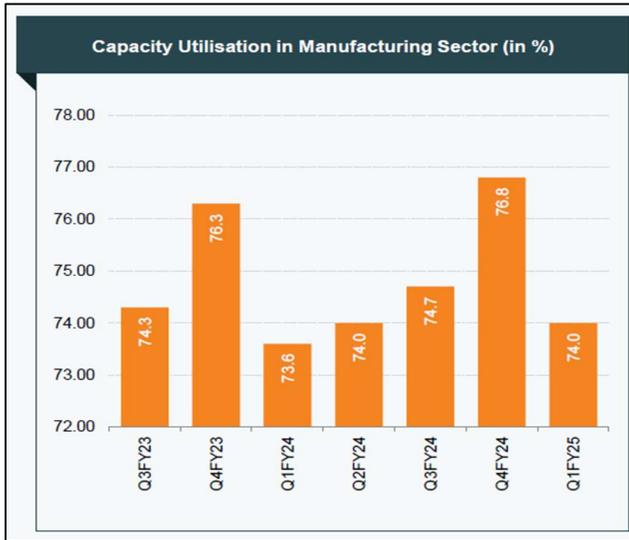
INDIAN MANUFACTURING SECTOR

Introduction

India's manufacturing sector is a key driver of its economic growth, contributing 16-17% to GDP pre-pandemic, and is expected to grow rapidly. Key industries like automotive, chemicals, and pharmaceuticals are thriving,

with digital transformation boosting innovation and efficiency. India is on track to become a global manufacturing hub, with projections to export goods worth US\$1 trillion by 2030. Government initiatives like the National Manufacturing Policy and PLI schemes aim to increase the sector's share in GDP to 25% by 2025. Foreign investment is rising, and sectors like mobile phone manufacturing are set to create significant job opportunities.

Market Size



India's manufacturing exports reached a record US\$ 447.46 billion in FY23, with a 6.03% growth, surpassing the previous year's US\$ 422 billion. By 2030, India's middle class is expected to have the second-largest share in global consumption. The manufacturing sector's Gross Value Added (GVA) was US\$ 770.08 billion in Q1FY24, with e-commerce exports projected to grow to US\$ 400 billion by 2030. Smartphone exports reached US\$ 15.6 billion in FY24, fueled by the Production-Linked Incentive (PLI) scheme. India's GDP grew 8.4% in Q3FY24, driven by strong manufacturing and construction growth. India's manufacturing sector is expected to reach a value of US\$ 1 trillion by 2025-26, making a substantial contribution to global economic growth.

Source: Reserve Bank of India Order Books, Inventories and Capacity Utilisation Survey

Investments

India's manufacturing sector has expanded into new geographies and segments, driven by growth in priority sectors and favorable global megatrends

Foreign Direct Investment (FDI) inflows into the sector have reached US\$ 165.1 billion, a 69% increase over the past decade, largely supported by Production-Linked Incentive (PLI) schemes. In the last five years, total FDI across all sectors amounted to US\$ 383.5 billion.

Government Initiatives

The government is actively encouraging diversification and growth in the manufacturing sector through initiatives like the PLI Scheme and focused budget allocations. By offering incentives to crucial industries such as automobiles, electronics, pharmaceuticals, and food processing, India seeks to capitalize on emerging market trends and opportunities.

The Government of India has taken significant steps to enhance the manufacturing sector through various initiatives and budget allocations aimed at fostering growth and innovation. The 'Make in India' initiative, which marked its 10th anniversary, has led to transformative results, including an 85% reduction in mobile imports and a 200% increase in manufacturing jobs from 2022 to 2024.

The government has launched several initiatives from time to time like MUDRA Yojana, Emergency Credit Line Guarantee Scheme, Scheme of Fund for Regeneration of Traditional Industries (SFURTI) etc. to provide necessary and timely support to the MSME sector, which has helped benefit crores of people across the country.

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

- In the interim budget 2024, the allocation for the Production Linked Incentive (PLI) Scheme for various sectors saw a substantial increase, with notable examples including a 360% rise to ₹6,903 crore (US\$

830 million) for the Semiconductors and Display Manufacturing Ecosystem and a 623% surge to ₹ 3,500 crore (US\$ 421 million) for the Automobile sector.

- In the interim budget 2024, there was commendable fiscal responsibility demonstrated alongside significant investments in infrastructure, including emphasis on affordable housing, clean energy, and technological advancement. Additionally, the budget allocated funds for the creation of a ₹1 lakh crore (US\$ 12 billion) innovation fund for sunrise domains, providing a substantial boost for the startup industry. Moreover, there was a notable focus on promoting the shift to electric vehicles (EV) through the expansion of EV charging networks, thereby offering opportunities for small vendors in manufacturing and maintenance.
- In the Interim Union Budget 2024-25, the Ministry of Defence has been allocated ₹621,541 crore (US\$ 74.78 billion), marking a significant increase of approximately 4.72% from the previous allocation of ₹593,538 crore (US\$ 71.41 billion).
- Under the Skill India mission, Pradhan Mantri Kaushal Vikas Yojana (PMKVY) has trained over 1.40 crore candidates since 2015, as per Skill India Digital data until December 13, 2023. Notably, in the Short-term Training (STT) program, 42% of certified candidates found placement opportunities, with 24.39 lakh candidates successfully placed out of 57.42 lakh certified.
- Semiconductor associations IESA and SEMI signed a Memorandum of Understanding (MoU) in Bengaluru to establish India as a global manufacturing hub, focusing on talent development, policies, design, skilling, research, academia, and supply chains, leveraging SEMI's international network and IESA's expertise.
- The Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) has been notified with an aim to strengthen the value chain for the manufacturing of electronic products in India.

Road Ahead

The positive developments in the manufacturing sector, driven by production capacity expansion, government policy support, heightened M&A activity, and PE/VC-led investment, are creating a robust pipeline for the country's sustained economic growth in the years to come.

India is becoming a key hub for foreign investments in manufacturing, with global brands in sectors like mobile phones, luxury goods, and automobiles establishing operations. The manufacturing sector is expected to reach US\$ 1 trillion by 2025, supported by GST and a growing market of 1.48 billion people. The Government's SAMARTH Udyog Bharat 4.0 initiative aims to enhance competitiveness, while the development of industrial corridors and smart cities will foster advanced manufacturing practices and overall industrial growth.

(Source: Manufacturing Sector in India - India Brand Equity Foundation www.ibef.org)

INDIAN ENGINEERING SECTOR

Introduction

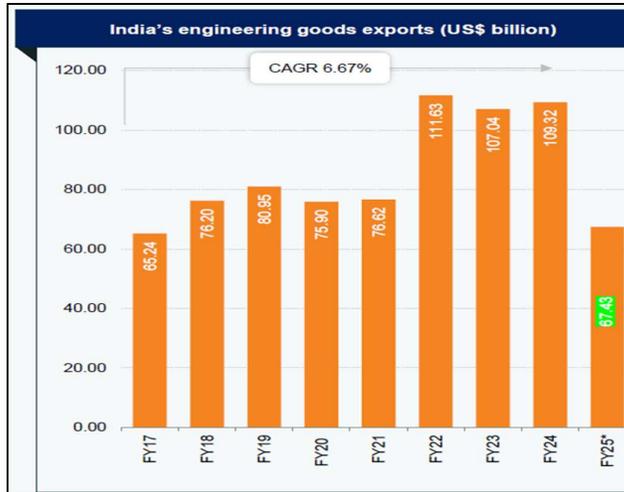
India's Capital Goods manufacturing industry serves as a strong base for its engagement across sectors such as Engineering, Construction, Infrastructure and Consumer goods, amongst others.

The engineering sector stands as the largest industrial sector in India, comprising 27% of the total factories and accounting for 63% of foreign collaborations within the country. The demand for engineering services is largely driven by capacity expansion in industries such as infrastructure, electricity, mining, oil and gas, refining, steel, automobiles, and consumer durables. India benefits from competitive advantages in manufacturing costs, market knowledge, technology, and innovation across several engineering sub-sectors. Over recent years, the sector has experienced substantial growth, fueled by increased investment in infrastructure and industrial production. Given its close ties to manufacturing and infrastructure, the engineering sector is strategically vital to India's economy.

The sector's development has been significantly supported by various policies and initiatives from the Indian government. The engineering industry has been de-licensed, and 100% Foreign Direct Investment (FDI) is permitted. Furthermore, it has emerged as the largest contributor to the nation's total merchandise exports.

India's engineering sector also gained a global recognition milestone in June 2014, when the country became a permanent member of the Washington Accord (WA), joining an exclusive group of 17 countries signatory to this prestigious international agreement on engineering education and the mobility of engineers.

Market size



Source: NIRYAT Portal, (Until October 2024)

India's engineering and manufacturing sectors are witnessing strong growth, with significant developments in electrical machinery, automotive, agricultural equipment, and machine tools. The automotive industry alone is valued at over US\$ 222 billion and is set to become the third largest globally by 2030. Various industrial segments, including boilers, generators, and power transformers, are also expected to see steady growth over the coming years.

In FY25 (until October), engineering goods exports from India amounted to US\$ 67.43 billion. The production of the Capital Goods Sector rose significantly, from ₹ 2,29,533 crore (US\$ 27.58 billion) in 2014-15 to ₹ 4,29,001 crore (US\$ 51.55 billion) in 2023-24.

Imports of electrical machinery in India increased to US\$ 12.30 billion in FY24. The electrical equipment sector, which contributes 8% to manufacturing and 1.5% to GDP, is expected to grow from US\$ 52.98 billion in 2022 to US\$ 125 billion by 2027, reflecting a robust CAGR of 11.68%.

Investments

India's engineering sector has demonstrated significant growth and continues to play a crucial role in the nation's economic development. With substantial foreign direct investment (FDI) inflows and a strong export performance, engineering goods contribute notably to India's global merchandise exports. The sector's exports have seen steady growth, with projections indicating a target of US\$ 200 billion by 2030.

The foreign direct investment (FDI) inflows into India's miscellaneous mechanical and engineering industries during April 2000 to June 2024 stood at around US\$ 4.51 billion, as per data released by the Department of Industries Policy and Promotion (DIPP).

Government Initiatives

The Indian engineering sector is of strategic importance to the economy owing to its integration with other industry segments. The sector has been de-licensed and enjoys 100% FDI. With the aim to boost the manufacturing sector, the government has relaxed the excise duties on factory gate tax, capital goods, consumer durables and vehicles.

- In Budget 2024-25, Government has committed an outlay of ₹11.11 lakh crore (US\$ 133.5 billion) this year towards infrastructure capital expenditure and defence sector was allocated a budget of ₹6.21 lakh crore (US\$ 74.62 billion).
- MHI is implementing the Scheme for 'Enhancement of Competitiveness in the Indian Capital Goods Sector Phase 2' in order to facilitate adoption of Industry 4.0 and to promote investments in

manufacturing sector, indigenization of technologies and creation / augmentation of common service infrastructure / Testing facilities. ₹250 crores have been allocated under this Scheme for Financial Year 2023-24.

- The Ministry of Heavy Industries (MHI) launched two Production Linked Incentive (PLI) Schemes, namely PLI Scheme for Automobile and Auto Component Industry, and PLI Scheme for National Programme on Advanced Chemistry Cell (ACC) Battery Storage. The PLI Scheme for the automobile and auto components industry has been launched with a total budgetary outlay of ₹25,938 crore (US\$ 3.17 billion) for a period of five years (FY23 to FY27).
- Increase the employability of engineering graduates in the country, AICTE (All India council of technical education) leadership is taking a lot of efforts and recommends model curriculum for engineering programs like AI, IoT, Robotics, Block chain, Machine learning, Data Science and Cyber security.
- In 2021, the government is pursuing strategic sale in 22 PSU firms of which 17 are ongoing transactions including BPCL, Shipping Corporation of India, Concor and BEML.

Road Ahead

India's electrical equipment market is projected to grow by US\$ 33.74 billion from 2021 to 2025, with an accelerated growth rate at a compound annual growth rate (CAGR) of 9%. The engineering sector is also experiencing significant expansion, with investments in engineering R&D expected to reach US\$ 63 billion by 2025. Exports of engineering goods are forecasted to reach US\$ 200 billion by 2030.

The material handling equipment sector is poised to benefit from strong demand across industries such as steel, power, minerals, and infrastructure, while the demand for machine tools in the capital goods sector, particularly in the automotive and textile industries, is anticipated to remain robust. The 'Make in India' initiative, along with the government's focus on improving the ease of doing business, is expected to create numerous opportunities in the engineering and capital goods sectors in the coming years.

(Source: Engineering Industry in India - India Brand Equity Foundation www.ibef.org)

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “**Forward-Looking Statements**” on page 15 of this Letter of Offer for a discussion of the risks and uncertainties related to those statements and also “**Risk Factors**”, “**Financial Statements**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 20, 88 and 92, respectively, of this Letter of Offer for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

For a discussion of the risks and uncertainties related to those statements please see the section “**Risk Factors**” beginning on page 20, for a discussion of certain risks and analysis of factors that may affect our business, financial condition or results of operations or cash flows.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Audited Financial Statements included in this Letter of Offer in “**Financial Statements**” beginning on page 88.

Unless otherwise indicated or the context otherwise requires, the financial information included in this section for Fiscal 2025, 2025 and 2023 has been derived from our Audited “**Financial Statements**” beginning on page 88 of this Letter of Offer. See, “**Financial Information**” on page 88 of this Letter of Offer.

In this section, unless the context otherwise requires, indicates or implies references to our “Company” or the “Issuer” are to Josts Engineering Company Limited.

Overview

Our Company is involved in the business of supply of a wide range of material handling and engineered products. These products are designed to support the movement, lifting, storage, and transportation of goods within industrial, warehouse, and commercial environments. We aim to provide practical and reliable solutions that help improve efficiency and productivity in various operational settings. To serve our customers better, we have established an all-India sales and service network. This network enables us to reach customers across the country and offer assistance in terms of product information, after-sales service, technical assistance, and the supplying spare parts. Our focus is not just on supply of equipment, but also on offering complete solutions that add value to the customers’ operations.

The products we offer are marketed under well-recognized brand names such as “JUMBO,” “PYGMY,” and “JOTRUK.” These brands have built a strong reputation over time and are known for their quality, durability, and consistent performance. Our product range consists of Industrial Platform Trucks, Tow Trucks, Hand Pallet Trucks, Electric Pallet Trucks, Electric Pallet Stackers, Reach Trucks, Forklifts, Racking Systems, Scissor Lifts, Dock Levelers, Pneumatic Sample Transport Systems, Battery Operated Passenger Carriers and various other customized products.

Through our diverse product offerings and service support, we continue to focus on customer satisfaction, safety, and operational efficiency. Our aim is to build long-term relationships with customers by offering dependable products and solutions tailored to their day-to-day working needs. Also, our Company has diversified its business by entering into equipment rental business and renewable energy sectors. The Company marked its entry into the rental business through its subsidiary namely MHE Rentals India Private Limited (Presently Wholly Owned Subsidiary). Through its joint venture, Suryavayu Renewable and Energy Solutions Pvt. Ltd., our Company has strengthened its renewable energy focus and expanded its portfolio in solar and wind power projects.

Our consolidated gross revenue from operations for Fiscal 2025 stood at ₹23,891/- as against ₹18,744/- in Fiscal 2024. Our consolidated EBITDA for Fiscal 2025 and 2024 was ₹3,066 lakhs and ₹1,849 lakhs, respectively. Our consolidated Profit/Loss for the Fiscal 2025 stood at ₹1,754 lakhs as against profit/Loss of ₹990 lakh in Fiscal 2024.

Brief History and Background

Our Company was originally incorporated as “Jost’s Fans Supply and Engineering Company Limited” on May 9, 1907, as a limited Company under the Indian Companies Act, 1882, registered with the Registrar of Joint Stock Companies, Bombay. The name of the Company was changed by passing a special resolution and with the authority of Bombay Government to Jost’s Engineering Company Limited on February 12, 1914, and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Bombay on February 25, 1918. The Corporate Identity Number of our Company is L28100MH1907PLC000252.

Originally our Company was established to take over the business carried by the sole proprietor, Mr. Carl Jost, under the name of “C. Jost & Company”, of an electrical and mechanical engineer and contractor and manufacturer of and dealer in electrical and mechanical apparatus, appliances, ventilators or rotatory fans. Presently the Company carries on business of trading of material handling equipment and of industrial finishing and engineered products. Our Corporate Office is located at C-7, Road No. 12, Wagle Industrial Estate, Thane West, Mumbai, 400604. We have 9 (Nine) branches/ Sales offices which are situated at Bengaluru, Baroda, Chennai, Guwahati, Kolkata, Mumbai, New Delhi, Pune, and Hyderabad.

Some of the key milestones of our Company since then are as follows:

Calendar Year	Key Milestones
1907	Established by Carl Jost’s, as Jost’s Fan Supply and Engineering Company Limited, for manufacturing kerosene operated fans
1913	Representation of Evershed & Vignoles Ltd. (now known as Megger Ltd) & Standard Telephone & Cable Ltd.
1950	Started representation of Brüel & Kjær and ITT industries
1963	Our Company emerged as an important manufacturer and supplier of Material Handling Equipment & technology-based engineering solutions.
1980	License agreement with Jungheinrich, AG, Germany for manufacture of Stackers and Battery-Operated Pallet Trucks
1984	Introduction of JORACK Racking System
1998	First Indian MHE Company to get ISO 9001 certification
2003	Our Company paint application products and systems, along with combustion systems, integrated into the Industrial Finishing Division, to provide complete solutions to customers
2006	Introduction of Scissor Lift and Dock Leveler
2007	Our Company organised into three core business areas viz. Material Handling Division, Industrial Finishing Division and Engineered Products Division
2009	Ventured into the Nano Technology and Analytical Instrumentation business. Introduction of Indigenous Electric Forklift 'JFB' Series
2014	Introduction of Indigenous Reach Trucks
2015	Representation of Skyjack Canada for distribution of Aerial and Boom Lift
2016	Introduction of Diesel Forklift Range Introduction of MHE Rental
2017	Representation of Doosan, Korea for Material Handling Range
2018	Introduction of our Company Made Diesel Forklift
2019	Introduced Aerial Work Platform Range & Order Picker
2022	Introduction of Rack Clad Warehouse

Our Competitive Strengths

We believe that the following are our primary competitive strengths:

1) *Experience garnered over more than 50 years*

Our company has been serving its customers for more than 50 years. Through this experience, we have built a solid foundation for delivering high-quality products and services that align with customer expectations and industry standards.

While our Company has recently discontinued their manufacturing side of business, we rely on our wholly owned subsidiary, JECL Engineering Limited, who has a manufacturing facility, amongst our many other suppliers for engineering goods. JECL Engineering Limited operates a dedicated manufacturing facility located in Murbad, Maharashtra. This facility is equipped with the necessary infrastructure, including an advanced plant, machinery, and equipment, to produce high-quality products.

2) *Technical Personnel team*

Our Company is supported by a highly experienced and skilled technical team, comprising professionals who have in-depth knowledge and hands-on understanding of the material handling and engineered products industry. While we are currently not engaged in manufacturing, the strength of our technical personnel plays a crucial role in technical support, which entails the servicing of the machinery that we have supplied to our customers and product recommendations.

Our technical experts are well-versed in product application, system integration, and solution customization—ensuring that the equipment we market aligns with the operational requirements of our customers. Their expertise is essential in areas such as product selection, solution design, technical consultancy, and after-sales support, all of which contribute significantly to customer satisfaction and long-term partnerships.

3) *Experienced Marketing Team*

Our Company's marketing department personnel are fairly experienced in the field of marketing. Our Company trains its employees for improving the communication skills and to provide a better-quality output. Our Company's marketing team develops and maintains cordial relations with our customers by continuous follow up.

4) *Geared to serve all major markets in India*

The Registered office of our Company is located at Mumbai and sales offices are spread across multiple locations i.e. Bengaluru, Vadodara, Chennai, Guwahati, Kolkata, New Delhi, Pune and Hyderabad which caters to our market and that enables us to easily reach out to customers in any part of the country in the shortest possible time. We provide solutions to the power, oil and gas, Defence, aerospace & space, automobile and many other critical sectors, in association with leading global manufacturers.

Our Key Strategies:

Focus on increase in volume of sales

We intend to focus on increasing the volume of sales in the markets we operate. As a distribution Company, we want to focus on larger volume of sales by extending our market segments and by addition of new products in our current portfolio to achieve our targeted sales.

Augment our working capital base in order to better utilize our installed capacities

Our business of material handling equipment and engineering products is working capital intensive. We need to maintain sufficient inventory for the production process and also maintain a balance between debtors & creditors

cycle. Since we are not fully utilizing our installed capacities, our growth depends on our ability to increase our utilization over the next few years. This expansion needs access to a larger amount of liquid funds and sufficient working capital. For further details of the proposed working capital requirements of our Company, kindly refer to the chapter titled “*Objects of the Issue*” on page 53 of this Letter of Offer. We believe that being well funded in the working capital domain will help us in the following strategic initiatives:

- Accelerate development of new products to suit the different needs of customers.
- Respond to market dynamics and provide custom based designs with focus on customer satisfaction.
- Focus on producing / marketing high value priced products.

Customer Satisfaction

Our Company is customer satisfaction-oriented and always tries to maintain a good relationship with the customers. Our Company’s marketing team approaches existing customer for their feedback and based on that feedback, any changes in the products, if required, are carried out. Our Company provides quality products and effective follow-ups with customers which ensures that customers are satisfied with the products. Our Company in return is rewarded by customers with continuous orders.

Customers

We have strong and long-established relationships with a number of our customers. The table below sets forth details of revenues generated from our top 5 customers and our top 10 customers for the periods indicated:

Particulars	As of and for the period ended March 31		
	2025	2024	2023
	% of revenue from operations	% of revenue from operations	% of revenue from operations
Top 5 Customers	26.58%	17.54	15.29
Top 10 Customers	32.51%	23.22	22.07

We believe our customer relationships are led primarily on account of our ability to meet stringent specifications and customizations along with our strong technical competencies. We are committed to developing and maintaining long-term relationships with our customers through frequent interactions and follow-ups. The Company’s production and quality team periodically visit the customers’ premises to update on the technological changes on the various products manufactured by the Company

Our Business Verticals:

We categorise our business into three different verticals based on our product portfolio, namely: (i) Warehousing and material movement equipment, (ii) Vertical material movement and (iii) AWP range

(a) *Warehousing and material movement equipment*

Our Company operates in the warehousing and material movement equipment sector, delivering a comprehensive range of products thoughtfully engineered to meet the diverse and evolving needs of modern industries. Our offerings include essential material handling equipment such as hand pallet trucks for efficient horizontal transport, along with manual and semi-electric stackers that provide cost-effective lifting solutions for small to mid-sized operations. To boost productivity, we also offer battery-operated pallet trucks and fully electric stackers designed for smooth, effortless handling across a variety of applications. The portfolio further extends to electric forklifts—ideal for indoor use due to their quiet and emission-free operation—and durable diesel forklifts built for rugged, outdoor performance. We also supply battery-operated platform trucks for internal transportation, as well as premium machines including reach trucks for high-rack storage, articulated forklifts for enhanced manoeuvrability in tight spaces, and very narrow aisle (VNA) trucks that optimize storage in space-constrained environments.

The value segment of our products is manufactured by our wholly owned subsidiary, JECL Engineering Limited, ensuring affordable yet reliable solutions. On the premium end, we represent the globally recognized brand Zowell in India, offering advanced material handling equipment to meet complex operational demands. This strategic combination enables us to maintain a broad and versatile product portfolio that effectively serves a wide range of customer requirements. This highly competitive landscape motivates us to continuously innovate and deliver dependable, high-quality solutions that help our customers stay efficient, agile, and ahead of the curve.

(b) *Vertical material movement*

Our company specializes in vertical material movement solutions, offering a range of equipment such as scissor lifts, goods lifts, and vertical reciprocating conveyors (VRC). These products are designed to facilitate the efficient vertical movement of goods in various environments, including warehouses, factories, and commercial spaces. Scissor lifts help in elevating materials to different heights, while goods lifts provide vertical transportation between floors, ensuring smooth and safe handling of heavy loads. Vertical reciprocating conveyors (VRC) are specifically designed to move goods vertically, offering a safe and efficient alternative to traditional lifts in industrial settings.

In the domestic market, we compete with a number of local and regional manufacturers who offer similar vertical material movement solutions. These competitors present cost-effective alternatives in the market, but our focus remains on delivering high-quality and reliable products. This competitive environment encourages us to consistently innovate and maintain our commitment to meeting the specific needs of our customers.

(c) *AWP Range*

Our company offers a comprehensive range of aerial work platforms (AWP), which include single mast and double mast lifts. These lifts are designed for tasks that require lifting personnel or materials to various heights, ensuring safety and efficiency in confined spaces. We also offer self-propelled and push-around scissor lifts, which are versatile and widely used for indoor and outdoor tasks, providing a reliable and stable means of accessing elevated work areas. Our product range further includes articulated and telescopic boom lifts, which are equipped to handle more complex and demanding applications, providing extended reach and flexibility for accessing hard-to-reach areas.

Outsourced Manufacturing

Our Company doesn't currently have a manufacturing facility. Our wholly owned subsidiary, JECL Engineering Limited, has a manufacturing facility for material handling equipment. We rely on JECL Engineering Limited for around 31% of the total supply of material handling equipment received by us. JECL Engineering Limited, located in Murbad, Maharashtra, is equipped with state-of-the-art infrastructure, cutting-edge machinery, and a skilled workforce, enabling the production of high-quality material handling and industrial equipment. This specialized manufacturing facility ensures consistent product quality, quick turnaround times, and the ability to meet customer specifications with both precision and efficiency

Our Business Portfolio

I. **Material Handling Division (MHD)**

Our Company offers a wide range of equipment and systems, such as Pygmy, Pallet Trucks, the Jumbo range of Platform Trucks, Stacker, Reach Truck, Electric Forklift, Order picker, racking systems etc. The markets in which we are very active for material handling division (MHD) include automotive, logistic, FMCG, railways, defence and pharma. The equipment is manufactured with facilities like computer-aided design, engineering, manufacturing, erection and after sales service. We offer customized "all-round solutions" for material storage, transportation, loading/unloading and stacking/retrieving operations and warehousing.

II. Material Handling Services:

Our Company ensures the highest possible uptime of the equipment supplied by us, through a nationwide network of 8 service centres. Our Company's highly skilled and knowledgeable service staff undergoes continuous training and development. Customers rely on our assistance for anything from battery maintenance to full overhauling services, allowing them to focus on their primary business.

III. Engineering Products Division and Services (EPD)

Engineered Products Division is committed to supply innovative technology-based products and solutions to improve customer's efficiency and processes.

Engineered Products Division (EPD), in association with leading manufacturers of the world, provides precision based advanced engineering solutions for some of the very demanding industrial applications. These solutions blend of innovation, along with our expertise and reach in the Indian market.

We partner with multiple specialized segment leaders & domain expert companies from USA, Europe, UK and Japan offering solutions for Space, Aerospace, Defense, Automotive, Power, Engineering and Education industries.

Engineering Products division comprise of 6 lines of business which have dedicated Business Development Managers. Business Development Manager's, introduce new products to customers via trade shows, expos, customer specific seminars, presentations targeting particular product & applications. Our product support executives also reach out to customers through digital media marketing.

a) Sound and Vibration:

Sound (or noise) has an important social aspect and noise measurement is carried out to monitor the impact of noise pollution on society, at the work place or in normal habitats.

Measurement and analysis of sound and vibration is needed in the designing and testing of more efficient and quieter products. Our offerings are specifically used in diverse sectors like automotive, defence, aerospace, space, telecom, white goods, power, process engineering, general engineering, architectural acoustics and machine tools.

b) Environmental Simulation

In order to provide better solutions in industrial material and component testing, biological, chemical and food research, human and veterinary medicine testing, our company has tied up with the leaders in the design, development and manufacture of Lab equipment's.

Product quality testing is critical part of the manufacturing process. Josts' offers advanced equipment for various production systems. Use of best-in-class technology and support of a team of competent engineers, ensures that each of our solutions delivers precise, accurate and optimum performance.

c) Component Procurement Services:

We offer various interconnectivity solutions for Aerospace, Defence, Space, Engineering and Electronics Manufacturing Services market segments. We offer connectors from USA and France meeting NASA and ESA qualifications.

We offer Military grade connectors specially required for Space, Aerospace and Defence applications.

d) Electrical Test and Measurement

The electrical test and measurement range of products from our Electrical Division ensures performance and reliability in power generation, transmission and distribution equipment's. Our Company has

experience in providing advanced technology products and systems dedicated to various applications in Electrical Industry

We have added a new principal from Canada for Emergency restoration system. We have already received an order of ₹29.50 Crores from interested parties.

e) Nanotechnology and Analytical Solutions:

The Research & Development community in institutes and industries can now look forward to a fresh approach to their needs in lab based diagnostic and analytical equipment. We have a qualified experienced team to guide customers for their requirements of diagnostics and analytical instruments. Today our product portfolio comprises of various types of Lasers and Laser based diagnostic systems for flow, stress and strain.

f) Heat and Combustion

Optimizing combustion processes has gained a lot of importance due to advantages like cost saving and efficiency enhancement. Responsible and intelligent use of energy with minimal emissions is the desired feature of an industrial combustion system. Our Company offers a wide range of Temperature Profiling Systems which helps to improve the heating process under Heat and Combustion product line.

We offer several solutions that enhance human safety against gas-related hazards, this includes a wide range of Portable and Fixed Gas detection systems, Gas monitors & Flame detectors.

Engineered Products – Technical Services:

With a network of 8 service centres across the country Our Company offers Technical Services to various market segments and application needs.

Our Company offers specialized Technical Services covering following parameters :

- Sound & Vibration
- Flow Survey
- Fluid Dynamics
- Thermal Comfort
- Stress & Strain Measurement
- Electrical Parameter Testing & Measurement

NABL Accredited Lab for Calibration Services

Our Laboratory has been accredited by the National Accreditation Board for Testing & Calibration Laboratories (NABL), under the Department of Science and Technology, Government of India.

At our NABL-accredited LAB, we specialize in providing precise calibration services for a comprehensive range of Electro-technical parameters. These include current, voltage, resistance, capacitance, AC-DC high voltage, Tan Delta, offline energy meter calibration and single phase-three phase AC Power. Rest assured, our laboratory adheres to the highest industry standards, aligning with the ISO/IEC 17025:2017 General Requirements for the Competence of Testing & Calibration Laboratories.

We have NABL accreditation calibration facility at Jost's Corporate Office & Kolkata Location.

Sales and Marketing

Our company's sales and marketing strategy is driven by thorough market research, which helps us understand customer requirements, monitor competitor activities, and stay updated with industry trends. This research allows us to strategically position our products to cater to both domestic and international demand. The marketing team also focuses on building and maintaining our company's brand reputation by emphasizing reliability, technology-driven solutions, and our ongoing efforts toward sustainability.

We segment our customer base across key industries such as automotive, pharmaceuticals, construction, and logistics. This segmentation enables us to design targeted marketing campaigns that address the specific needs of each sector, while highlighting our capability to provide customized material handling solutions. Our sales team follows a multi-channel approach, combining direct sales, online marketing, and a network of distributors and dealers across various markets to ensure wide coverage and consistent customer engagement.

Human Resource

Our Human Resources team plays a vital role in supporting business growth by attracting and retaining skilled professionals across key areas such as engineering support, sales, service, and operations. Continuous learning is encouraged through regular training programs and skill enhancement workshops. These efforts ensure our teams stay updated and aligned with evolving customer needs. The breakdown of our employees in different functionalities has been provided below:

Function	Number of Employees
Top Management	5
Accounts & Finance	8
Corporate & Coordination	22
HR & Admin	6
Information Technology	2
Marketing, Sales & Customer Service	220
Operation & maintenance	21
Purchase & Store	5
Secretarial & Legal	3
Others	2
Grand Total	294

Intellectual Property Rights

Trademarks

Our Company has a registered Trademark, and the details are as under:

Trademark	Logo	Class	Proprietor Name	Registration Number
Josts		06	Josts Engineering Company Limited	4968989
Josts		07	Josts Engineering Company Limited	4968990

Trademark	Logo	Class	Proprietor Name	Registration Number
Josts		12	Josts Engineering Company Limited	4968991
Josts		20	Josts Engineering Company Limited	4968992
Josts		37	Josts Engineering Company Limited	4968993
JUMBO	-	12	Josts Engineering Company Limited	1148
JUMBO		12	Josts Engineering Company Limited	217376
JUMBOELECTRIC		12	Josts Engineering Company Limited	224281
PROCHECK	-	09	Josts Engineering Company Limited	5004140
PYGMY	-	12	Josts Engineering Company Limited	212374

Corporate Social Responsibility

Our company is committed to giving back to society and creating a positive impact beyond business. Josts Foundation, a Section 8 (Companies Act, 2013) Company, has been incorporated on August 9, 2024, solely for the purpose of carrying out Corporate Social Responsibility (CSR) activities. The foundation actively engages in community development programs, education, healthcare, and environmental sustainability projects. Through these efforts, we aim to contribute meaningfully to the well-being of the communities we operate in, while aligning our values with responsible and inclusive growth. In the Fiscal 2025, Our Company spent ₹20.05 Lakhs towards CSR activities through Josts Foundation, Implementing Agency. Our board has constituted a CSR committee which presently comprises of three members namely, Jai Prakash Agarwal, Vishal Jain, and Sanjiv Swarup.

OUR MANAGEMENT

Board of Directors

The composition of the Board is governed and is in conformity with the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI LODR Regulations and the Articles of Association. In accordance with the Articles of Association and the Companies Act, 2013, our Company shall have a minimum of three directors and a maximum of fifteen directors. However, more than fifteen directors can be appointed if approved by passing a special resolution in a general meeting.

Pursuant to the provisions of the Companies Act, 2013, at least two-thirds of the total number of directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each Annual General Meeting. A retiring director is eligible for re-election. Further, pursuant to the Companies Act, 2013, the Independent Directors may be appointed for a maximum of two consecutive terms of up to five consecutive years each and thereafter have a cooling off period of three years prior to being eligible for re-appointment. Any re-appointment of Independent Directors shall be on the basis of, *inter alia*, the performance evaluation report and approval by the shareholders of our Company, by way of a special resolution.

As on the date of this Letter of Offer, our Company has 6 (six) Directors, comprising of 2 (two) Executive Directors, 4 (four) Non-Executive Directors inclusive of 3 (three) Independent Directors and 1 (one) woman Independent Director. The Chairman is an Executive Director.

The following table provides details regarding our Board as of the date of filing this Letter of Offer:

Name, Address, Designation, Occupation, Term, Period of Directorship, Date of Expiration of the Current Term of Office, DIN and Date of Birth	Age (in years)	Other Directorships
<p>Jai Prakash Agarwal</p> <p><i>Address:</i> 2601, A-wing, 26th Floor, Raheja Atlantis, Near Shreeram Mill, G.K. Marg, Lower Parel, Mumbai -400013, Maharashtra, India</p> <p><i>Designation:</i> Promoter, Chairman & Whole Time Director</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> For a period of 3 years from April 01, 2024, liable to retire by rotation</p> <p><i>Date of Expiration of Current Term of Office:</i> March 31, 2027</p> <p><i>Period of Directorship:</i> Since January 21, 2015</p> <p><i>DIN:</i> 00242232</p> <p><i>Date of Birth:</i> October 15, 1958</p>	66 years	<p><u>Domestic Companies</u></p> <ol style="list-style-type: none"> 1. Josts Foundation 2. Dotch Sales Private Limited 3. AUJ Investment & Consultants Private Limited 4. Ashdil Sales Promotion Private Limited 5. JECL Engineering Limited 6. Overseas Tracom Private Limited <p><u>Foreign Companies</u></p> <p><u>NIL</u></p>
<p>Vishal Jain</p> <p><i>Address:</i> A-802, Mantri Pride, 1st Block, Near Madhavan Park, Jayanagar, Bangalore South, Bengaluru- 560011, Karnataka India</p> <p><i>Designation:</i> Promoter, Managing Director &</p>	52 years	<p><u>Domestic Companies</u></p> <ol style="list-style-type: none"> 1. Suryavayu Renewable and Energy Solutions Private Limited 2. Josts Foundation 3. MHE Rentals India Private Limited 4. JECL Engineering Limited

Name, Address, Designation, Occupation, Term, Period of Directorship, Date of Expiration of the Current Term of Office, DIN and Date of Birth	Age (in years)	Other Directorships
<p>Chief Executive Officer</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> For a period of 3 years from October 04, 2023</p> <p><i>Date of Expiration of Current Term of Office:</i> October 03, 2026</p> <p><i>Period of Directorship:</i> Since January 21, 2015</p> <p><i>DIN:</i> 00709250</p> <p><i>Date of Birth:</i> June 14, 1973</p>		<p><u>Foreign Companies</u></p> <p>1. Josts Engineering Inc.</p>
<p>Shikha Jain</p> <p><i>Address:</i> A-802, Mantri Pride, 1st Block , Near Madhavan Park, Jayanagar, Bangalore South, Bengaluru- 560011, Karnataka India</p> <p><i>Designation:</i> Promoter & Non-Executive Director</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>Date of Expiration of Current Term of Office:</i> Liable to retire by rotation</p> <p><i>Period of Directorship:</i> Since August 12, 2016</p> <p><i>DIN:</i> 06778623</p> <p><i>Date of Birth:</i> November 17, 1974</p>	<p>50 Years</p>	<p><u>Domestic Companies</u> NIL</p> <p><u>Foreign Companies</u> NIL</p>
<p>Pramod Kumar Maheshwari</p> <p><i>Address:</i> 112-B, Shakti Nagar, Dadabari, Kota, Rajasthan - 324009</p> <p><i>Designation:</i> Non-Executive Independent Director</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> For a period of 5 years from February 07, 2023</p> <p><i>Date of Expiration of Current Term of Office:</i> February 06, 2028</p> <p><i>Period of Directorship:</i> Since February 07, 2023</p> <p><i>DIN:</i> 00185711</p>	<p>54 Years</p>	<p><u>Domestic Companies</u></p> <ol style="list-style-type: none"> 1. Career Point Edutech Limited 2. Career Point Learning Solutions Limited 3. Eduplanet Knowledge Solutions Private Limited 4. Coupler Enterprises Private Limited 5. Career Point Infra Limited 6. Srajan Capital Limited 7. Sankalp Capital Private Limited 8. CP Capital Limited 9. Srajan Ventures Private Limited 10. Indo Grains Private Limited 11. Wellwin Technosoft Limited 12. Career Point Foundation 13. Aadhaar Foundation 14. Yash Foundation 15. Studyboard Education Private

Name, Address, Designation, Occupation, Term, Period of Directorship, Date of Expiration of the Current Term of Office, DIN and Date of Birth	Age (in years)	Other Directorships
<p><i>Date of Birth:</i> March 12, 1971</p>		<p>Limited</p> <p>16. Career Point Institute of Skill Development Private Limited</p> <p>17. Career Point Accessories Private Limited</p> <p>18. Srajan Agritech Private Limited</p> <p>19. Edutiger Private Limited</p> <p>20. Soyug Limited</p> <p>21. CPUH Institute of Incubation and Innovation Council</p> <p><u>Foreign Companies:</u></p> <p>NIL</p>
<p>Sanjiv Swarup</p> <p><i>Address:</i> 103, Srushti Apartment, Old Prabhadevi Road, Opposite Century Bazar, Prabhadevi, Mumbai, Maharashtra 400025</p> <p><i>Designation:</i> Non-Executive Independent Director</p> <p><i>Occupation:</i> Professional Independent Director</p> <p><i>Term:</i> For a period of 5 years from February 07, 2023</p> <p><i>Date of Expiration of Current Term of Office:</i> February 06, 2028</p> <p><i>Period of Directorship:</i> Since February 07, 2023</p> <p><i>DIN:</i> 00132716</p>	<p>66 Years</p>	<p><u>Domestic Companies</u></p> <p>1. MHE Rentals India Private Limited</p> <p>2. Abans Jewels Limited</p> <p>3. Chatha Foods Limited</p> <p>4. Tac Infosec Limited</p> <p>5. Abans Enterprises Limited</p> <p>6. Responsive Industries Limited</p> <p>7. Bharat Wire Ropes Limited</p> <p>8. Highness MicroElectronics Limited</p> <p><u>Foreign Companies</u></p> <p>1. Abans Gems & Jewels Trading FZC, Ajman UAE</p>
<p><i>Date of Birth:</i> November 19, 1958</p> <p>Rekha Shreeratan Bagry</p> <p><i>Address:</i> 402 A, Kent Residency, Eksar Road, Borivali (West), Opposite Mayur Tower, Mumbai Suburban, Borivali West, Maharashtra-400092</p> <p><i>Designation:</i> Non-Executive Independent Director</p> <p><i>Occupation:</i> Independent Professional, Chartered Accountant</p> <p><i>Term:</i> For a period of 5 years from February 07, 2023</p> <p><i>Date of Expiration of Current Term of Office:</i> February 06, 2028</p> <p><i>Period of Directorship:</i> Since February 07, 2023</p>	<p>53 Years</p>	<p><u>Domestic Companies</u></p> <p>1. Organic India Private Limited</p> <p>2. Capital Foods Private Limited</p> <p>3. Bija Conservation Foundation</p> <p>4. Whiteoak Capital Trustee Limited</p> <p>5. Renewsys India Private Limited</p> <p>6. Ramkrishna Forgings Limited</p> <p>7. TRIL Constructions Limited</p> <p><u>Foreign Companies</u></p> <p>NIL</p>

Name, Address, Designation, Occupation, Term, Period of Directorship, Date of Expiration of the Current Term of Office, DIN and Date of Birth	Age (in years)	Other Directorships
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DIN: 08620347

Date of Birth: March 22, 1972

Confirmations

None of our Directors is or was the director of any listed company during the five years immediately preceding the date of filing of this Letter of Offer, whose equity shares have been or were suspended from being traded on any stock exchanges, during the term of their directorship in such a company.

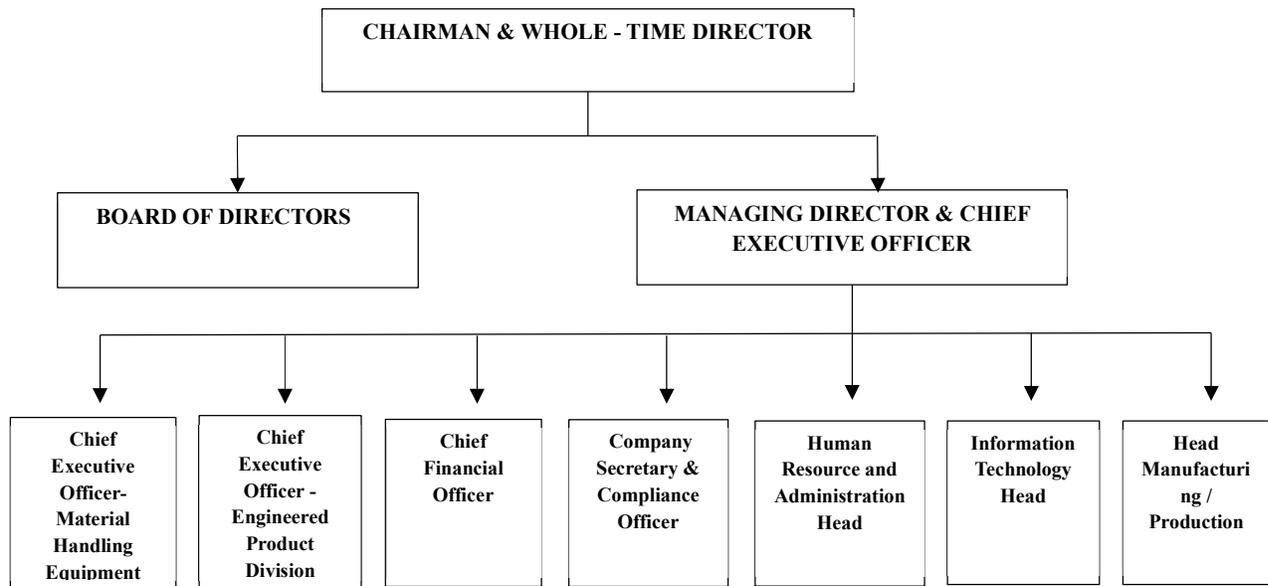
None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during the term of their directorship in such company, in the last ten years immediately preceding the date of filing of this Letter of Offer with the Stock Exchange.

Details of Key Managerial Personnel and Senior Management

The details of our Key Managerial Personnel and the members of our Senior Management in terms of the Companies Act and the SEBI ICDR Regulations (as applicable) as on date of this Letter of Offer are set forth below:

Sr. No.	Particulars	Designation
<i>Key Managerial Personnel</i>		
1.	Pranesh Bhandari	Chief Financial Officer
2.	Babita Kumari	Company Secretary and Compliance Officer
<i>Senior Management (excluding Key Managerial Personnel)</i>		
1.	Lakshmanraju Sharath Kumar	Chief Executive Officer of Engineered Product Division
2.	Manish Walia	Chief Executive Officer of Material Handling Division
3.	Atul Balasaheb Wagh	Head Manufacturing / Production
4.	Vidya Sandesh Sakpal	Head of Human Resource and Administration
5.	Bhushan Vinayak Vichare	Head of Information Technology

Organizational Structure



SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

S. No.	Details	Page No.
1.	Audited Financial Statements of our Company for the Financial Year ended March 31, 2025 along with the audit report dated May 29, 2025	F-1 to F-65
2.	Audited Financial Statements of our Company for the Financial Year ended March 31, 2024 along with the audit report dated May 15, 2024	F-66 to F-129
3.	Audited Financial Statements of our Company for the Financial Year ended March 31, 2023 along with the audit report dated May 18, 2023	F-130 to F-191

INDEPENDENT AUDITORS' 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 subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group") which includes the Group's share of loss in its associate, and which comprise the consolidated balance sheet as at March 31, 2025, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "consolidated 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 report of other auditor on separate financial statements of the one subsidiary referred to below in the Other Matter section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing, as specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the consolidated 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 (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 consolidated 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 financial statements. The results of audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Revenue Recognition: (Refer note 3.6 of the consolidated financial statements) The Group Company deals in manufactured goods, traded goods, provide AMC services & representing principal on a commission basis and material handling rental business. It sells a number of equipment's and services to its customers, mainly in domestic market through its own sales & 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 Group 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 financial statements provide additional information on how the Group accounts for its revenue.</p>	<p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> ▪ Read the Group revenue recognition accounting policies and assessed compliance of the policies with Ind AS 115. ▪ Assessed the design and tested the operating effectiveness of internal controls relating to revenue recognition. ▪ Assessed the appropriateness of Group's identification of performance obligations in its contracts with customers, its determination of transaction price, including allocation thereof to performance obligations and accounting policies for revenue recognition in accordance with the accounting principles laid down in Ind AS 115. ▪ Scrutinized sales ledgers to verify completeness of sales transactions. ▪ Tested the revenue recognized, on a sample basis, including testing of cut off assertion as at the year end. Our testing included tracing the information to agreements, price lists, invoices, proof of dispatches/deliveries. ▪ Assessed the revenue recognized with substantive analytical procedures including review of price and quantity. ▪ Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
2.	<p>Trade Receivable: (Refer note 11 of the consolidated financial statements)</p> <p>Trade receivable balances are significant to the Group as they amounted to ₹ 8,388 Lakh (gross) representing 71.85 % of the total current assets and 35.11 % of the total revenue of the Group for the year ended 31st March 2025. During the current financial year, the group Company has recognized bad debts ₹ 42 Lakh. 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 expected credit loss, bad debts is required.</p> 	<p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> ▪ Obtained an understanding of the group's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers. ▪ On a sample basis, requesting trade receivable confirmations and evidence of receipts from the customers subsequent to balance sheet date. ▪ Analysis of ageing profile of the trade receivables to identify credit risks, reviewing historical Payment patterns and correspondence with customers on expected settlement dates. ▪ Also evaluated the assumptions and estimates used by management to determine the recoverability, provision for doubtful and trade receivables. ▪ Evaluated the provisions made for expected credit loss as per ECL model as specified by Ind AS 109. ▪ Review of documents and other records for trade receivables considered as doubtful and bad.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

Management Responsibilities for the Consolidated Financial Statements

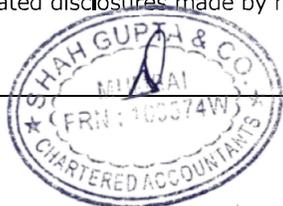
The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company's, as aforesaid. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements:

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements/financial information of three subsidiaries, whose financial statements reflect total assets of ₹ 2,090 Lakh as at March 31, 2025, total revenues of ₹ 1,785 Lakh and net cash inflows amounting to ₹ 90 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

The consolidated financial statements also include the Group's share of net loss of ₹ 0.05 Lakh for the year ended March 31, 2025, as considered in the consolidated financial statements, in respect of an associate. The independent auditors report on financial statements of associate has been furnished to us and our opinion on the statement, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements and other financial information certified by the Management.



Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "**ANNEXURE A**" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditor on separates financial statements of subsidiary incorporated in India, referred in the Other Matters paragraph above 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 financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated 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;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary companies incorporated in India, none of the directors of the Holding Company and its subsidiary companies incorporated in India is disqualified as on March 31, 2025 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 Group covered under the Act, and the operating effectiveness of such controls, refer to our separate report in '**ANNEXURE B**'.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion, and to the best of our information and according to the explanations given to us, and based on the reports of the statutory auditors of such subsidiary company incorporated in India which were not audited by us the remuneration paid / provided by the Holding Company and Subsidiary company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.
 - (h) With respect to the other matters to be included in the auditors' 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 37 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.; and
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund.
 - iv. A) The respective management of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and other auditors of such subsidiary respectively that, to the best of its knowledge and belief, as disclosed in the Note 51 to the consolidated financial statements, no funds have been advances or loaned or invested (either from borrowed funds or share premium



or any other sources or kind of funds) by the Holding Company or any of subsidiary to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- B) The respective management of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief, as disclosed in the Note 51 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- C) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditor of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representation under sub-clause (A) and (B) contain any material misstatement.
- v. The final dividend paid by the Holding Company during the year which was declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend
- vi. As given in note 52 to the consolidated financial statements, based on our examination which included test checks the Holding Company, its subsidiary and associate companies incorporated in India whose financial statements have been audited under the Act, have used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except for one subsidiary incorporated in India as mentioned below. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Holding Company, subsidiary company and associate companies incorporated in India as per the statutory requirements for record retention.

In respect of one subsidiary incorporated in India, which was audited by other auditor and as reported by them, the subsidiary have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software, except that audit trail was enabled with effect from 09.08.2024.

For **SHAH GUPTA & Co.**
Chartered Accountants
Firm Registration No.: 109574W


Vedula Prabhakar Sharma
Partner
Membership No.: 123088
UDIN: 25123088BMPIY1142



Place: Mumbai
Date: May 29, 2025

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:
(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements except for the following:

Sr. No.	Name	CIN	Relationship	Clause number of the CARO report which is qualified or adverse
1	MHE Rental India Private Limited	U71290MH2016PTC311695	Subsidiary	vii (a)

For **SHAH GUPTA & Co.**
Chartered Accountants
Firm Registration No.: 109574W


Vedula Prabhakar Sharma
Partner
Membership No.: 123088
UDIN: 25123088BMPIY1142



Place: Mumbai
Date: May 29, 2025

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE

(Referred to in paragraph (f) under '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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls over financial reporting of **JOST'S ENGINEERING COMPANY LIMITED** ("the Company" or "the Holding Company") and its subsidiaries and its associate, which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

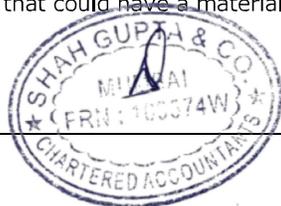
Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiaries, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the one subsidiary incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiaries which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting with reference to consolidated 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 over financial reporting with reference to consolidated 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.



Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to consolidated 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 over financial reporting with reference to consolidated 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

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiaries, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the criteria for internal control over financial reporting established by the respective companies 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 Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to one subsidiary, which is company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India. Our opinion is not modified in respect of this matter.

For **SHAH GUPTA & Co.**
Chartered Accountants
Firm Registration No.: 109574W


Vedula Prabhakar Sharma
Partner
Membership No.: 123088
UDIN: 25123088BMPIY1142



Place: Mumbai
Date: May 29, 2025

Jost's Engineering Company Limited
Consolidated Balance Sheet as at March 31, 2025

₹ in Lakh

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	4A	1,979	2,109
(b) Capital work-in-progress	4B	1,933	847
(c) Right of use assets	4C	78	120
(d) Intangible assets	4D	15	13
(e) Financial assets			
(i) Non-current investments	5	3	1
(ii) Other non-current financial assets	6	325	257
(f) Deferred tax assets (net)	39	158	144
(g) Other non-current assets	7	36	25
Total non-current assets		4,527	3,516
(2) Current assets			
(a) Inventories	8	1,309	1,152
(b) Financial assets			
(i) Current investments	9	17	428
(ii) Trade receivables	10	8,087	5,888
(iii) Unbilled revenue			
(iii) Cash and cash equivalents	11A	311	138
(iv) Bank balances other than cash and cash equivalents (iii) above	11B	380	289
(v) Loans	12	5	67
(vi) Other current financial assets	13	172	192
(c) Income tax assets	14	24	23
(d) Other current assets	15	1,370	767
Total current assets		11,675	8,944
Total assets		16,203	12,460
Equity and liabilities			
(1) Equity			
(a) Equity share capital	16	100	98
(b) Other equity	17	7,743	5,701
Total equity		7,843	5,799
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	298	338
(ii) Lease liabilities	19	37	98
(b) Non-current provisions	20	157	177
(c) Deferred tax liabilities (net)	39	60	-
Total non-current liabilities		552	613
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	1,938	1,239
(ii) Lease liabilities	22	52	31
(iii) Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		114	373
Total outstanding dues of creditors other than micro enterprises and small enterprises		4,206	2,857
(iv) Other current financial liabilities	24	222	220
(b) Other current liabilities	25	934	1,091
(c) Current provisions	26	113	187
(d) Income tax liabilities (net)	27	229	50
Total current liabilities		7,808	6,048
Total liabilities		8,360	6,661
Total equity and liabilities		16,203	12,460

Corporate Information and Material accounting policies, key accounting estimates and judgements
See accompanying notes to the consolidated financial statements
As per our report of even date attached

(1 - 3)

For Shah Gupta & Co.

Chartered Accountants
Firm Registration Number : 109574W

Vedula Prabhakar Sharma
Partner
Membership No. 123088

Place: Mumbai
Date: May 29, 2025



For and on behalf of the Board of Directors

Jai Prakash Agarwal
Chairman
DIN - 00242232

Vishal Jain
Managing Director & CEO
DIN - 00709250

Rohit Jain
Chief Financial Officer

Babita Kumari
Company Secretary
Membership No. A40774

Place: Thane
Date: May 29, 2025



Jost's Engineering Company Limited
Consolidated Statement of Profit & Loss for the year ended March 31, 2025

Sr. No.	Particulars	Note No.	Year ended	
			₹ in Lakh, except EPS	
			31-03-2025	31-03-2024
1	Revenue from operations	28	23,891	18,744
2	Other income	29	128	77
3	Total income [1+2]		24,020	18,821
4	Expenses			
	(a) Cost of materials consumed	30	5,664	4,838
	(b) Purchases of stock-in-trade	31	8,926	6,319
	(c) Changes in inventories of finished and work-in-progress and stock-in-trade	32	278	89
	(d) Employee benefits expense	33	3,031	2,954
	(e) Finance costs	34	265	165
	(f) Depreciation and amortization expense	35	360	314
	(g) Other expenses	36	3,055	2,772
	Total expenses		21,579	17,451
5	Profit before exceptional items and tax [3-4]		2,441	1,370
6	Exceptional items		64	-
7	Profit before tax after exceptional items [5-6]		2,377	1,370
8	Tax expenses			
	(i) Current tax	40	573	349
	(ii) Deferred tax \$	40	49	(0)
	(iii) Short provision for tax relating to previous years \$	40	1	31
	Total tax expenses		623	380
9	Profit after tax [7-8]		1,754	990
10	Share of (Loss) of associate \$		(0)	-
11	Profit for the year [9-10]		1,754	990
12	Other comprehensive income / (loss)			
	A) Items that will not be reclassified to profit or loss (net of tax)			
	(i) Remeasurement of employee benefits obligations		4	(11)
	Total other comprehensive income / (loss)		4	(11)
	Total comprehensive income		1,758	979
	Net profit attributable to:			
	(a) Owners of the company		1,754	990
	(b) Non-controlling interests		-	-
	Other comprehensive income attributable to:			
	(a) Owners of the company		4	(11)
	(b) Non-controlling interests		-	-
	Total comprehensive income attributable to:			
	(a) Owners of the company		1,758	979
	(b) Non-controlling interests		-	-
13	Earnings per equity share #			
	(1) Basic (in ₹)		17.58	10.12
	(2) Diluted (in ₹)		17.58	10.07

figures are below rounding off norms adopted by the company

Corporate information and Material accounting policies, key accounting estimates and judgements
See accompanying notes to the consolidated financial statements
As per our report of even date attached

(1-3)

For Shah Gupta & Co.
Chartered Accountants
Firm Registration Number : 109574W

For and on behalf of the Board of Directors

Vedula Prabhakar Sharma
Partner
Membership No. 123088

Place: Mumbai
Date: May 29, 2025



Jai Prakash Agarwal
Chairman
DIN - 00242232

Rohit Jain
Chief Financial officer

Place: Thane
Date: May 29, 2025

[Handwritten signature of Rohit Jain]



Vishal Jain
Managing Director & CEO
DIN - 00709250

Babita Kumari
Company Secretary
Membership No. A40774

[Handwritten signature of Vishal Jain]

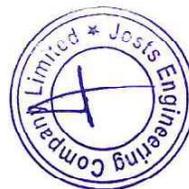
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Jost's Engineering Company Limited
Consolidated Statement of Cash Flow for the year ended March 31, 2025

₹ in Lakh

Particulars	Year ended	
	March 31, 2025	March 31, 2024
A Cash flow from operating activities		
Profit before taxes	2,377	1,370
Adjustments for:		
Depreciation and amortisation expense	360	314
Finance income on amortisation of deposits	(2)	(1)
Profit on sale of assets #	-	(0)
Dividend income	(1)	(1)
Interest income	(36)	(38)
Finance costs	265	165
Provision for expected credit loss	46	18
Bad debts written off	42	16
Unrealised foreign exchange (gain)/loss	2	3
Sundry balances written off/back	(49)	(2)
Provision for warranty claims	50	69
Provision for inventory	-	6
Inventory written off	-	7
	676	556
Operating profit before working capital changes	3,054	1,926
Adjustments for (increase) / decrease in:		
Trade receivables	(2,238)	(1,303)
Inventories	(158)	96
Other non-current financial assets	(66)	9
Other current financial assets	20	(164)
Other current asset	(603)	(297)
Other non-current assets	(10)	235
Current loans	62	6
Adjustments for increase/ (decrease) in:		
Trade payables	1,090	(54)
Other current financial liabilities	2	(42)
Other current liabilities	(157)	227
Change in non-current provisions	(20)	12
Change in current provisions	(120)	(64)
	(2,197)	(1,339)
Cash generated from operations	856	588
Net income tax paid (net of refunds)	(401)	(394)
Net cash generated from operating activities (A)	455	194
B Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(199)	(466)
Right of use of asset	(7)	(41)
Proceeds from sale of property, plant and equipment	17	19
Proceeds from sale of capital work in progress	(1,066)	(825)
Bank balances other than classified as cash and cash equivalents	(91)	(275)
Proceed/purchase of mutual funds investments (net)	411	(413)
Investment in equity shares of subsidiary	(2)	(345)
Interest received	36	38
Dividend received	1	1
Net cash generated from investing activities (B)	(920)	(2,307)
C Cash flow from financing activities		
Proceeds from/ (repayment) of working capital loans	168	27
Proceeds from/ (repayment) of short term borrowings	504	744
Proceeds from/ (repayment) of long term borrowings	(13)	255
Proceeds from issuance of equity shares	382	1,140
Proceeds from issuance of warrants	-	127
Dividend paid	(98)	(70)
Payment of lease liabilities	(40)	9
Finance costs	(265)	(165)
Net cash (used) in financing activities (C)	638	2,067
Net increase/(decrease) in cash and cash equivalents (A+B+C)	173	(47)
Cash and cash equivalents at the beginning of the year	138	185
Cash and cash equivalents at the end of the year (refer note 12A)	311	138

figures are below rounding off norms adopted by the company



Cash and cash equivalents include in the statement of cash flows comprising the following :

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks		
In current accounts	311	137
Cash on hand	0	1
Total	311	138

Reconciliations part of cash flows

Particulars	April 01, 2024	Cash flows (net)	New leases	March 31, 2025
Current Borrowings (including current maturity of long-term borrowing)	1,239	699	-	1,938
Non-current Borrowings	338	(40)	-	298
Lease liabilities (including current maturities)	129	(47)	7	89
Total	1,706	613	7	2,326

Particulars	April 01, 2023	Cash flows (net)	New leases	March 31, 2024
Current Borrowings (including current maturity of long-term borrowing)	436	803	-	1,239
Non-current Borrowings	116	222	-	338
Lease liabilities (including current maturities)	120	(32)	41	129
Total	672	993	41	1,706

Note to Cash Flow Statement:

- 1 The cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".
- 2 Previous years' figures have been regrouped wherever necessary.

As per our report of even date attached

For Shah Gupta & Co.

Chartered Accountants

Firm Registration Number : 109574W

Vedula Prabhakar/Sharma

Partner

Membership No. 123088

Place: Mumbai

Date: May 29, 2025



For and on behalf of the Board of Directors

Jai Prakash Agarwal

Chairman

DIN - 00242232

Vishal Jain

Managing Director & CEO

DIN - 00709250

Rohit Jain

Chief Financial Officer

Place: Thane

Date: May 29, 2025

Babita Kumari

Company Secretary

Membership No. A40774

Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

A. Equity share capital

(1) For the year ended March 31, 2025

₹ in Lakh

Balance as at April 1, 2024	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2025
98	-	-	2.00	100

(2) For the year ended March 31, 2024

₹ in Lakh

Balance as at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2024
93	-	-	5	98

B. Other equity

₹ in Lakh

Particulars	Reserves and surplus				Other comprehensive income	Money received against the warrants	Total
	Securities premium	Retained earnings	General reserve	Foreign Currency Translation reserve	Re-measurements gain/(loss) on the defined employee benefit plans		
Balance as at March 31, 2023	919	2,599	230	-	(9)	-	3,739
Profit for the year	-	990	-	-	-	-	990
Payment of dividend	-	(70)	-	-	-	-	(70)
Money received against the warrants	-	-	-	-	-	127	127
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	-	(11)	-	(11)
Others	(145)	(64)	-	-	-	-	(209)
Security premium received on shares	1,135	-	-	-	-	-	1,135
Balance as at March 31, 2024	1,909	3,455	230	-	(20)	127	5,701
Profit for the year	-	1,754	-	-	-	-	1,754
Payment of dividend	-	(98)	-	-	-	-	(98)
Shares issued on conversion of warrant money received	-	-	-	-	-	(127)	(127)
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	-	4	-	4
Security premium received on shares	507	-	-	-	-	-	507
Addition during the year	-	-	-	2	-	-	2
Balance as at March 31, 2025	2,416	5,111	230	2	(16)	-	7,743

As per our report of even date attached

For **Shah Gupta & Co.**

Chartered Accountants

Firm Registration Number : 109574W

Vedula Prabhakar Sharma
Partner
Membership No. 123088

Place: Mumbai
Date: May 29, 2025



For and on behalf of the Board of Directors

Jai Prakash Agarwal
Chairman
DIN - 00242232

Rohit Jain
Chief Financial Officer

Place: Thane
Date: May 29, 2025

Vishal Jain
Managing Director & CEO
DIN - 00709250

Babita Kumari
Company Secretary
Membership No. A40774



Notes forming part of the consolidated financial statements

1. Corporate information :

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

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 subsidiaries (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 the 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 an accrual and going concern basis. The material 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 Division II of Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III),

Accordingly, the group has prepared these Financial Statements which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and material accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements" or "financial statements").

These financial statements are approved by the Board of Directors on 29th May 2025.

The 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 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 subsidiary. 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 subsidiary 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 subsidiary 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 subsidiary attributable to interests which are not owned, directly or indirectly, by the Holding Company.

v. Investment in Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiary.



Notes forming part of the consolidated financial statements

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. In addition, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Goodwill relating to the associate is included in the carrying amount of investment and is not tested for impairment individually. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If Group's share of losses of an associate exceeds its interest in that associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in the Statement of Profit and Loss.

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 the 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 the 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 operating cycle of an entity is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

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 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 4A & 4D
- b. Probable outcome of matters included under contingent liabilities - refer note 37
- c. Estimation of defined benefit obligation - refer note 44
- d. Estimation of tax expense and tax payable - refer note 39
- e. Measurement of lease liabilities and right of use asset (ROUA) - refer note 41
- f. Recoverability of trade receivables - refer note 10
- g. Lease - refer note 41
- h. Impairment of financial assets

2.6.1 Impairment of property, plant and equipment :

Determining whether property, plant, and equipment are 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



Notes forming part of the consolidated financial statements

expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the 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 :

Property, plant, and equipment represent a significant proportion of the asset base of the group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the group's assets are determined by the management at the time the asset is acquired and reviewed at each financial year-end. Their lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

2.6.3 Discount rate - defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates, and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.6.4 Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on the evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in an outflow of resources embodying economic benefits, which involves judgments 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.

2.6.5 Recoverability of trade receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

2.6.6 Lease

The application of Ind AS 116 requires group to make judgements and estimates that affect the measurement of right-of-use assets and liabilities. In determining the lease term, we consider all facts and circumstances that create an economic incentive to exercise renewal options (or not exercise termination options). Assessing whether a contract includes a lease also requires judgement. Estimates are required to determine the appropriate discount rate used to measure lease liabilities. The group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of use asset in a similar economic environment. The IBR therefore reflects what the group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

2.6.7 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 probable 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.

2.6.8 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3. Material 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.



Notes forming part of the consolidated financial statements

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:

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	3- 60 Years
2	Computers & data processing units	3 - 6 Years
3	General furniture & fittings	10 Years
4	Office equipment	5 Years
5	Plant & machinery	15 Years
6	Vehicles	8 - 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 :

Sr. no.	Particulars	Useful life
1	Plant & Machinery	10 - 15 Years
2	Spares	5 Years
3	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.

d) Capital work-in-progress

Assets in the course of construction are capitalised in the assets under Capital work in progress. At the point when an asset is operating at management's intended use the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels.

3.2 Intangible assets :

a) Recognition and measurement :



Notes forming part of the consolidated financial statements

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the group and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and are carried at cost less accumulated amortisation and impairment losses, if any.

Subsequent expenditure

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on intangible assets is recognised in the Statement of Profit and Loss, as incurred.

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	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

Sr. no.	Particulars	Useful life
1	Intangible Asset	3 Years

3.3 Leases :

The group's 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 group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group 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.

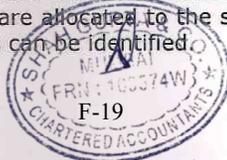
The ROU asset is measured at an amount equal to the lease liability. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful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



Notes forming part of the consolidated financial statements

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 realizable value. Costs incurred in bringing each product to its present location and condition is accounted for as follows:

Raw materials, stores & spares 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 labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

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

Due allowances are made for slow moving and obsolete inventories based on estimates made by the group.

3.6 Revenue recognition:

The group derives revenue from sale of material handling and engineered products. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation.

a) Sale of goods:

Sales are recorded net of trade discounts, quantity discounts, rebates, indirect taxes. Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer 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) Dividend and Interest income:

Dividend income from investments is recognised when the group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the group 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.

c) Rendering of services

Revenue from rendering of services is recognised over time considering the time elapsed. The transaction price of these services is recognised as a contract liability upon receipt of advance from the customer, if any, and is released on a straight line basis over the period of service.

d) Contract assets, contract liabilities and trade receivables

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues (which we refer to as unearned revenues) and advance from customers are classified as contract liabilities. A receivable is recognised by the group when the control over the goods is transferred to the customer such as when goods are delivered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The average credit period on sale of goods is 0 to 90 days.

e) Commission income

Commission income on sales of equipment and spares is charged for rendering of services and for the use of the group's sales and distribution network. Such revenue is recognised in the accounting period in which the services are rendered in accordance with the agreement with the parties.



Notes forming part of the consolidated financial statements

3.7 Foreign currencies :

The 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'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 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. 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. Remeasurements, 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. Remeasurements 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.



Notes forming part of the consolidated financial statements

3.9 Taxes on Income:

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.

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.



Notes forming part of the consolidated financial statements

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

Initial recognition and measurement

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit and loss (FVTPL), transaction costs that are attributable to the acquisition of the financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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

The group measures its financial assets at fair value at each balance sheet date. In this context, quoted investments are fair valued adopting the techniques defined in level 1 of fair value hierarchy of Ind-AS 113 "Fair Value Measurement" and unquoted investments, where the observable input is not readily available, are fair valued adopting the techniques defined in level 3 of fair value hierarchy of Ind AS 113 and securing the valuation report from the certified valuer. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Classification

The group classifies a financial asset in accordance with the below criteria:

- i. The group's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the group classifies its financial assets into the following categories:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset is measured at the amortized cost if both the following conditions are met :

- a. The group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a. The group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

However, the group recognizes dividend income from such instruments in the statement of profit and loss and fair value changes are recognized in other comprehensive income (OCI).

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the group. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the statement of profit and loss.



Notes forming part of the consolidated financial statements

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 transaction that are within the scope of Ind AS 115, the group always measures the loss allowance at an amount equal to life time 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.

De-recognition

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 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.

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 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

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.



Notes forming part of the consolidated financial statements

Offsetting of financial instruments

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

Reclassification of financial assets / liabilities

After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations.

Impairment of non-financial assets

The group assesses at each balance sheet date whether there is any indication that an asset may be impaired, if such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. Impairment losses are reversed in the statement of profit and loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

Fair value measurement

The group measures financial instruments at fair value in accordance with accounting policies at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the group.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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's business activity falls within five segments viz. Material Handling, Engineering Products, MHE RENTAL, JECL Engineering and Josts Engineering INC. 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"



Notes forming part of the consolidated financial statements

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. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.17 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.

3.18 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

3.19 Rounding of amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

3.20 Events after reporting date:

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3.21 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the group are segregated.



Joists Engineering Company Limited
Notes forming part of the Consolidated financial statements

4A. Property, plant and equipment

₹ in Lakh

Particulars	Leasehold buildings	Plant & machinery	Furniture and fixtures	Vehicles	Computer & peripheral	Office equipment	Tangibles total
Gross carrying amount							
Balance as at March 31, 2023	19	2,979	78	33	147	19	3,275
Additions	-	397	-	25	20	26	468
Disposals	-	42	-	15	-	-	57
Balance as at March 31 2024	19	3,334	78	43	167	45	3,686
Additions	-	170	-	-	20	4	194
Disposals	-	48	-	-	-	-	48
Balance as at March 31 2025	19	3,456	78	43	187	49	3,832
Accumulated depreciation							
Balance as at March 31, 2023	10	1,121	61	18	112	16	1,338
Additions	1	234	4	6	25	4	274
Disposals	-	21	-	14	-	-	35
Balance as at March 31 2024	11	1,334	65	10	137	20	1,577
Additions	1	258	3	11	22	12	307
Disposals#	-	31	-	-	-	-	31
Balance as at March 31 2025	12	1,561	68	21	159	32	1,853
Net carrying amount							
Balance as at March 31 2024	8	2,000	13	33	30	25	2,109
Balance as at March 31 2025	7	1,895	10	22	28	17	1,979

Notes :

1. The group does not own any immovable property other than property where the Company is the lessee and the lease agreements are duly executed in favour of the lessee.
2. Cash credit and bank overdraft are secured by leasehold properties at C-7, Wagle Industrial Estate, Thane and plant and machineries of the company.



Josts Engineering Company Limited

Notes forming part of the Consolidated financial statements

4B. Capital work-in-progress

₹ in Lakh

Balance as at March 31, 2023	22
Additions	847
Deletion	(22)
Capitalised during the year	-
Balance as at March 31, 2024	847
Additions	1,086
Balance as at Mar 31, 2025	1,933

Capital work-in-progress ageing schedule (as on March 31, 2025)

₹ in Lakh

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in process	1,086	847	-	-	1,933
Total	1,086	847	-	-	1,933

Capital work-in-progress ageing schedule (as on March 31, 2024)

₹ in Lakh

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in process	847	-	-	-	847
Total	847	-	-	-	847

Notes:

- Capital work in progress as at 31st March 2025 primarily represents expenses incurred in relation to purchase of land at Murbad, Thane.
- There are no capital work-in-progress, where the actual cost of an asset/project has already exceeded the estimated cost as per original plan or actual timelines for completion. of an asset/project have exceeded the estimated timelines as per original plan. Accordingly, no additional disclosure is required
- Capital work in progress includes trial run expenditure amounting to ₹ 565.29 lakhs. (refer note no. 56)



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

4C. Right of use assets

₹ in Lakh

Particulars	Lease of office premises	Total
Balance as at March 31, 2023	195	195
Additions	41	41
Disposals	26	26
Balance as at March 31, 2024	210	210
Additions	7	7
Disposals	-	-
Balance as at March 31, 2025	217	216
Accumulated depreciation		
Balance as at March 31, 2023	80	80
Additions (refer note 41)	36	36
Disposals	26	26
Balance as at March 31, 2024	90	90
Additions (refer note 41)	49	49
Disposals	-	-
Balance as at March 31, 2025	139	139
Net carrying amount		
Balance as at March 31, 2024	120	120
Balance as at March 31, 2025	78	78



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

4D. Intangible assets

₹ in Lakh

Particulars	Computer software & licences	Total
Gross carrying amount		
Balance as at March 31, 2023	58	58
Additions	-	-
Disposals	5	5
Balance as at March 31, 2024	53	53
Additions	5	5
Disposals	-	-
Balance as at March 31, 2025	58	58
Accumulated depreciation		
Balance as at March 31, 2023	41	41
Additions	4	4
Disposals	5	5
Balance as at March 31, 2024	40	40
Additions	3	3
Disposals	-	-
Balance as at March 31, 2025	43	43
Net carrying amount		
Balance as at March 31, 2024	13	13
Balance as at March 31, 2025	15	15

Note: There are no intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan. Accordingly, no additional disclosure is required.



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

5. Non-current investments

Particulars	Face Value	As at March 31, 2025		As at March 31, 2024	
	Per share	No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
A Investments in equity instruments (unquoted fully paid up):					
(i) of Associates - at cost					
Suryavayu Renewable and Energy solutions private Limited	₹ 10	25,000	2	-	-
Add: Share of loss of associate (net of tax)#			(0)	-	-
			2		-
(i) Others - at cost					
Zoroastrian Co-Operative Bank Limited	₹ 25	4,000	1	4,000	1
Total			3		1
Aggregate amount of unquoted investments			3		1

figures are below rounding off norms adopted by the company



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

6. Other non-current financial assets

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good, unless otherwise stated)		
Security deposits	36	30
Bank deposits with more than 12 months maturity#	128	179
Prepaid lease hold land##	0	0
Interest accrued but not due on fixed deposits##	0	1
Truender deposit	161	47
Total	325	257

Represents bank deposits under lien in respect of bank guarantees provided to customers and letter of credit issued to vendors of ₹ 853 Lakh (Previous year : ₹ 1233 Lakh)

figures are below rounding off norms adopted by the company

7. Other non-current assets

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	36	25
Total	36	25

8. Inventories (At lower of cost and net realisable value)

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials	828	478
Work-in-progress (refer note no. 2)	14	65
Finished goods (refer note no. 2)	267	349
Stock-in-trade	215	286
Stores and spares	6	7
	1,330	1,185
Less: Provision for inventory	(21)	(33)
Total	1,309	1,152

Note:

1.) Inventories have been pledged as security against bank guarantee, letter of credit, cash credit facility, details relating to which has been described in note 21.

2) Inventories as on 31st March 2025 includes the inventories in respect of trail run operations



Josts Engineering Company Limited
Notes forming part of the standalone financial statements

9. Current investments

₹ in Lakh

Particulars	As at March 31, 2025		As at March 31, 2025	As at March 31, 2024
	Unit value	Number of units		
Investments in mutual fund - FVTPL (quoted)				
Nippon India Low Duration Fund - Direct Plan Daily Idcw Plan	1,150.05	1,013.26	12	11
Nippon India Low Duration Fund - Daily Idcw Plan	1,013.12	510.72	5	5
Edelweiss Liquid Fund Direct Plan Growth	-	-	-	413
Total			17	429
Aggregate market value of quoted investments			17	429
Aggregate amount of quoted investments			17	413



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
Secured, considered good	11	10
Unsecured, considered good	8,076	5,878
Credit impaired	301	261
	8,388	6,149
Less: Allowance for doubtful trade receivables	(301)	(261)
Total	8,087	5,888

- 10.1 Certain receivables are secured against security deposits taken from customers.
10.2 For lien/ charge details against trade receivables, refer note 21
10.3 Trade receivables are dues in respect of services rendered in the normal course of business.
10.4 The normal credit period allowed by the company ranges from 0 to 90 days

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
Stovec industries limited#	-	0
Bharat Wire Ropes Ltd.#	0	-
Chambal fertiliser and chemicals limited#	-	0

figures are below rounding off norms adopted by the company

₹ in Lakh

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	261	242
Impairment loss allowance on trade receivable	40	19
Balance at the end of the year	301	261

Trade receivables ageing schedule (as at March 31, 2025) ₹ in Lakh

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	3,400	2,988	1,396	199	84	25	8,092
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired#	0	2	8	62	84	25	181
(iv) Disputed trade receivables- considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	2	-	2
(vi) Disputed trade receivables – credit impaired	-	-	-	-	35	78	113
Total	3,400	2,990	1,404	261	205	128	8,388
Allowance for doubtful trade receivables							(301)
Total trade receivables	3,400	2,990	1,404	261	205	128	8,087

figures are below rounding off norms adopted by the company

Trade receivables ageing schedule (as at March 31, 2024) ₹ in Lakh

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	2,404	3,024	227	184	27	22	5,888
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired#	0	9	5	119	27	22	182
(iv) Disputed trade receivables- considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	1	2	9	-	12
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	67	67
Total	2,404	3,033	233	305	63	111	6,149
Allowance for doubtful trade receivables							(261)
Total trade receivables	2,404	3,033	233	305	63	111	5,888

figures are below rounding off norms adopted by the company



Josts Engineering Company Limited**Notes forming part of the Consolidated financial statements****11A. Cash and cash equivalents**

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks		
- In current accounts	311	137
Cash on hand#	0	1
Total	311	138

figures are below rounding off norms adopted by the company

11B. Bank balances other than cash and cash equivalents

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
Bank deposits with maturity more than 3 months but less than 12 months at inception		
- in margin money#	376	286
In earmarked accounts		
- unpaid dividend accounts##	4	3
Total	380	289

Represents bank deposits under lien in respect of bank guarantees provided to customers and letter of credit issued to vendors of ₹ 1,465 Lakh (Previous year : ₹ 659 Lakh)

##The above mentioned cash and bank balances are restricted cash and bank balances which are to be used for specified purposes. All other cash and bank balances are available for the operating activities.



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

12. Loans (Unsecured)

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good unless otherwise stated		
Loans		
to employees	5	67
Total	5	67



Joys Engineering Company Limited
Notes forming part of the Consolidated financial statements

13. Other current financial assets

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good (unless stated otherwise)		
Tender deposits	162	184
Interest accrued but not due on fixed deposits	10	8
Total	172	192

14. Income tax assets

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
Advance tax & tax deducted at source less provision	24	23
Total	24	23

15. Other current assets

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good (unless stated otherwise)		
Balance with government authorities		
- VAT deposit#	8	8
- Deposit with GST (refer note 37)##	3	3
- GST ITC receivable	332	66
Prepaid expense	97	51
Capital advances	9	63
Other advances	-	8
Advance to employees	6	-
Other recoverables	28	3
Advance to suppliers	888	564
Total	1,370	767

The holding company has paid on account of demand raised, to be adjusted against the refund

Deposits with GST represents deposit paid under protest



16. Equity share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	₹ in Lakh	Number of shares	₹ in Lakh
Share capital				
(a) Authorized				
Equity shares of ₹ 1/- each (As at March 31, 2024 Equity share of ₹ 2/- each)	10,00,00,000	1,000	50,00,000	100
(b) Issued and subscribed				
Equity shares of ₹ 1/- each (As at March 31, 2024 Equity share of ₹ 2/- each)	99,78,730	100	48,89,365	98
Total	99,78,730	100	48,89,365	98

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares held	₹ in Lakh	Number of shares held	₹ in Lakh
Opening balance at the beginning of the year	48,89,365	98	18,65,746	93
Add: Stock split during the year (refer note no. b below)	48,89,365	-	27,98,619	-
Add: Shares issued during the year (refer note no. c and d)	2,00,000	2	2,25,000	5
Less : equity shares cancelled during the year	-	-	-	-
Closing balance at the end of the year	99,78,730	100	48,89,365	98

b. Pursuant to the approval of the shareholders accorded on September 16, 2024 at the Annual General meeting through Video Conferencing/Other Audio-Visual Means conducted by the Company, each equity share of face value of ₹ 2/- per share was split into 2 equity shares of face value of ₹ 1/- per share, with effect from 14th November, 2024.

c. Conversion of Warrants:

The Board of Directors of the Company through resolution by circulation on 4th December, 2024 have considered and approved the allotment of 200,000 Equity shares of the face value of Rs.1/-each as fully paid-up shares at a price of Rs. 253.25/- per equity share (including premium of Rs. 252.25/- equity share), consequent upon the conversion of 100,000 Warrants issued earlier for Rs. 506.50/-, after adjusting the number of shares, paid-up capital per share and premium per share post sub-division of nominal value of the Equity Share of the Company from 1 Equity Share of Rs. 2/- each to 2 Equity Shares of Re. 1/- each, upon receipt of an amount aggregating to Rs. 3,79,87,500/- (Rupees Three Crore Seventy Nine Lakh Eighty Seven Thousand Five Hundred only) at the rate of Rs. 379.875 (Rupees Three Hundred Seventy Nine and Eight Seventy Five Paise Only) per warrant (being 75% of the issue price per warrant) from the allottees pursuant to the exercise of their rights of conversion into equity shares in accordance with the provisions of SEBI (ICDR) Regulations, 2018.

d. Board of Directors at their meeting held on 9th November 2023 have approved issuance of 2,25,000 equity shares at ₹ 506.50/- (including a premium of ₹ 504.50/-) per equity share aggregating to ₹ 11,39,62,500/-, for Cash, on preferential basis by way of private placement to non-promoter category.

Shareholders of the company, in Extra-ordinary general meeting held on 9th December 2023, approved the issuance of equity shares on preferential basis. Subsequently, allotment of 2,25,000 fully paid up equity share has been made on 24th December 2023.

e. Rights, preferences and restrictions attached to equity shares:

The holding company has only one class of issued shares i.e Equity Shares having par value of ₹ 2/ 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.

f. Details of shares held by each shareholder holding more than 5% Shares:

Name of shareholders	As at March 31, 2025		As at March 31, 2024	
	Number of shares	% of holding	Number of shares	% of holding
Mr. Jai Prakash Agarwal	14,29,910	14%	6,64,955	14%
Mrs. Shikha Jain	11,78,210	12%	5,64,105	12%
Mr. Vishal Jain	12,32,150	12%	5,91,075	12%
Mr. Sharad K. Shah	11,22,817	11%	5,11,615	10%

g. Details of Promoters shareholding :

Promoter name	As at March 31, 2025		As at March 31, 2024		% Change during the year
	Number of shares	% of holding	Number of shares	% of holding	
Mr. Jai Prakash Agarwal	14,29,910	14%	6,64,955	14%	8%
Mrs. Anita Agarwal	2,07,400	2%	1,03,700	2%	-
Mrs. Krishna Agarwal	2,60,650	3%	1,30,325	3%	-
Mr. Rajendra Kumar Agarwal	2,07,400	2%	1,03,700	2%	-
Mrs. Shikha Jain	11,78,210	12%	5,64,105	12%	4%
Mr. Vishal Jain	12,32,150	12%	5,91,075	12%	4%
M/s Dotch Sales Private Limited	3,00,000	3%	-	0%	-

h. There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestments.

i. There are no bonus shares issued or bought back during the period of five years immediately preceding the reporting date.

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

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

l. Shares Allotted as Fully Paid-Up Pursuant to Contracts Without Payment Being Received in Cash During the Year of five Years Immediately Preceding the Date of The Balance Sheet is Nil



Joosts Engineering Company Limited
Notes forming part of the Consolidated financial statements
17. Other equity

₹ in Lakh

Particulars	Reserves and surplus				Other comprehensive income	Money received against the warrants	Total
	Securities premium	Retained earnings	General reserve	Foreign Currency Translation reserve	Re-measurements gain/(loss) on the defined employee benefit plans		
Balance as at March 31, 2023	919	2,599	230	-	(9)	-	3,739
Profit for the year	-	990	-	-	-	-	990
Payment of dividend	-	(70)	-	-	-	-	(70)
Money received against the warrants	-	-	-	-	-	127	127
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	-	(11)	-	(11)
Others	(145)	(64)	-	-	-	-	(209)
Security premium received on shares	1,135	-	-	-	-	-	1,135
Balance as at March 31, 2024	1,909	3,455	230	-	(20)	127	5,701
Profit for the year	-	1,754	-	-	-	-	1,754
Payment of dividend	-	(98)	-	-	-	-	(98)
Shares issued on conversion of warrant money received	-	-	-	-	-	(127)	(127)
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	-	4	-	4
Security premium received on shares	507	-	-	-	-	-	507
Addition during the year	-	-	-	2	-	-	2
Balance as at March 31, 2025	2,416	5,111	230	2	(16)	-	7,743

Notes:

(i) General reserve

Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserves for that year.

Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit and loss to the General reserves. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

(ii) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company.

(iii) Securities Premium

The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

(iv) Foreign currency translation reserve

This reserve represents the foreign exchange differences on converting subsidiaries financials into INR, including other adjustments on consolidation.



Jost's Engineering Company Limited
Notes forming part of the Consolidated financial statements

18. Non-Current Borrowings

₹ in Lakh

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Secured :		
Vehicle Loan	6	12
Machinery	292	326
Total	298	338

Note: Loan from banks and financial institutions are secured by hypothecation of specific underlying fixed assets. These loans carry a rate of interest @ 8.5% to 12% repayable in monthly equal installments of 36 to 60 months.



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

19. Non-current lease liabilities

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
Lease Liabilities	37	98
Total	37	98

20. Non-current provisions

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Provision for superannuation	16	16
Provision for gratuity (refer note 44)	97	109
Provision for compensated absences (refer note 44)	44	52
Total	157	177



21. Borrowings (at amortised cost)

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
Working capital loans from banks (secured)		
Cash credit/overdraft (refer note a below)	895	952
Loan repayable on demand from bank	225	-
Current maturity of term loans (Refer Note b)		
Vehicle	6	6
Machinery	198	171
Unsecured		
Loan from director	564	110
Loan from Others	50	-
Total	1,938	1,239

Borrowing have been drawn at following rate of interest

Particulars	Rate of interest
Cash Credit/Overdraft	9.00% p.a. to 10.25% p.a.
Machinery	8.50% p.a. to 12.00% p.a.
Unsecured loan	11% p.a.

Note:

a. Working capital loans from banks of ₹ 1,120 Lakh (31 March, 2024 ₹ 952 Lakh) are secured by:

i. pari passu first charge by way of hypothecation of stocks of raw materials, finished goods, work-in-process, consumables (stores and spares) and book debts of the Company, both present and future.

ii) pari passu second charge on immovable properties at C-7, Wagle Industrial Estate, Thane and plant and machineries of the company.

b. Term loan from banks and financial institutions are secured by hypothecation of specific underlying fixed assets. These loans carry a rate of interest @ 8.5% to 12% and are repayable in monthly installments which varies from 36 to 60 months.

c. The Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from banks during the year on the basis of security of stocks of raw materials, finished goods, work-in-process, stores and spares and book debts, immovable properties and plant and machinery of the Company. The quarterly returns / statements filed by the company with the banks are in agreement with the books of accounts.



Josts Engineering Company Limited
 Notes forming part of the Consolidated financial statements
22. Current lease liabilities

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
Lease Liabilities	52	31
Total	52	31



23. Trade payables

₹ in Lakh

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Total outstanding dues of micro enterprises and small enterprises (refer note 46)	114	373
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,206	2,857
Total	4,320	3,230

Trade payables ageing schedule (as at March 31, 2025)

₹ in Lakh

Particulars	Outstanding for following periods from due date of payment					Accrued expense	Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	66	48	-	-	-	-	114
(ii) Others	2,402	1,616	25	12	7	144	4,206
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	2,468	1,664	25	12	7	144	4,320

Trade payables ageing schedule (as at March 31, 2024)

₹ in Lakh

Particulars	Outstanding for following periods from due date of payment					Accrued expense	Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	373	-	-	-	-	-	373
(ii) Others	871	1,736	16	7	31	196	2,857
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	1,244	1,736	16	7	31	196	3,230



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements
24. Other current financial liabilities

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
Unclaimed dividends	4	3
Creditors for other liabilities	2	2
Payable for Capital Goods	6	8
Employee benefits payable	210	207
Total	222	220

25. Other current liabilities

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory remittances	210	184
Revenue received in advance	93	203
Other current liability	19	20
Dealer deposits	60	42
Contract liabilities	553	642
Total	934	1,091

26. Current provisions

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Provision for gratuity (refer note 44)	25	96
Provision for compensated absences (refer note 44)	23	18
Other Provisions		
Provision for warranty claims	65	73
Total	113	187

27. Income tax liabilities (net)

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for tax (net of advance tax ₹ 333 lakh (as at March 31, 2024 ₹ 299 lakh))	229	50
Total	229	50



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

28. Revenue from operations ₹ in Lakh

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Sale of products		
Domestic turnover#	19,853	15,459
Export turnover	93	56
	19,946	15,515
Sale of services		
Sale of services - AMC and others	3,449	2,535
	3,449	2,535
Other operating revenues		
Commission income	493	684
Scrap & sundry sales	3	9
	496	693
Total	23,891	18,744

The Company do not have any customers where total value of trade during the year is more than 10% of the Turnover.

Ind AS 115 Revenue from Contracts with Customers

Sales are recorded net of trade discounts, quantity discounts, rebates, indirect taxes. Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer 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.

The group company has assessed and determined the following categories for disaggregation of revenue in addition to that provided under segment disclosure (refer note 40):

Particulars	₹ in Lakh	
	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from contracts with customer - Sale of products	19,946	15,515
Revenue from contracts with customer - Sale of services	3,449	2,535
Other operating revenue	496	693
Total revenue from operations	23,891	18,744
India	23,798	18,071
Outside India	93	672
Total revenue from operations	23,891	18,744
Timing of revenue recognition		
At a point in time	23,891	18,744
Total revenue from operations	23,891	18,744

Timing of revenue recognition

Particulars	₹ in Lakh	
	Year ended March 31, 2025	Year ended March 31, 2024
Goods transferred at a point in time	19,946	15,515
Services transferred at a point in time	3,449	2,535
Total revenue from contracts with customers	23,395	18,050

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	₹ in Lakh	
	Year ended March 31, 2025	Year ended March 31, 2024
Revenue as per contracted price	23,504	18,227
Less: Discounts	(3)	(6)
Less: Sales return	(106)	(170)
Less: Commission	-	-
Revenue from contracts with customers	23,395	18,050



Joists Engineering Company Limited

Notes forming part of the Consolidated financial statements

Performance Obligation

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 0 to 90 days from delivery. There are no material unsatisfied performance obligation outstanding at the year end.

The performance obligations of the Company are part of contracts that have an original expected duration of less than one year and accordingly, the Company has applied the practical expedient and opted not to disclose the information about its remaining performance obligations in accordance with paragraph 121 of IND AS 115

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	₹ in Lakh	
	Year ended March 31, 2025	Year ended March 31, 2024
Trade receivables (refer note 10)	8,087	5,888
Contract liabilities (refer note 25)	553	642

Trade receivables are non interest bearing and are generally on terms of 0 to 90 days.

Contract assets includes amounts related to contractual right to consideration for completed performance objectives not yet invoiced.

As at 31 March, 2025 ₹ 301 Lakh (previous ₹ 261 Lakh) was recognised as provision for allowance for doubtful debts on trade receivables.

Contract liabilities include payments received in advance of performance under the contract, and are realised with the associated revenue recognised under the contract. Short term advances are detailed in note 25.

Set out below is the amount of revenue recognised from:

Particulars	₹ in Lakh	
	Year ended March 31, 2025	Year ended March 31, 2024
Amounts included in contract liabilities at the beginning of the year	642	518
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	550	409



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

29. Other income

₹ in Lakh

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest income:		
- Interest received on bank deposits	33	22
- from other interest income	3	15
	36	37
Exchange rate difference (net)	22	35
Net gain on sale of fixed assets	-	0
Excess provision of doubtful debts written back#	0	-
Rent Income#	0	-
Provisions/liability no longer required written back	49	2
Profit on sale of investments	19	1
Dividend income	1	1
Finance income on security deposit	2	1
Total	128	77

figures are below rounding off norms adopted by the company



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

30. Cost of materials consumed

₹ in Lakh

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Raw material consumed		
Inventory at the beginning of the year	478	487
Add: Purchases	8,950	4,829
Less:- Transfer to trial run operations (refer note 56)	2,936	-
Less: Inventory at the end of the year	828	478
Total	5,664	4,838

Breakup of cost of material consumed

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Cost of material consumed		
Steel	228	213
Batteries	275	878
Others (Tyres, Controller, motor, battery charger etc.)	5,161	3,747
Total	5,664	4,838

31. Purchases of stock-in-trade

₹ in Lakh

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Purchase of traded goods		
Engineered equipments	7,147	4,024
Other components, accessories, spares, etc.	1,779	2,295
Total	8,926	6,319

32. Changes in inventories of finished and work-in-progress and stock in trade

₹ in Lakh

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening stock		
Finished goods	349	390
Work-in-progress	65	44
Stock-in-trade	286	355
A	700	789
Closing stock		
Finished goods	207	349
Work-in-progress	-	65
Stock-in-trade	215	286
B	422	700
A-B	278	89

33. Employee benefits expense

₹ in Lakh

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, wages, allowances and bonus	2,726	2,659
Contribution to provident and other funds (refer note 44)	150	98
Gratuity expense (refer note 44)	35	64
Staff welfare expenses (net)	120	133
Total	3,031	2,954

34. Finance costs

₹ in Lakh

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest expenses on :		
- Interest expense on term loan, cash credit & bank overdraft	98	48
- Interest on lease liabilities (refer note 41)	11	12
- Others	64	59
Bank charges	92	46
Total	265	165

35. Depreciation and amortisation expense

₹ in Lakh

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation of property, plant and equipment (refer note 4A)	308	274
Amortisation of intangible assets (refer note 4D)	3	4
Depreciation of right of use assets (refer note 4C)	49	36
Total	360	314



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

36. Other expenses

₹ in Lakh

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Sub contract and labour charges	576	368
Stores and spare parts consumed	67	63
Fuel and power	41	44
Repairs & maintenance (factory and office)	65	19
Repairs to machinery	114	101
Rent	56	58
Rates and taxes	44	9
Insurances	38	10
Travelling expenses	344	325
Postage, telephone and internet	28	28
Commission on sales	19	15
Testing and calibration	134	168
Printing and stationery	10	14
Legal and professional charges	522	382
Conveyance expenses	221	221
Provision for doubtful debts	46	18
Bad debts written off	42	16
Provision for doubtful advances & deposits	-	1
Loss on sale of property, plant and equipments	-	3
Freight on sales	303	374
Motor vehicle expenses	9	2
Directors' fees	11	14
Provision for inventory	-	6
Inventory write-off	-	7
Auditor's Remuneration		
- Audit Fees	15	14
- For taxation matters	1	1
- Reimbursement of out of pocket expenses#	0	-
CSR expenses (refer note 49)	-	15
Miscellaneous expenses	351	476
Total	3,055	2,772

figures are below rounding off norms adopted by the company



Jost's Engineering Company Limited
Notes forming part of the Consolidated financial statements

37. Contingent liabilities and commitments (to the extent not provided for)

₹ in Lakh

Particulars	As at	
	March 31, 2025	March 31, 2024
Contingent liabilities :		
a) Claims against the company not acknowledged as debts :		
-Goods & Service Tax Demand	122	122
b) Bank guarantees	1,612	1,412
c) Letter of credit issued to vendor	706	364

38. Capital commitments

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

₹ in Lakh

Particulars	As at	
	March 31, 2025	March 31, 2024
Capital commitment		
-Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for.	136	297

Note:

Capital commitments represents expenditure committed towards expansion of the manufacturing activities

39. Taxation

The major component of tax expenses for the year are as under :

₹ in Lakh

Particulars	Year ended	
	March 31, 2025	March 31, 2024
Current income tax	573	349
Short provision for tax relating to previous years	1	31
Deferred tax#	49	(0)
Total income tax expense	623	380

#figures are below rounding off norms adopted by the company

₹ in Lakh (except as otherwise stated)

Particulars	Year ended	
	March 31, 2025	March 31, 2024
Reconciliation:		
Profit before tax	2,377	1,370
Applicable tax rate	25.17%	25.17%
Computed expected tax expense	598	344
Add:		
Short provision for tax relating to previous years	1	31
Expenses disallowed	103	72
Deferred tax#	49	(0)
Income from other source	115	22
Ind AS impact (net)	-	1
Less:		
Other income offered separately	(115)	(22)
Expenses allowed	(127)	(68)
Income tax expense as per profit & loss account	623	380
Effective tax rate	26.22%	27.76%

#figures are below rounding off norms adopted by the company

Deferred tax relates to the following:

₹ in Lakh

Particulars	Balance Sheet	
	As at March 31, 2025	As at March 31, 2024
Deferred tax asset comprises of timing difference on account of :		
Difference between WDV of property, plant and equipment as per books of accounts & income tax	24	10
Provision for employee benefits	52	65
Provision for doubtful debts and advances	66	52
Provision for warranty	16	18
Lease liabilities	-	(1)
Deferred tax asset [a]	158	144
Deferred tax liability comprises of timing difference on account of :		
Difference between WDV of property, plant and equipment as per books of accounts & income tax	(72)	-
Provision for employee benefits	12	-
Deferred tax liability [b]	(60)	-
Net Deferred tax asset [a + b]	98	144

Reconciliation of deferred tax assets (net) :

₹ in Lakh

Particulars	As at	
	March 31, 2025	March 31, 2024
Opening balance	144	138
Tax income / (expense) during the year recognized in profit & loss account#	(49)	0
Differences on other comprehensive income#	3	6
Closing balance	98	144

#figures are below rounding off norms adopted by the company



Jost's Engineering Company Limited
Notes forming part of the Consolidated financial statements

40. 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

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 organizational structure and internal reporting system.

₹ in Lakh

Particulars	For the year ended March 31, 2025				For the year ended March 31, 2024			
	Material handling	Engineered products	MHE Rentals	Total	Material handling	Engineered products	MHE Rentals	Total
Segment revenue								
Sale of products	10,807	9,131	8	19,946	10,146	5,370	-	15,516
Sale of services	350	1,837	1,401	3,588	233	1,017	1,309	2,559
Commission income	-	354	-	354	-	660	-	660
Other income	3	-	-	3	9	-	-	9
	11,160	11,322	1,409	23,891	10,388	7,047	1,309	18,744
Unallocated income				129				77
Total				24,020				18,821
Segment results								
Segment results/ operating Profit	1,210	1,893	190	3,293	899	986	155	2,040
Unallocated income	-	-	-	129	-	-	-	77
(including income from interest/dividend)	-	-	-	-	-	-	-	-
Unallocated expenses	-	-	-	716	-	-	-	582
Interest expenses	-	-	-	265	-	-	-	165
Exceptional items	-	-	-	64	-	-	-	-
Profit before tax	-	-	-	2,377	-	-	-	1,370
Provision for taxation – current tax	-	-	-	573	-	-	-	349
Short provisions for income tax in respect of earlier years	-	-	-	1	-	-	-	31
Deferred tax#	-	-	-	49	-	-	-	(0)
Profit after tax				1,754				990
Other information								
Segment assets	7,129	6,175	1,847	15,151	4,993	4,195	1,871	11,059
Unallocated assets	-	-	-	1,052	-	-	-	1,401
Total assets				16,203				12,460
Segment liabilities	2,752	2,696	911	6,359	2,129	2,390	903	5,422
Unallocated liabilities	-	-	-	9,844	-	-	-	7,038
(Including share capital and reserves)	-	-	-	-	-	-	-	-
Total liabilities				16,203				12,460
Cost incurred during the financial year to acquire segment fixed assets	15	69	101	185	21	173	249	443
Cost incurred during the financial year to acquire segment fixed assets (unallocated)	-	-	-	9	-	-	-	25
Depreciation#	37	68	192	297	47	40	186	273
Depreciation (unallocated)	-	-	-	10	-	-	-	1

#figures are below rounding off norms adopted by the company

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 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.



Jost's Engineering Company Limited
Notes forming part of the Consolidated financial statements

41. Leases

The group's leasing arrangements are in respect of operating leases for office premises. The rent period range between 1 years to 5 years and usually renewable on mutually agreed terms.

a. The movement in lease liabilities during the year:

₹ in Lakh

Particulars	As at	
	March 31, 2025	March 31, 2024
Opening balance	129	120
Additions during year	7	39
Finance costs incurred during the year	11	12
Payment of lease liabilities	(58)	(42)
Closing balance	89	129

b. The carrying value of the right of use and depreciation charged during the year

₹ in Lakh

Particulars	As at	
	March 31, 2025	March 31, 2024
Opening balance	120	114
Additions during year	7	41
Depreciation charged during the year	49	36
Closing balance	78	120

c. Amounts recognised in statement of profit or loss:

₹ in Lakh

Particulars	As at	
	March 31, 2025	March 31, 2024
Depreciation on right of use asset	49	36
Finance costs incurred during the year	11	12
Rent expense	(58)	(42)
Total amounts recognised in profit or loss	2	6

d. Maturity analysis of lease liabilities

₹ in Lakh

Particulars	As at	
	March 31, 2025	March 31, 2024
Maturity analysis of contractual undiscounted cash flows		
Less than one year	59	55
One to five years	38	93
Total undiscounted lease liability	97	148
Non-current lease liability	37	98
Current lease liability	52	31
Total lease liability	89	129

42. Earnings per share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	As at	
	March 31, 2025	March 31, 2024
Weighted average shares outstanding - basic	99,78,730	47,25,226
Weighted average shares outstanding - diluted	99,78,730	47,45,436

Net profit available to equity shareholders of the company used in the basic and diluted earnings per equity share was determined as follows:

₹ in Lakh, except EPS

Particulars	Year ended	
	March 31, 2025	March 31, 2024
Earnings available to equity shareholders	1,754	990
Earnings available for equity shareholders for diluted earnings per share	1,754	990
Basic earnings per share	17.58	10.12
Diluted earnings per share	17.58	10.07



43. Related party information

A. Names of related parties and nature of relationship:

Nature of relationship	Name of related party
Key managerial personnel (KMP)	Mr. Jai Prakash Agarwal, Executive Chairman and Director
	Mr. Vishal Jain, Vice Chairman & Managing Director
	Mr. Rohit Jain, Chief Financial Officer (CFO)
	Mrs. Babita Kumari, Company Secretary
Independent directors	Mr. Sanjiv Swarup
	Mrs. Rekha Bagry
	Mr. Pramod Malleshwari
	Mr. Pramod Pophale
Non Independent directors	Mr. L Sharath Kumar
Woman Director	Mrs. Shikha Jain
Relative of KMPs and where transaction exists	Mrs. Anshu Agarwal Mr. Rajendra Agarwal
Company in which director is interested and where transaction exists	Amphenol Omniconnact India Private Limited Chambal Fertiliser and Chemicals Limited Bharat Wire Ropes Ltd. Stovec Industries Limited
Associates	Suryaveyu Renewable and Energy solutions private Limited

B. Transactions with Related parties:

The details of transactions with related parties for the year ended March 31, 2025 are as follows:

₹ in Lakh

Particulars	As at March 31, 2025							Total
	Associates	Company in which director is interested and where transaction exists	Others					
			Bharat Wire Ropes Ltd.	Independent directors	Non Independent directors	Woman director	KMPs	
Transactions								
Investment - purchase of equity of Associates	3	-	-	-	-	-	-	3
Sale of goods/services	-	4	-	-	-	-	-	4
Sitting fees paid#	-	-	7	1	2	-	-	10
Dividend paid#	-	-	-	-	11	25	7	43
Balances as at March 31, 2024								
Outstanding balance receivable / (payable)	-	0	-	-	-	-	-	0
Trade receivables#	-	0	-	-	-	-	-	0

#figures are below rounding off norms adopted by the company

The details of transactions with related parties for the year ended March 31, 2024 are as follows:

₹ in Lakh

Particulars	As at March 31, 2024									Total
	Company in which director is interested and where transaction exists				Others					
	Stovec Industries Limited	Amphenol Omniconnact India Private Limited	Bharat Wire Ropes Ltd.	Chambal Fertiliser and Chemicals Limited	Independent directors	Non Independent directors	Woman director	KMPs	Relative of KMPs and where transaction exists	
Transactions										
Investment - purchase of equity of subsidiary	-	-	-	-	-	-	-	302	42	344
Sale of goods/services#	1	0	6	7	-	-	-	-	-	14
Sitting fees paid#	-	-	-	-	12	1	1	0	-	15
Dividend paid#	-	-	-	-	0	-	7	15	1	23
Money received against the warrants	-	-	-	-	-	-	32	95	-	127
Remuneration	-	-	-	-	-	-	-	-	4	4
Balances as at March 31, 2024										
Outstanding balance receivable / (payable)	0	-	-	0	-	-	-	-	-	0
Trade receivables#	0	-	-	0	-	-	-	-	-	0

#figures are below rounding off norms adopted by the company

Terms and conditions of transactions with related parties

The services provided to and received from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and will be settled in cash.



Jost's Engineering Company Limited
Notes forming part of the Consolidated financial statements

C. Compensation of key managerial personnel of the company		₹ in Lakh	
Particulars	2024-25	2023-24	
Short-term employment benefits	129	124	
Post-employment benefits	11	9	

Transactions with key managerial personnel :		₹ in Lakh	
Nature of transactions	Year ended	Year ended	
	March 31, 2025	March 31, 2024	
Salary and allowances paid/payable to KMPs*:			
Ms. Debata Kumari	14	13	
Mr. Rohit Jain	28	26	
Mr. Jai Prakash Agerwal	47	44	
Mr. Vishal Jain	40	41	

*Excludes gratuity and long term compensated absences which are actuarially valued at company level and where separate amounts are not identifiable.



Jost's Engineering Company Limited
Notes forming part of the Consolidated financial statements

44. Employee benefit plans:

1.a. Post employment defined benefit plans :

The group makes annual contributions to the employee's group gratuity assurance scheme administered by the Life Insurance Corporation of India (LIC), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

The following tables set out the funded status of the gratuity plans and the amounts recognized in the company's financial statements as at March 31, 2025 and March 31, 2024.

Particulars	₹ in Lakh	
	Year ended March 31, 2025	Year ended March 31, 2024
Change in benefit obligations		
Present value of benefit obligation at the beginning of the year	227	203
Interest cost	12	12
Current service cost	25	25
Actuarial (gains)/losses on obligations - due to change in financial assumptions	2	1
Experience Gain/(Loss) on Plan Assets#	(0)	12
Benefits Paid	(116)	(25)
Present value of benefit obligations at the end of the year	150	227
Change in plan assets		
Fair value of plan assets at the beginning of the year	22	21
Return on plan assets excluding interest income	1	6
Contributions by the employer	118	25
Benefits paid from the fund	(116)	(25)
Experience Gain/(Loss) on Plan Assets	1	(5)
Fair value of plan assets at the end of the year	26	22
Net (liability)/asset recognised in the balance sheet	(124)	(205)

#figures are below rounding off norms adopted by the company

Amount for the year ended March 31, 2024 and March 31, 2023 recognized in the statement of profit and loss under employee benefits expenses.

Recognized in profit and loss	₹ in Lakh	
	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost	25	25
Net interest cost	10	6
Expenses recognized	35	31

Amount for the year ended March 31, 2024 and March 31, 2023 recognized in statement of other comprehensive income:

Recognized in other comprehensive income	₹ in Lakh	
	Year ended March 31, 2025	Year ended March 31, 2024
Actuarial (gains) / losses on obligation for the year	27	9
Remeasurements during the period due to		
- Changes in financial assumptions	2	1
- Experience adjustments#	(0)	12
- Actual return on plan assets less interest on plan assets	(1)	5
Net (income)/expense for the year recognized in OCI	28	27

#figures are below rounding off norms adopted by the company

The weighted-average assumptions used to determine benefit obligations as at March 31, 2024 and March 31, 2023 are set out below:

Weighted average actuarial assumptions	As at March 31, 2025	As at March 31, 2024
	Discount rate	6.55%
Weighted average rate of increase in compensation levels	5.00%	5.00%

Particulars	As at March 31, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Sensitivity analysis				
Discount rate (0.5% movement)	(1.67%)	1.74%	(1.09%)	1.13%
Define benefit obligation (₹ in Lakhs)	97	100	181	185
Future salary growth (0.5% movement)	1.76%	(1.70%)	1.14%	(1.12%)
Define benefit obligation (₹ in Lakhs)	100	97	185	181

Additional details :

Methodology adopted for valuation is projected unit credit method.

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

Since investment is with insurance company, assets are considered to be secured.

Assumptions regarding future mortality experience are set in accordance with the Indian Assured Lives Mortality (2012-14) Urban.

Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held by LIC, since the funds managed by LIC.

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

Actuarial gains/losses are recognized in the period of occurrence under other comprehensive income (OCI). All above reported figures of OCI are gross of taxation.

Maturity profile of projected benefit obligation:

Projected benefits payable in future years from the date of reporting	₹ in Lakh	
	March 31, 2025	March 31, 2024
Within 1 year	38	109
1-2 year	14	26
2-3 year	13	20
3-4 year	11	15
4-5 year	9	10
5-9 years	24	25
10 years and above	18	16



Jost's Engineering Company Limited
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1.b. Defined contribution plans :

Amounts recognised as expenses towards contributions to provident and family pension fund, employee state insurance corporation and other funds by the company are as below : (refer note 33)

b. Demographic assumptions

Particulars	As at March 31, 2025	As at March 31, 2024
Employee turnover (age years)		
21-30	23.00%	23.00%
31-40	14.00%	14.00%
41-50	22.00%	22.00%
51 & above	28.00%	28.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban



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45. 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 Company consists of debt and total equity of the Company.

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, long-term borrowings (term loan) 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 group is not subject to any externally imposed capital requirements.
Total debt includes all long and short-term debts as disclosed in note 18 and 20 to the financial statements.
The gearing ratio at the end of the reporting period was as follows:

Particulars	₹ in Lakh	
	As at March 31, 2025	As at March 31, 2024
Total debt	2,236	1,577
Total equity	7,843	5,799
Debt to equity ratio	0.29	0.27

46. Financial instruments

a. Financial instruments by category

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 current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the 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.

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Accounting classification and fair value :

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

Particulars	Note No.	As at March 31, 2025			Fair value		
		Fair value routed through profit & loss	Carrying at amortised cost	Total	Level 1	Level 2	Level 3
Financial assets at amortized cost:							
Non-current Assets							
(i) Investments	5	-	3	3	-	-	-
(ii) Others	6	-	325	325	-	-	-
Current assets							
(i) Investments	9	17	-	17	17	-	-
(ii) Cash and cash equivalents	11A	-	311	311	-	-	-
(iii) Bank balances	11B	-	380	380	-	-	-
(iv) Trade receivables	10	-	8,087	8,087	-	-	-
(v) Loans	12	-	5	5	-	-	-
(vi) Other financial assets	13	-	172	172	-	-	-
Total financial assets		17	9,283	9,300	17	-	-
Financial liabilities at amortized cost:							
Non-current liabilities							
(i) Borrowings	18	-	298	298	-	-	-
(ii) Lease liabilities	19	-	37	37	-	-	-
Current liabilities							
(i) Borrowings	21	-	1,938	1,938	-	-	-
(ii) Lease liabilities	22	-	52	52	-	-	-
(iii) Trade payables	23	-	4,320	4,320	-	-	-
(iv) Other financial liabilities	24	-	222	222	-	-	-
Total financial liabilities		-	6,867	6,867	-	-	-

The group has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.



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₹ in Lakh

Particulars	As at March 31, 2024			Fair value		
	Fair value routed through profit & loss	Carrying at amortised cost	Total	Level 1	Level 2	Level 3
Financial assets at amortized cost:						
Non-current Assets						
(i) Investments	5	-	1	-	-	-
(ii) Others	6	-	257	-	-	-
Current assets						
(i) Investments	9	428	-	428	-	-
(ii) Cash and cash equivalents	11A	-	138	-	-	-
(iii) Bank balances	11B	-	289	-	-	-
(iv) Trade receivables	10	-	5,888	-	-	-
(v) Loans	12	-	67	-	-	-
(vi) Other financial assets	13	-	192	-	-	-
Total financial assets		428	6,832	428	-	-
Financial liabilities at amortized cost:						
Non-current liabilities						
(i) Borrowings	18	-	338	-	-	-
(ii) Lease liabilities	19	-	98	-	-	-
Current liabilities						
(i) Borrowings	21	-	1,239	-	-	-
(ii) Lease liabilities	22	-	31	-	-	-
(iii) Trade payables	23	-	3,230	-	-	-
(iv) Other financial liabilities	24	-	220	-	-	-
Total financial liabilities		-	5,156	-	-	-

The group has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

47. 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 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.

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 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, GBP 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.

A change of 10% in foreign currency would have following impact on profit before tax

Particulars	2024-25		2023-24	
	₹ in Lakh 10% Increase	₹ in Lakh 10% decrease	₹ in Lakh 10% Increase	₹ in Lakh 10% decrease
Trade receivables				
In EUR	5	(5)	2	(2)
In USD	3	(3)	1	(1)
Trade Payables				
In CNY	-	-	(1)	1
In EUR	(1)	1	(1)	1
In GBP#	(0)	0	-	-
In USD	(18)	18	(14)	14



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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	As at March 31, 2025		As at March 31, 2024	
	₹ in Lakh	Amount in foreign currency in lakhs	₹ in Lakh	Amount in foreign currency in lakhs
Trade Receivable				
In EUR#	49	1	17	0
In USD#	33	0	12	0
Trade Payable				
In CNY#	-	-	5	0
In EUR#	6	0	11	0
In GBP#	4	0	-	-
In USD	196	2	139	2

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:

Particulars	₹ in Lakh	
	As at March 31, 2025	As at March 31, 2024
Fixed rate instruments		
Financial liabilities	951	624
Variable rate instruments		
Financial liabilities	1,285	953

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	₹ in Lakh			
	March 31, 2025		March 31, 2024	
	Sensitivity analysis	Impact on profit and loss	Sensitivity analysis	Impact on profit and loss
Variable rate borrowings				
Interest rate increase by	1%	13	1%	10
Interest rate decrease by	1%	13	1%	10

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.



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Notes forming part of the Consolidated financial statements

Maturity analysis for financial liabilities:

The following are the remaining contractual maturities of financial liabilities as at 31st March 2025:

₹ in Lakh

Particulars	Note No.	As at March 31, 2025		
		0 to 1 Year	More than 1 year	Total
Financial liabilities				
Non-current Liabilities				
(i) Borrowings	18	-	298	298
(ii) Lease liabilities	19	-	37	37
Current liabilities				
(i) Borrowings	21	1,938	-	1,938
(ii) Lease liabilities	22	52	-	52
(iii) Trade payables	23	4,320	-	4,320
(iv) Other financial liabilities	24	222	-	222
Total financial liabilities		6,531	335	6,867

The following are the remaining contractual maturities of financial liabilities as at 31st March 2024:

₹ in Lakh

Particulars	Note No.	As at March 31, 2024		
		0 to 1 Year	More than 1 year	Total
Financial liabilities				
Non-current liabilities				
(i) Borrowings	18	-	338	338
(ii) Lease liabilities	19	-	98	98
(ii) Other financial liabilities	20	-	-	-
Current liabilities				
(i) Borrowings	21	1,239	-	1,239
(ii) Lease liabilities	22	31	-	31
(iii) Trade payables	23	3,230	-	3,230
(iv) Other financial liabilities	24	220	-	220
Total financial liabilities		4,720	436	5,156



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48. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2024-25, to the extent the company has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	₹ in Lakh	
	As at	
	March 31, 2025	March 31, 2024
i. Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act).	-	-
Principal amount due to micro and small enterprise.	114	373
Interest due on above.	-	-
ii. Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
iii. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

49. Corporate social responsibility

As per Section 135 of the Companies Act 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

The CSR activities of the company are generally carried out through charitable organisations, where funds are allocated by the Company. These organisations carry out the CSR activities as specified in the schedule VII of the companies Act, 2013 on behalf of the company.

Particulars	₹ in Lakh	
	Year ended March 31, 2025	
Gross amount required to be spent by the company during the year:		20
Amount spent during the year on:		-
(i) Construction/acquisition of any asset		-
(ii) On purposes other than (i) above		20
The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year		-
The total of previous years' shortfall amounts		-
Amount sanctioned and provision made in books as per notification issued by The Ministry of Corporate Affairs dated January 22, 2021, amending the companies (Corporate Social Responsibility Policy) Rules, 2014.		20
Reason for shortfall		Not applicable
Nature of CSR activities		Education support in rural areas, equipment support in hospitals and training institute.

50. Additional regulatory information

a. Financial ratio disclosure

₹ in Lakh					
Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% variance
Current ratio (in times)	Current assets	Current liabilities	1.50	1.48	1.12%
Debt-Equity ratio (in times)	Total debt	Shareholders equity	0.29	0.27	4.86%
Debt service coverage ratio (in times)	Earnings available for debt service	Debt service	22.39	24.74	-9.50%
Return on equity ratio (in %)*	Net profit for the year	Average shareholder's equity	25.72%	20.29%	26.80%
Inventory turnover ratio	Cost of goods sold OR sales	Average inventory = (Opening + Closing balance / 2)	19.42	15.55	24.94%
Trade receivables turnover ratio	Revenue from operations	Average trade Receivable	3.42	3.57	-4.19%
Trade payables turnover ratio	Net purchase value	Average trade payable	3.96	3.42	15.56%
Net capital turnover ratio	Revenue from operations	Working capital (Current assets - Current liabilities)	6.18	6.47	-4.56%
Net profit ratio (in %)*	Net profit for the year	Revenue from operations	7.34%	5.28%	38.97%
Return on capital employed (in %)**	Profit before tax and finance costs	Capital employed (Networth + Deferred tax liabilities)	47.25%	36.47%	29.58%
Return on investment (in %)***	Income generated from treasury investments	Average invested funds in treasury investments	0.02	0.06	-72.12%

* due to increase in net profit for the year.

** due to increase in EBIT for the year.

*** due to redemption of mutual fund during the year resulting in decrease in interest income



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5. Relation with struck off Companies

(i) The group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

2. Other information:

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Willful defaulter

The group has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(iii) Compliance with number of layers of companies

The group does not have number of layers of companies.

(iv) Compliance with approved scheme(s) of arrangements

The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(v) Borrowing from banks and financial institutions for specific purpose

All the borrowings from banks and financial institutions have been used for the specific purposes for which they have been obtained.

(vi) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vii) Details of crypto currency or virtual currency

The group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(viii) Title deeds of immovable properties not held in name of the company

The company does not own any immovable properties other than leasehold properties.

(ix) Revaluation of Property, Plant & Equipment

The group has not revalued any of its Property, Plant & Equipments during the year.

(x) Registration of charges or satisfaction with Registrar of Companies (ROC)

All the charges or satisfaction of which is required to be registered with Registrar of Companies(ROC) have been duly registered within the statutory time limit provided under the provisions of Companies Act 2013 and rules made thereunder.

51. The group has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Further, the group has not received any funds from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

52. The Ministry of Corporate Affairs (MCA) has issued a notification (Companies (Accounts) Amendment Rules, 2021) which is effective from April 01, 2023, states that every company which uses accounting software for maintaining its books of account shall use only the accounting software where there is a feature of recording audit trail of each and every transaction, and further creating an edit log of each change made to books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

During the year the Group has used accounting software for maintaining books of account, which has a feature of recording audit trail edit logs facility.

The audit trail features was enabled and operative throughout the financial year for the transactions recorded in the software impacting books of account at application level except in case of one wholly owned subsidiary (MHE Rentals India Private Limited) where the audit trail was enabled with effect from 9th August, 2024. Additionally, the Group has preserved the audit trail as per the statutory requirements of records and retention.

53. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received presidential assent in September 2020. The said code is made effective retrospectively from May 3, 2023. The company is assessing the impact, if any, of the Code.

54. Balances of certain debtors/creditors, deposits received/paid and advances are subject to confirmation and reconciliation. In the opinion of the management balances are stated at realisable value and no adjustments will be required.

55. (i) Additional information as required under Schedule III to the Companies act 2013, for enterprises consolidated as subsidiaries.

The financial statements of the following subsidiaries have been consolidated as per Indian accounting standards (Ind AS) 110 "Consolidated financial statements" :

Name of subsidiary/associate	Country of incorporation	Proportion of ownership interest (current year)	Proportion of ownership interest (previous year)
MHE Rentals India Private Limited	India	100%	100%
JECL Engineering Limited	India	100%	100%
Josts Foundaion	India	100%	100%
Suryavayu Renewable and Energy solutions private Limited	India	50%	-
Josts Engineering Inc., USA	USA	100%	100%



Jost's Engineering Company Limited
Notes forming part of the Consolidated financial statements

(ii) Additional Information as required under Schedule III to the Companies Act 2013, of entities consolidated as subsidiaries/associates :
For the year 2024-25

₹ in Lakh

Sr. No	Name of entity	Relationship	Net assets [total assets minus total liability]		Share in profit/(loss) for the year		Share in other comprehensive income /(loss) for the year		Share in total comprehensive income/(loss) for the year	
			% of consolidated net assets	Amount	% of consolidated profit	Amount	% of consolidated other comprehensive income	Amount	% of consolidated total comprehensive income	Amount
1	Jost's Engineering Company Limited	Parent Company	58%	4,532	90%	1,577	(160%)	(6)	89%	1,571
2	MHE Rentals India Private Limited	Wholly owned subsidiary	12%	936	4%	77	260%	10	5%	87
3	JECL Engineering Limited	Wholly owned subsidiary	29%	2,261	1%	15	-	-	1%	15
4	Josts Engineering INC, USA	Wholly owned subsidiary	1%	113	5%	81	-	-	5%	81
5	Josts Foundation#	Wholly owned subsidiary	0%	1	0%	4	-	-	0%	4
6	Suryavayu Renewable and Energy solutions private Limited#	Associate	-	-	0%	(0)	-	-	0%	(0)
	Grand Total		100%	7,843	100%	1,754	100%	4	100%	1,758

#figures are below rounding off norms adopted by the company

For the year 2023-24

₹ in Lakh

Sr. No	Name of entity	Relationship	Net assets [total assets minus total liability]		Share in profit for the year		Share in other comprehensive income /(loss) for the year		Share in total comprehensive income for the year	
			% of consolidated net assets	Amount	% of consolidated profit	Amount	% of consolidated other comprehensive income	Amount	% of consolidated total comprehensive income	Amount
1	Jost's Engineering Company Limited	Parent Company	67%	3,873	87%	863	159%	(18)	86%	845
2	MHE Rentals India Private Limited	Wholly owned subsidiary	17%	968	13%	126	(59%)	7	14%	132
3	JECL Engineering Limited	Wholly owned subsidiary	16%	928	(2%)	(16)	-	-	(2%)	(16)
4	Josts Engineering INC, USA	Wholly owned subsidiary	1%	30	2%	17	-	-	2%	17
	Grand Total		100%	5,799	100%	990	100%	(11)	100%	979

56. Trial Run operations

The Company has commissioned the new manufacturing facility at Murbad on May 10, 2024. Till March 31, 2025 the plant was under trial run operation. The summary of Income/expenditure during trial operation period is as under :

Revenue generated from Trial Run operation		March 31, 2025
Revenue from Trial operations		2,931
Total Income (I)		2,931
Expenses		
Cost of raw material consumed		2,936
Employee benefits expense		182
Finance costs		94
Other expenses		284
Total Expenses (II)		3,496
Loss before tax III (I-II)		(565)

The net trial run expenditure as on 31 March 2025 is ₹ 565.29 lakhs (as on 31 March, 2024 ₹ Nil).

Ind AS 115 Revenue from Contracts with Customers

Sales are recorded net of trade discounts, quantity discounts, rebates, indirect taxes. Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer 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.

The Company is engaged in single business segment of Sales & service of Material Handling equipment

₹ in Lakh

Revenue generated from Trial Run operation		Year ended March 31, 2025	Year ended March 31, 2024
Revenue from contracts with customer - Sale of products#		2,931	-
Total revenue from operations		2,931	-
India		2,931	-
Outside India		-	-
Total revenue from operations		2,931	-
Timing of revenue recognition			
At a point in time		2,931	-
Total revenue from operations		2,931	-

The Company has turnover of more than 10% with the holding company.



Particulars	₹ in Lakh	
	Year ended March 31, 2025	Year ended March 31, 2024
Goods transferred at a point in time	2,931	-
Total revenue from contracts with customers	2,931	-

Performance Obligation

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 0 to 90 days from delivery. There are no material unsatisfied performance obligation outstanding at the year end.

The performance obligations of the Company are part of contracts that have an original expected duration of less than one year and accordingly, the Company has applied the practical expedient and opted not to disclose the information about its remaining performance obligations in accordance with paragraph 121 of IND AS 115

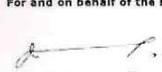
57. Exceptional items represent payments related to voluntary retirement scheme offered by the Company to their permanent workers and after acceptance of the scheme the payment has been made to the workers on 23rd September 2024.

58. Previous year figures have been regrouped/reclassified wherever necessary to conform to current year figures.

59. The Financial Statements were approved by the Audit Committee and Board of Directors on May 29, 2025.

For and on behalf of the Boz




Jai Prakash Agarwal
 Chairman
 DIN - 00242232


Vishal Jain
 Managing Director & CEO
 DIN - 00709250


Rohit Jain
 Chief Financial Officer


Babita Kumari
 Company
 Membership No. A40774

Place: Thane
 Date: May 29, 2025



INDEPENDENT AUDITORS' 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 subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2024, the consolidated statement of profit and loss (including other comprehensive loss), consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "consolidated 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 report of other auditor on separate financial statements of the one subsidiary referred to below in the Other Matter section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing, as specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the consolidated 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 (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 consolidated 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 financial statements. The results of audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Sr. No.	Key Audit Matter	Auditor's Response
1.	Revenue Recognition: (Refer Note 3.6 of the consolidated financial statements) The Group Company deals in manufactured goods,	Principal Audit Procedures: ▪ Read the Group revenue recognition accounting policies and assessed compliance



Sr. No.	Key Audit Matter	Auditor's Response
	<p>traded goods, provide AMC services & representing principal on a commission basis and material handling rental business. It sells a number of equipment's and services to its customers, mainly in domestic market through its own sales & 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 Group 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 financial statements provide additional information on how the Group accounts for its revenue.</p>	<p>of the policies with Ind AS 115.</p> <ul style="list-style-type: none"> ▪ Assessed the design and tested the operating effectiveness of internal controls relating to revenue recognition. ▪ Assessed the appropriateness of Group's identification of performance obligations in its contracts with customers, its determination of transaction price, including allocation thereof to performance obligations and accounting policies for revenue recognition in accordance with the accounting principles laid down in Ind AS 115. ▪ Scrutinized sales ledgers to verify completeness of sales transactions. ▪ Tested the revenue recognized, on a sample basis, including testing of cut off assertion as at the year end. Our testing included tracing the information to agreements, price lists, invoices, proof of dispatches/deliveries. ▪ Assessed the revenue recognized with substantive analytical procedures including review of price and quantity. ▪ Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
2.	<p>Trade Receivable: (Refer note 11 of the consolidated financial statements)</p> <p>Trade receivable balances are significant to the Group as they amounted to ₹ 6,149 Lakh (gross) representing 68.75 % of the total current assets and 32.67 % of the total revenue of the Group for the year ended 31st March 2024. During the current financial year, the group Company has recognized bad debts ₹ 16 Lakh. 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 expected credit loss, bad debts is required.</p>	<p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> ▪ Obtained an understanding of the group's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers. ▪ On a sample basis, requesting trade receivable confirmations and evidence of receipts from the customers subsequent to balance sheet date. ▪ Analysis of ageing profile of the trade receivables to identify credit risks, reviewing historical Payment patterns and correspondence with customers on expected settlement dates. ▪ Also evaluated the assumptions and estimates used by management to determine the recoverability, provision for doubtful and trade receivables. ▪ Evaluated the provisions made for expected credit loss as per ECL model as specified by Ind AS 109. ▪ Review of documents and other records for trade receivables considered as doubtful and bad.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.



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

Management Responsibilities for the Consolidated 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 financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company's, as aforesaid. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements:

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



Shah Gupta & Co.
Chartered Accountants

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements/financial information of a subsidiary, whose financial statements reflect total assets of ₹ 1,925 Lakh as at March 31, 2024, total revenues of ₹ 1,311 Lakh and net cash outflows amounting to ₹ 2 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

We did not audit the financial statements and other financial information of one subsidiary located outside India included in the consolidated financial statements, whose financial statements and other financial information include total assets of ₹ 36 Lakh as at 31st March, 2024, and total revenues of ₹ 62 Lakh and net cash inflows amounting to ₹ 18 Lakh for the year ended on that date. These financial statements and other financial information have not been audited and have been furnished to us by the management. Our opinion, in so far as it relates to amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements and other financial information certified by the Management.



Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary, incorporated in India, as noted in the 'Other Matter' paragraph we give in the **"ANNEXURE A"** a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditor on separates financial statements of subsidiary incorporated in India, referred in the Other Matters paragraph above 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 financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated 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;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary companies incorporated in India, none of the directors of the Holding Company and its subsidiary companies incorporated in India is disqualified as on March 31, 2023 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 Group covered under the Act, and the operating effectiveness of such controls, refer to our separate report in **'ANNEXURE B'**.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion, and to the best of our information and according to the explanations given to us, and based on the reports of the statutory auditors of such subsidiary company incorporated in India which were not audited by us the remuneration paid / provided by the Holding Company and Subsidiary company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.
 - (h) With respect to the other matters to be included in the auditors' 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 36 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.; and
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund.
 - iv. A) The respective management of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and other auditors of such subsidiary respectively that, to the best of its knowledge and belief, as disclosed in the Note 50 to the consolidated financial statements, no funds have been advances or loaned or invested (either from borrowed funds or share premium



or any other sources or kind of funds) by the Holding Company or any of subsidiary to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- B) The respective management of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief, as disclosed in the Note 50 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- C) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditor of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representation under sub-clause (A) and (B) contain any material misstatement.
- v. The final dividend paid by the Holding Company during the year which was declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend
- vi. As given in note 51 to the consolidated financial statements, based on our examination which included test checks, performed by us on the Parent Company and its subsidiary incorporated in India whose financial statements have been audited under the Act, have used accounting software for maintaining their respective books of account for the financial year ended 31st March, 2024, which have a feature of recording audit trail (edit log) facility and in the case of parent company the same has operated throughout the year for all relevant transactions recorded in the software. In respect of subsidiary company, the audit trail was not enabled throughout the year.

In respect of another subsidiary, which was audited by other auditor and as reported by them, the subsidiary have a feature of recording audit trail (edit log) facility but such feature was not enabled throughout the year for all relevant transactions recorded in the respective software.

In respect of entity incorporated outside India, which was not audited. The management certified financial statements are included in these Consolidated Financial Statements. Hence no comments have been included for the purpose of reporting for audit trail for such entity.

For **SHAH GUPTA & Co.**
Chartered Accountants
Firm Registration No.: 109574W


Vedula Prabhakar Sharma
Partner

Membership No.: 123088
UDIN: 24123088BKAROH5797



Place: Mumbai
Date: May 15, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements except for the following:

Sr. No.	Name	CIN	Relationship	Clause number of the CARO report which is qualified or adverse
1	MHE Rental India Private Limited	U71290MH2016PTC311695	Subsidiary	vii (a)

For **SHAH GUPTA & Co.**
Chartered Accountants
Firm Registration No.: 109574W



Vedula Prabhakar Sharma
Partner
Membership No.: 123088
UDIN: 24123088BKAROH5797



Place: Mumbai
Date: May 15, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE

(Referred to in paragraph (f) under '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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of **JOST'S ENGINEERING COMPANY LIMITED** ("the Company" or "the Holding Company") and its subsidiaries, which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the one subsidiary incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiaries which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting with reference to consolidated 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 over financial reporting with reference to consolidated 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.



Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to consolidated 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 over financial reporting with reference to consolidated 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

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiaries, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal control over financial reporting established by the respective companies 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 Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to one subsidiary, which is company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India. Our opinion is not modified in respect of this matter.

For **SHAH GUPTA & Co.**
Chartered Accountants
Firm Registration No.: 109574W



Vedula Prabhakar Sharma
Partner
Membership No.: 123088
UDIN: 24123088BKAROH5797



Place: Mumbai
Date: May 15, 2024

Jost's Engineering Company Limited
Consolidated Balance Sheet as at March 31, 2024

₹ in Lakh

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	4A	2,109	1,937
(b) Capital work-in-progress	4B	847	22
(c) Right of use assets	4C	120	114
(d) Intangible assets	4D	13	17
(e) Financial assets			
(i) Non-current investments			
(ii) Other non-current financial assets	5	1	1
(f) Deferred tax assets (net)	6	257	265
(g) Income tax assets (net)	37	144	138
(h) Other non-current assets	7	-	10
Total non-current assets	8	25	260
(2) Current assets		3,516	2,764
(a) Inventories			
(b) Financial assets	9	1,152	1,260
(i) Current investments			
(ii) Trade receivables	10	428	16
(iii) Unbilled revenue	11	5,888	4,617
(iii) Cash and cash equivalents			
(iv) Bank balances other than cash and cash equivalents (iii) above	12A	138	185
(v) Loans	12B	289	14
(vi) Other current financial assets	13	67	73
(c) Income tax assets	14	192	28
(d) Other current assets	15	23	23
Total current assets	16	767	470
Total assets		8,944	6,686
Equity and liabilities		12,460	9,450
(1) Equity			
(a) Equity share capital	17	98	93
(b) Other equity	18	5,701	3,739
Non-controlling interest			
Total equity		5,799	3,832
Liabilities			135
(2) Non-current liabilities		5,799	3,967
(a) Financial liabilities			
(i) Borrowings			
(ii) Lease liabilities	19	338	116
(b) Non-current provisions	20	98	92
Total non-current liabilities		177	165
(3) Current liabilities		613	373
(a) Financial liabilities			
(i) Borrowings	21	1,239	436
(ii) Lease liabilities		31	28
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	22	373	369
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,857	2,911
(iv) Other current financial liabilities	23	220	262
(b) Other current liabilities	24	1,091	864
(c) Current provisions	25	187	172
(d) Income tax liabilities (net)	26	50	68
Total current liabilities		6,048	5,110
Total liabilities		6,661	5,483
Total equity and liabilities		12,460	9,450

Corporate information and Material accounting policies, key accounting estimates and judgements See accompanying notes to the consolidated financial statements
As per our report of even date attached

(1 - 3)

For Shah Gupta & Co.

Chartered Accountants

Firm Registration Number : 109574W

Vedula Prabhakar Sharma

Partner

Membership No. 123088

Place: Mumbai

Date: May 15, 2024



For and on behalf of the Board of Directors

Jai Prakash Agarwal

Chairman

DIN - 00242232

Rohit Jain

Chief Financial Officer

Place: Thane

Date: May 15, 2024

Vishal Jain

Managing Director & CEO

DIN - 00709250

Babita Kumari

Company Secretary

Membership No. A40774



Jost's Engineering Company Limited

Consolidated Statement of Profit & Loss for the year ended March 31, 2024

(₹ in Lakh, except EPS)

Sr. No.	Particulars	Note No.	Year ended	
			March 31, 2024	March 31, 2023
1	Revenue from operations	27	18,744	17,239
2	Other income		77	60
3	Total income [1+2]	28	18,821	17,299
4	Expenses			
	(a) Cost of materials consumed	29	4,838	6,343
	(b) Purchases of stock-in-trade	30	6,319	4,468
	(c) Changes in inventories of finished and work-in-progress and stock-in-trade	31	89	(82)
	(d) Employee benefits expense	32	2,954	2,646
	(e) Finance costs	33	165	159
	(f) Depreciation and amortization expense	34	314	325
	(g) Other expenses	35	2,772	2,431
	Total expenses		17,451	16,290
5	Profit before tax [3-4]		1,370	1,009
6	Tax expenses			
	(i) Current tax		349	282
	(ii) Deferred tax#	38	(0)	(10)
	(iii) Short provision for tax relating to previous years	38	31	6
	Total tax expenses		380	278
7	Profit for the year [5-6]		990	731
8	Other comprehensive income / (loss)			
	A) Items that will not be reclassified to profit or loss (net of tax)			
	(i) Remeasurement of employee benefits obligations		(11)	10
	Total other comprehensive income / (loss)		(11)	10
	Total comprehensive income for the year		979	741
	Net profit attributable to :			
	(a) Owners of the company		990	708
	(b) Non-controlling interests		-	23
	Profit for the year		990	731
	Other comprehensive income attributable to :			
	(a) Owners of the company		(11)	6
	(b) Non-controlling interests		-	4
	Other comprehensive income/loss for the year		(11)	10
	Total comprehensive income attributable to :			
	(a) Owners of the company		979	714
	(b) Non-controlling interests		-	27
	Total comprehensive income/loss for the year		979	741
9	Earnings per equity share			
	(1) Basic (in ₹)		20	16
	(2) Diluted (in ₹)		20	16

figures are below rounding off norms adopted by the company

Corporate information and Material accounting policies, key accounting estimates and judgements

(1-3)

See accompanying notes to the consolidated financial statements
As per our report of even date attached

For Shah Gupta & Co.

Chartered Accountants
Firm Registration Number : 109574W


Vedula Prabhakar Sharma
Partner
Membership No. 123088
Place: Mumbai
Date: May 15, 2024



For and on behalf of the Board of Directors


Jai Prakash Agarwal
Chairman
DIN - 00242232


Vishal Jain
Managing Director & CEO
DIN - 00709250


Rohit Jain
Chief Financial officer


Babita Kumari
Company Secretary
Membership No. A40774

Place: Thane
Date: May 15, 2024



Jost's Engineering Company Limited
 Consolidated Statement of Cash Flow for the year ended March 31, 2024

Particulars	Year ended		₹ in Lakh	
	March 31, 2024		March 31, 2023	
A Cash flow from operating activities				
Profit before taxes		1,370		1,009
Adjustments for:				
Depreciation and amortisation expense				
Finance income on amortisation of deposits	314		325	
(Profit)/Loss on sale of assets#	(1)		(1)	
Dividend income	(0)		17	
Interest income	(1)		(1)	
Finance costs	(38)		(8)	
Provision for expected credit loss	165		132	
Bad debts written off	18		64	
Unrealised foreign exchange gain	16		85	
Sundry balances written off/back	3		(18)	
Provision for warranty claims	(2)		-	
Provision for inventory#	69		107	
Inventory written off	6		0	
Sales tax written off	7		26	
	-	556	38	766
Operating profit before working capital changes				
Adjustments for (increase) / decrease in:		1,926		1,775
Trade receivables				
Inventories	(1,303)		(1,341)	
Other non-current financial assets	96		(209)	
Other current financial assets	9		(60)	
Other current asset	(164)		(13)	
Other non-current assets	(297)		(132)	
Current loans	235		(9)	
	6		(3)	
Adjustments for increase/ (decrease) in:				
Trade payables				
Other current financial liabilities	(54)		1,443	
Other current liabilities	(42)		32	
Other non current financial liabilities	227		(61)	
Change in non-current provisions	-		(18)	
Change in current provisions	12		(32)	
	(64)	(1,339)	(70)	(473)
Cash generated from operations				
Net income tax paid (net of refunds)		588		1,302
Net cash generated from operating activities (A)		(394)		(238)
B Cash flow from investing activities		194		1,064
Purchase of property, plant and equipment and intangible assets				
Proceeds / purchase of capital work in progress	(466)		(102)	
Right of use of asset	(825)			
Proceeds from sale of property, plant and equipment	(41)		(75)	
Bank balances other than classified as cash and cash equivalents	19		15	
Investment in fixed deposits	(275)		203	
Proceeds/purchase of mutual funds investments (net)	-		(128)	
Investment in equity shares of subsidiary	(413)		98	
Interest received	(345)		(345)	
Dividend received#	38		8	
	1		1	
Net cash generated from investing activities (B)		(2,307)		(325)
C Cash flow from financing activities				
Proceeds from/ (repayment) of working capital loans	27		(28)	
Proceeds from/ (repayment) of short term borrowings	744		(35)	
Proceeds from/ (repayment) of long term borrowings	255		(512)	
Proceeds from issuance of equity shares	1,140		-	
Dividend paid	127		-	
Payment of lease liabilities	(70)		(56)	
Finance costs	9		48	
	(165)		(132)	
Net cash (used) in financing activities (C)		2,067		(715)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(47)		24
Cash and cash equivalents at the beginning of the year		185		161
Cash and cash equivalents at the end of the year (refer note 12A)		139		185

figures are below rounding off norms adopted by the company



Cash and cash equivalents include in the statement of cash flows comprising the following :

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
In current accounts	137	94
In EEFC account	-	90
Cash on hand	1	1
Total	138	185

Reconciliations part of cash flows

Particulars	April 01, 2023	Cash flows (net)	New leases	March 31, 2024
Cash credit	166	786	-	952
Vehicle loan (including current maturities)	-	18	-	18
Loan for machineries (including current maturities)	145	497	-	642
Lease liabilities (including current maturities)	120	(32)	41	129
Total	431	1,269	41	1,741

Particulars	April 01, 2022	Cash flows (net)	New leases	March 31, 2023
Cash credit	194	(28)	-	166
Loan for machineries (including current maturities)	774	(629)	-	145
Lease liabilities (including current maturities)	72	(32)	80	120
Total	1,040	(689)	80	431

Note to Cash Flow Statement:

- The cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".
- Previous years' figures have been regrouped wherever necessary.

As per our report of even date attached

For Shah Gupta & Co.
Chartered Accountants

Firm Registration Number : 109574W


Vedula Prabhakar Sharma
Partner
Membership No. 123088



Place: Mumbai
Date: May 15, 2024



For and on behalf of the Board of Directors



Jai Prakash Agarwal
Chairman
DIN - 00242232


Vishal Jain
Managing Director & CEO
DIN - 00709250



Rohit Jain
Chief Financial Officer
Place: Thane
Date: May 15, 2024


Babita Kumari
Company Secretary
Membership No. A40774

Notes forming part of the consolidated financial statements

1. Corporate information :

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

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 subsidiaries (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 the 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 an accrual and going concern basis. The material 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 Division II of Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III),

Accordingly, the group has prepared these Financial Statements which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and material accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements" or "financial statements").

These financial statements are approved by the Board of Directors on 15th May 2024.

The 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 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 subsidiary. 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 subsidiary 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 subsidiary 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 subsidiary 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 the normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized within twelve months after the reporting period; or



Notes forming part of the consolidated financial statements

- 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 the 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 operating cycle of an entity is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

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 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 4A & 4D
- b. Probable outcome of matters included under contingent liabilities - refer note 36
- c. Estimation of defined benefit obligation - refer note 43
- d. Estimation of tax expense and tax payable - refer note 38
- e. Measurement of lease liabilities and right of use asset (ROUA) - refer note 40
- f. Recoverability of trade receivables - refer note 11
- g. Lease - refer note 40
- h. Impairment of financial assets

2.6.1 Impairment of property, plant and equipment :

Determining whether property, plant, and equipment are 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 the 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 :

Property, plant, and equipment represent a significant proportion of the asset base of the group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the group's assets are determined by the management at the time the asset is acquired and reviewed at each financial year-end. Their lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

2.6.3 Discount rate - defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates, and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.6.4 Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on the evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in an outflow of resources embodying economic benefits, which involves judgments 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.



Notes forming part of the consolidated financial statements

2.6.5 Recoverability of trade receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

2.6.6 Lease

The application of Ind AS 116 requires group to make judgements and estimates that affect the measurement of right-of-use assets and liabilities. In determining the lease term, we consider all facts and circumstances that create an economic incentive to exercise renewal options (or not exercise termination options). Assessing whether a contract includes a lease also requires judgement. Estimates are required to determine the appropriate discount rate used to measure lease liabilities. The group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of use asset in a similar economic environment. The IBR therefore reflects what the group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

2.6.7 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 probable 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.

2.6.8 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3. Material 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:

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.



Notes forming part of the consolidated financial statements

The estimated useful lives of PPE are as follows :

Sr. no.	Particulars	Useful life
1	Factory building	3- 60 Years
2	Computers & data processing units	3 – 6 Years
3	General furniture & fittings	10 Years
4	Office equipment	5 Years
5	Plant & machinery	15 Years
6	Vehicles	8 – 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 :

Sr. no.	Particulars	Useful life
1	Plant & Machinery	10 - 15 Years
2	Spares	5 Years
3	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.

d) Capital work-in-progress

Assets in the course of construction are capitalised in the assets under Capital work in progress. At the point when an asset is operating at management's intended use the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels .

3.2 Intangible assets :

a) Recognition and measurement :

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the group and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and are carried at cost less accumulated amortisation and impairment losses, if any.

Subsequent expenditure

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on intangible assets is recognised in the Statement of Profit and Loss, as incurred.

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



Notes forming part of the consolidated financial statements

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	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

Sr. no.	Particulars	Useful life
1	Intangible Asset	3 Years

3.3 Leases :

The group's 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 group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group 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 realizable value. Costs incurred in bringing each product to its present location and condition in accounted for as follows:

Raw materials, stores & spares 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.



Notes forming part of the consolidated financial statements

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

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

Due allowances are made for slow moving and obsolete inventories based on estimates made by the group.

3.6 Revenue recognition:

The group derives revenue from sale of material handling and engineered products. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation.

a) Sale of goods:

Sales are recorded net of trade discounts, quantity discounts, rebates, indirect taxes. Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer 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) Dividend and Interest income:

Dividend income from investments is recognised when the group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the group 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.

c) Rendering of services

Revenue from rendering of services is recognised over time considering the time elapsed. The transaction price of these services is recognised as a contract liability upon receipt of advance from the customer, if any, and is released on a straight line basis over the period of service.

d) Contract assets, contract liabilities and trade receivables

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues (which we refer to as unearned revenues) and advance from customers are classified as contract liabilities. A receivable is recognised by the group when the control over the goods is transferred to the customer such as when goods are delivered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The average credit period on sale of goods is 0 to 90 days.

e) Commission income

Commission income on sales of equipment and spares is charged for rendering of services and for the use of the group's sales and distribution network. Such revenue is recognised in the accounting period in which the services are rendered in accordance with the agreement with the parties.

3.7 Foreign currencies :

The 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



Notes forming part of the consolidated financial statements

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'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 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. 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 Taxes on Income:

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.

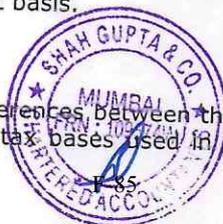
Current tax

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.

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



Notes forming part of the consolidated financial statements

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

Initial recognition and measurement



Notes forming part of the consolidated financial statements

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit and loss (FVTPL), transaction costs that are attributable to the acquisition of the financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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

The group measures its financial assets at fair value at each balance sheet date. In this context, quoted investments are fair valued adopting the techniques defined in level 1 of fair value hierarchy of Ind-AS 113 "Fair Value Measurement" and unquoted investments, where the observable input is not readily available, are fair valued adopting the techniques defined in level 3 of fair value hierarchy of Ind AS 113 and securing the valuation report from the certified valuer. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Classification

The group classifies a financial asset in accordance with the below criteria:

- i. The group's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the group classifies its financial assets into the following categories:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset is measured at the amortized cost if both the following conditions are met :

- a. The group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a. The group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

However, the group recognizes dividend income from such instruments in the statement of profit and loss and fair value changes are recognized in other comprehensive income (OCI).

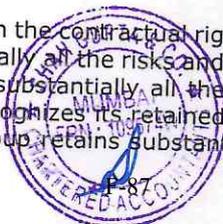
A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the group. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the statement of profit and loss.

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 transaction that are within the scope of Ind AS 115, the group always measures the loss allowance at an amount equal to life time 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.

De-recognition

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



Notes forming part of the consolidated financial statements

transferred financial asset, the group 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.

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 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

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.

Offsetting of financial instruments

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

Reclassification of financial assets / liabilities

After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations.

Impairment of non-financial assets

The group assesses at each balance sheet date whether there is any indication that an asset may be impaired, if such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. Impairment losses are reversed in the statement of profit and loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

Fair value measurement

The group measures financial instruments at fair value in accordance with accounting policies at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:



Notes forming part of the consolidated financial statements

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the group.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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's business activity falls within five segments viz. Material Handling, Engineering Products, MHE RENTAL, JECL Engineering and Josts Engineering INC. 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 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. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.17 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.

3.18 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

3.19 Rounding of amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

3.20 Events after reporting date:



Notes forming part of the consolidated financial statements

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3.21 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the group are segregated.



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

4A. Property, plant and equipment

₹ in Lakh

Particulars	Leasehold buildings	Plant & machinery	Furniture and fixtures	Vehicles	Computer & peripheral	Office equipment	Tangibles total
Gross carrying amount							
Balance as at March 31, 2022	19	2,932	78	33	120	18	3,200
Additions	-	98	-	-	28	1	127
Disposals	-	51	-	-	1	-	52
Balance as at March 31 2023	19	2,979	78	33	147	19	3,275
Additions	-	397	-	25	20	26	468
Disposals	-	42	-	15	-	-	57
Balance as at March 31, 2024	19	3,334	78	43	167	45	3,686
Accumulated depreciation							
Balance as at March 31, 2022	9	885	55	12	88	14	1,063
Additions	1	255	6	6	24	2	294
Disposals #	-	19	-	-	0	-	19
Balance as at March 31 2023	10	1,121	61	18	112	16	1,338
Additions	1	234	4	6	25	4	274
Disposals	-	21	-	14	-	-	35
Balance as at March 31, 2024	11	1,334	65	10	137	20	1,577
Net carrying amount							
Balance as at March 31 2023	9	1,858	17	15	35	3	1,937
Balance as at March 31, 2024	8	2,000	13	33	30	25	2,109

figures are below rounding off norms adopted by the company

Notes :

1. The group does not own any immovable property other than property where the Company is the lessee and the lease agreements are duly executed in favour of the lessee.
2. Cash credit and bank overdraft are secured by leasehold properties at C-7, Wagle Industrial Estate, Thane and plant and machineries of the company.



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

4B. Capital work-in-progress ₹ in Lakh

Balance as at March 31, 2023	22
Additions	847
Deletion	(22)
Capitalised during the year	-
Balance as at March 31, 2024	847

Capital work-in-progress ageing schedule (as on March 31, 2024)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in process	847	-	-	-	847
Projects temporarily suspended	-	-	-	-	-
Total	847	-	-	-	847

Capital work-in-progress ageing schedule (as on March 31, 2023)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in process	-	-	-	-	-
Projects temporarily suspended#	-	-	0	21	22
Total	-	-	0	21	22

figures are below rounding off norms adopted by the company

Notes:

1. Capital work in progress as at 31st March 2024 primarily represents expenses incurred in relation to purchase of land at Murbad, Thane.
2. There are no capital work-in-progress, where the actual cost of an asset/project has already exceeded the estimated cost as per original plan or actual timelines for completion of an asset/project have exceeded the estimated timelines as per original plan. Accordingly, no additional disclosure is required



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

4C. Right of use assets

₹ in Lakh

Particulars	Lease of office premises	Total
Balance as at March 31, 2022	120	120
Additions	75	75
Disposals	-	-
Balance as at March 31, 2023	195	195
Additions	41	41
Disposals	26	26
Balance as at March 31, 2024	210	210
Accumulated depreciation		
Balance as at March 31, 2022	52	52
Additions (refer note 40)	28	28
Disposals	-	-
Balance as at March 31, 2023	80	80
Additions (refer note 40)	36	36
Disposals	26	26
Balance as at March 31, 2024	90	90
Net carrying amount		
Balance as at March 31, 2023	114	114
Balance as at March 31, 2024	120	120



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

4D. Intangible assets

₹ in Lakh

Particulars	Computer software & licences	Total
Gross carrying amount		
Balance as at March 31, 2022	50	50
Additions	8	8
Disposals	-	-
Balance as at March 31, 2023	58	58
Additions	-	-
Disposals	5	5
Balance as at March 31, 2024	53	53
Accumulated depreciation		
Balance as at March 31, 2022	37	37
Additions	4	4
Disposals	-	-
Balance as at March 31, 2023	41	41
Additions	4	4
Disposals	5	5
Balance as at March 31, 2024	40	40
Net carrying amount		
Balance as at March 31, 2023	17	17
Balance as at March 31, 2024	13	13

Note: There are no intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan. Accordingly, no additional disclosure is required.



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

5. Non-current investments

Particulars	Face Value	As at March 31, 2024		As at March 31, 2023	
	Per share	No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
A Investments in equity instruments (unquoted fully paid up):					
(i) Others - at cost					
Zoroastrian Co-Operative Bank Limited	₹ 25	4,100	1	4,100	1
Total			1		1
Aggregate amount of unquoted investments			1		1



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

6. Other non-current financial assets

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good, unless otherwise stated)		
Security deposits		
Bank deposits with more than 12 months maturity#	30	22
Prepaid lease hold land##	179	179
Interest accrued but not due on fixed deposits	0	0
Tender deposit	1	1
	47	63
Total	257	265

Represents bank deposits under lien in respect of bank guarantees provided to customers and letter of credit issued to vendors of ₹ 1,233 Lakh (Previous year : ₹ 845 lakh)
figures are below rounding off norms adopted by the company

7. Income tax assets (net)

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Advance income tax (net of provisions ₹ Nil (as at March 31, 23 ₹ 202 Lakh)	-	10
Total	-	10

8. Other non-current assets

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Capital advances		
Prepaid expenses	-	252
	25	8
Total	25	260

9. Inventories (At lower of cost and net realisable value)

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Raw materials		
Work-in-progress	478	487
Finished goods	65	44
Stock-in-trade	349	390
Stores and spares	286	355
	7	12
	1,185	1,288
Less: Provision for inventory	(33)	(28)
Total	1,152	1,260

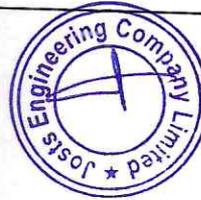
Note: Inventories have been pledged as security against bank guarantee, letter of credit, cash credit facility, details relating to which has been given in note 21.



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

10. Current investments

Particulars	₹ in Lakh			
	As at March 31,2024		As at March 31,2024	As at March 31, 2023
	Unit value	Number of units		
Investments in mutual fund - FVTPL (quoted)				
Nippon India Low Duration Fund - Direct Plan Daily Idcw Plan	1,009.93	1,075.65	11	10
Nippon India Low Duration Fund - Daily Idcw Plan	1,009.79	480.19	5	5
Edelweiss Liquid Fund Direct Plan Growth	3,118.35	13,233.97	412	1
Total			428	16
Aggregate market value of quoted investments			428	16
Aggregate book value of quoted investments			413	9



Joists Engineering Company Limited
Notes forming part of the Consolidated financial statements

11. Trade receivables

₹ in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Secured, considered good	10	5
Unsecured, considered good	5,078	4,612
Credit impaired	261	242
	6,149	4,859
Less: Allowance for doubtful trade receivables	(261)	(242)
Total	5,888	4,617

11.1 Certain receivables are secured against security deposits taken from customers.

11.2 For lien/ charge details against trade receivables, refer note 21

11.3 Trade receivables are dues in respect of services rendered in the normal course of business.

11.4 The normal credit period allowed by the company ranges from 0 to 90 days

11.5 Receivable from related parties (refer note 42)

₹ in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Stovec industries limited#	0	0

figures are below rounding off norms adopted by the company

11.6 Movement in expected credit loss allowance

₹ in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	242	165
Impairment loss allowance on trade receivable	19	77
Balance at the end of the year	261	242

Trade receivables ageing schedule (as at March 31, 2024)

₹ in Lakh

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	2,404	3,024	227	184	27	22	5,888
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired#	0	9	5	119	27	22	182
(iv) Disputed trade receivables- considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	1	2	9	-	12
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total	2,404	3,033	233	305	63	111	6,149
Allowance for doubtful trade receivables							(261)
Total trade receivables	2,404	3,033	233	305	63	111	5,888

figures are below rounding off norms adopted by the company

Trade receivables ageing schedule (as at March 31, 2023)

₹ in Lakh

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	1,805	2,087	490	173	35	27	4,617
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired#	0	3	12	85	35	27	162
(iv) Disputed trade receivables- considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	9	11	-	20
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total	1,805	2,090	502	267	81	114	4,859
Allowance for doubtful trade receivables							(242)
Total trade receivables	1,805	2,090	502	267	81	114	4,617

figures are below rounding off norms adopted by the company



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

12A. Cash and cash equivalents

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- in current accounts		94
- in EEFC account	137	90
Cash on hand	-	1
Total	138	185

12B. Bank balances other than cash and cash equivalents

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Bank deposits with maturity more than 3 months but less than 12 months at inception		
- in margin money#		11
In earmarked accounts	286	
- unpaid dividend accounts##		
Total	3	3
	289	14

Represents bank deposits under lien in respect of bank guarantees provided to customers and letter of credit issued to vendors of ₹ 659 Lakh (Previous year : ₹ Nil)

##The above mentioned cash and bank balances are restricted cash and bank balances which are to be used for specified purposes. All other cash and bank balances are available for the operating activities.



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

13. Loans (Unsecured)

₹ in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good unless otherwise stated		
Loans to employees	67	73
Total	67	73



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

14. Other current financial assets

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good (unless stated otherwise)		
Tender deposits		27
Accrued commission on corporate guarantee	184	1
Interest accrued but not due on fixed deposits#	-	0
	8	
Total	192	28

figures are below rounding off norms adopted by the company

15. Income tax assets

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Advance tax & tax deducted at source less provision	23	23
Total	23	23

16. Other current assets

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good (unless stated otherwise)		
Balance with government authorities		
- VAT deposit#	8	8
- Deposit with GST (refer note 36)##		3
Prepaid expense	69	81
Other advances	51	2
Advance to employees###	8	21
Other recoverables	0	-
Income accrued but not due	3	7
Capital advances	-	
Advance to suppliers	63	
	565	348
Total	767	470

The holding company has paid on account of demand raised, to be adjusted against the refund

Deposits with GST includes deposit paid under protest

figures are below rounding off norms adopted by the company



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

17. Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	₹ in Lakh	Number of shares	₹ in Lakh
Share capital				
(a) Authorized				
Equity shares of ₹ 2/- each	50,00,000	100	20,00,000	100
(b) Issued and subscribed				
Equity shares of ₹ 2/- each	48,89,365	98	18,65,746	93
Total	48,89,365	98	18,65,746	93

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	₹ in Lakh	Number of shares held	₹ in Lakh
Opening balance at the beginning of the year	18,65,746	93	9,32,873	93
Add: Shares issued during the year (refer note (d) below)	2,25,000	5	-	-
Add: Stock split during the year (refer note (b) below)	27,98,619	-	9,32,873	-
Closing balance at the end of the year	48,89,365	98	18,65,746	93

b. Pursuant to the approval of the shareholders accorded on March 23, 2023 at the Extra Ordinary General meeting through Video Conferencing/Other Audio-Visual Means conducted by the Company, each equity share of face value of ₹ 5/- per share was split into 2.5 equity shares of face value of ₹ 2/- per share, with effect from 28th April, 2023.

c. Rights, preferences and restrictions attached to equity shares:

The holding company has only one class of issued shares i.e Equity Shares having par value of ₹ 2/ 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.

d. Board of Directors at their meeting held on 9th November 2023 have approved issuance of 2,25,000 equity shares at ₹ 506.50/- (including a premium of ₹ 504.50/-) per equity share aggregating to ₹ 11,39,62,500/-, for Cash, on preferential basis by way of private placement to non-promoter category.

Shareholders of the holding company, in Extra-ordinary general meeting held on 9th December 2023, approved the issuance of equity shares on preferential basis. Subsequently, allotment of 2,25,000 fully paid up equity share has been made on 24th December 2023.

e. Details of shares held by each shareholder holding more than 5% Shares:

Name of shareholders	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% of holding	Number of shares	% of holding
Mr. Jai Prakash Agarwal	6,64,955	14%	2,65,982	14%
Mrs. Shikha Jain	5,64,105	12%	2,25,642	12%
Mr. Vishal Jain	5,91,075	12%	2,36,430	13%
Mr. Sharad K. Shah	5,11,615	10%	1,65,069	9%

f. Details of Promoters shareholding :

Promoter name	As at March 31, 2024		As at March 31, 2023		% Change during the year
	Number of shares	% of holding	Number of shares	% of holding	
Mr. Jai Prakash Agarwal	6,64,955	14%	2,65,982	14%	-
Mrs. Anita Agarwal	1,03,700	2%	41,480	2%	-
Mrs. Krishna Agarwal	1,30,325	3%	1,12,130	6%	(56%)
Mr. Rajendra Kumar Agarwal	1,03,700	2%	41,480	2%	-
Mrs. Shikha Jain	5,64,105	12%	2,25,642	12%	-
Mr. Vishal Jain	5,91,075	12%	2,36,430	13%	-5%
M/s Dotch Sales Private Limited	1,50,000	3%	-	-	100%

g. There are no shares reserved for issue under options and contracts, in commitments for the sale of shares / disinvestments.



- h. There are no bonus shares issued or bought back during the period of five years immediately preceding the reporting date.
- i. No calls are unpaid by any director or officer of the company at the end of the reporting period.
- j. As per records of the Company, no shares have been forfeited by the Company during the year.
- k. Shares Alloted as Fully Paid-Up Pursuant to Contracts Without Payment Being Received in Cash During the Year of five Years Immediately Preceding the Date of The Balance Sheet is Nil



Josts Engineering Company Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2024

A. Equity share capital

(1) For the year ended March 31, 2024

₹ in Lakh

Balance as at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2024
93	-	-	5	98

(2) For the year ended March 31, 2023

₹ in Lakh

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2023
93	-	-	-	93

B. Other equity

₹ in Lakh

Particulars	Reserves and surplus			Other comprehensive income	Money received against the warrants	Total
	Securities premium	Retained earnings	General reserve	Re-measurements gain/(loss) on the defined employee benefit plans		
Balance as at March 31, 2022	1,064	1,926	230	(15)	-	3,205
Profit for the year	-	708	-	-	-	708
Payment of dividend	-	(56)	-	-	-	(56)
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	6	-	6
Others	(145)	21	-	-	-	-
Balance as at March 31, 2023	919	2,599	230	(9)	-	(124)
Profit for the year	-	990	-	(9)	-	990
Payment of dividend	-	(70)	-	-	-	(70)
Money received against the warrants	-	-	-	-	127	127
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	(11)	-	(11)
Others	(145)	(64)	-	-	-	(209)
Security premium received on shares	1,135	-	-	-	-	1,135
Balance as at March 31, 2024	1,909	3,455	230	(20)	127	5,701

As per our report of even date attached

For Shah Gupta & Co.
Chartered Accountants

Firm Registration Number : 108574W

Vedula Prabhakar Sharma
Partner
Membership No. 123088

Place: Mumbai
Date: Mar 15, 2024



For and on behalf of the Board of Directors

Jai Prakash Agarwal

Jai Prakash Agarwal
Chairman
DIN - 00242232

Rohit Jain
Chief Financial Officer

Place: Thane
Date: Mar 15, 2024

Vishal Jain
Managing Director & CEO
DIN - 00709250

Babita Kumari
Company Secretary
Membership No. A40774



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

18. Other equity

Particulars	Reserves and surplus			Other comprehensive income	Money received against the warrants	Total
	Securities premium	Retained earnings	General reserve	Re-measurements gain/(loss) on the defined employee benefit plans		
Balance as at March 31, 2022	1,064	1,926	230			
Profit for the year	-	708	-	(15)	-	3,205
Payment of dividend	-	(56)	-	-	-	708
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	6	-	(56)
Others	(145)	21	-	-	-	6
Balance as at March 31, 2023	919	2,599	230	(9)		(124)
Profit for the year	-	990	-	-	-	3,739
Payment of dividend	-	(70)	-	-	-	990
Money received against the warrants	-	-	-	-	127	(70)
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	-	-	127
Others	(145)	(64)	-	(11)	-	(11)
Security premium received on shares	1,135	-	-	-	-	(209)
Balance as at March 31, 2024	1,909	3,455	230	(20)	127	5,701

Notes:

(i) General reserve

Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserves for that year.

Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit and loss to the General reserves. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

(ii) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company.

(iii) Securities Premium

The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

(iv) Issuance of warrants

Board of Directors of holding company at their meeting held on 9th November 2023 have approved issuance of 1,00,000 Fully Convertible Warrants to the promoter group at an issue price of ₹ 506.50/- (including a premium of ₹ 504.50/-) per warrant, upon receipt of 25% of issue price in accordance with provisions of SEBI (ICDR) Regulations 2018. The same is convertible at the option of the Warrant holder, in one or more tranches, within 18 months from the date of allotment into equivalent number of fully paid up equity shares of face value of ₹ 2/- each of the holding company, on payment of balance 75% of the issue price, on preferential basis by way of private placement. Shareholders of the holding company, in Extra-ordinary general meeting held on 9th December 2023, approved the issuance of warrants on preferential basis. Subsequently, holding company has received consideration of ₹ 1,26,67,500/- towards 25% of the total consideration after the shareholders approval and allotment of 1,00,000 warrants has been made on 24th December 2023.



Jost's Engineering Company Limited

Notes forming part of the Consolidated financial statements

19. Non-Current Borrowings

₹ in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Loan from banks & financial institutions		
Secured :		
Vehicle Loan	12	-
Machinerv	326	116
Total	338	116

Note: Loan from banks and financial institutions are secured by hypothecation of specific underlying fixed assets. These loans carry a rate of interest @ 8.5% to 12% and are repayable in monthly installments which varies from 36 to 60 months.



Josts Engineering Company Limited
Notes forming part of the Consolidated financial statements

20. Non-current provisions

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for superannuation	-	16
Provision for gratuity (refer note 43)	109	114
Provision for compensated absences (refer note 43)	52	35
Total	177	165



21. Borrowings (at amortised cost)

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Working capital loans from banks (secured)		
Cash credit/overdraft (refer note a below)		
Current maturity of term loans	952	166
Machinery		
Vehicle	171	145
Unsecured	6	-
Loan from director		
	110	125
Total	1,239	436

Borrowing have been drawn at following rate of interest

Particulars	Rate of interest
Cash Credit/Overdraft	
Machinery	9.00% p.a. to 10.50% p.a.
Unsecured loan	8.50% p.a. to 12.00% p.a.
	11% p.a.

Note:

a. Working capital loans from banks of ₹ 859 Lakh (31 March, 2023 ₹ 101 Lakh) are secured by:

i. pari passu first charge by way of hypothecation of stocks of raw materials, finished goods, work-in-process, consumables (stores and spares) and book debts of the Company, both present and future.

ii) pari passu second charge on immovable properties at C-7, Wagle Industrial Estate, Thane and plant and machineries of the company.

b. Term loan from banks and financial institutions are secured by hypothecation of specific underlying fixed assets. These loans carry a rate of interest @ 8.5% to 12% and are repayable in monthly installments which varies from 36 to 60 months.

c. The Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from banks during the year on the basis of security of stocks of raw materials, finished goods, work-in-process, stores and spares and book debts, immovable properties and plant and machinery of the Company. The quarterly returns / statements filed by the company with the banks are in agreement with the books of accounts.



22. Trade payables

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (refer note 47)	373	369
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,857	2,911
Total	3,230	3,280

Trade payables ageing schedule (as at March 31, 2024)

Particulars	Outstanding for following periods from due date of payment					Accrued expense	Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	373	-	-	-	-	-	373
(ii) Others	871	1,736	16	-	-	-	2,857
(iii) Disputed dues - MSME	-	-	-	7	31	196	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	1,244	1,736	16	7	31	196	3,230

Trade payables ageing schedule (as at March 31, 2023)

Particulars	Outstanding for following periods from due date of payment					Accrued expense	Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	369	-	-	-	-	-	369
(ii) Others	845	1,709	37	32	40	248	2,911
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	1,214	1,709	37	32	40	248	3,280



Josts Engineering Company Limited

Notes forming part of the Consolidated financial statements

23. Other current financial liabilities

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Unclaimed dividends		3
Employee benefits payable	3	173
Creditors for other liabilities	207	1
Payable for capital goods	2	85
	8	
Total	220	262

24. Other current liabilities

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Statutory remittances		143
Revenue received in advance	184	152
Other current liability	203	32
Dealer deposits	20	19
Contract liabilities	42	518
	642	
Total	1,091	864

25. Current provisions

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for gratuity (refer note 43)		68
Provision for compensated absences (refer note 43)	96	21
	18	
Other Provisions		
Provision for warranty claims		83
	73	
Total	187	172

26. Income tax liabilities (net)

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Provision for tax (net of advance tax ₹ 299 lakh (as at March 31, 2023 ₹ 214 lakh))		68
	50	
Total	50	68



Joists Engineering Company Limited
Notes forming part of the Consolidated financial statements

27. Revenue from operations

₹ in Lakh

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products		
Domestic turnover#	15,459	13,910
Export turnover	56	488
	15,515	14,398
Sale of services		
Sale of services - AMC and others	2,535	2,340
	2,535	2,340
Other operating revenues		
Commission income	684	493
Scrap & sundry sales	9	8
Miscellaneous income	-	-
	693	501
Total	18,744	17,239

The group do not have any customers where total value of trade during the year is more than 10% of the Turnover.

Ind AS 115 Revenue from Contracts with Customers

Sales are recorded net of trade discounts, quantity discounts, rebates, indirect taxes. Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer 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.

The group has assessed and determined the following categories for disaggregation of revenue in addition to that provided under segment disclosure (refer note 39):

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contracts with customer - Sale of products	15,515	14,398
Revenue from contracts with customer - Sale of services	2,535	2,340
Other operating revenue	693	501
Total revenue from operations	18,744	17,239
India	18,071	16,751
Outside India	672	488
Total revenue from operations	18,744	17,239
Timing of revenue recognition		
At a point in time	18,744	17,239
Total revenue from operations	18,744	17,239

Timing of revenue recognition

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Goods transferred at a point in time	15,515	14,398
Services transferred at a point in time	2,535	2,340
Total revenue from contracts with customers	18,050	16,738

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue as per contracted price	18,227	16,842
Less: Discounts	(6)	(1)
Less: Sales return	(170)	(103)
Less: Commission	-	-
Revenue from contracts with customers	18,050	16,738



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Josts Engineering Company Limited

Notes forming part of the Consolidated financial statements

Performance Obligation

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 0 to 90 days from delivery. There are no material unsatisfied performance obligation outstanding at the year end.

The performance obligations of the group are part of contracts that have an original expected duration of less than one year and accordingly, the group has applied the practical expedient and opted not to disclose the information about its remaining performance obligations in accordance with paragraph 121 of IND AS 115

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	₹ in Lakh	
	Year ended March 31, 2024	Year ended March 31, 2023
Trade receivables (refer note 11)		
Contract liabilities (refer note 24)	5,888	4,617
	642	518

Trade receivables are non interest bearing and are generally on terms of 0 to 90 days.

Contract assets includes amounts related to contractual right to consideration for completed performance objectives not yet invoiced.

As at 31 March, 2024 ₹ 261 Lakh (previous ₹ 242 Lakh) was recognised as provision for allowance for doubtful debts on trade receivables.

Contract liabilities include payments received in advance of performance under the contract, and are realised with the associated revenue recognised under the contract. Short term advances are given in note 24.

Set out below is the amount of revenue recognised from:

Particulars	₹ in Lakh	
	Year ended March 31, 2024	Year ended March 31, 2023
Amounts included in contract liabilities at the beginning of the year		
Revenue recognised in the reporting period that was included in the contract	518	356
liability balance at the beginning of the period	409	342



Josts Engineering Company Limited

Notes forming part of the Consolidated financial statements

28. Other income

₹ in Lakh

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest income:		
- interest received on bank deposits	22	8
- on income tax refund	-	2
- from other interest income#	15	0
	37	10
Exchange rate difference (net)	35	13
Provisions/liability no longer required written back	2	34
Profit on sale of investments	1	-
Dividend income	1	1
Finance income on security deposit	1	1
Other non operating income	-	1
Total	77	60

figures are below rounding off norms adopted by the company



Joists Engineering Company Limited
Notes forming part of the Consolidated financial statements

29. Cost of materials consumed

₹ in Lakh

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Raw material consumed		
Inventory at the beginning of the year		
Add: Purchases	487	384
Less: Inventory at the end of the year	4,829	6,446
	478	487
Total	4,838	6,343

Breakup of cost of material consumed

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cost of material consumed		
Steel		
Batteries	213	228
Others (Tyres, Controiler, motor, battery charger etc.)	878	969
	3,747	5,146
Total	4,838	6,343

30. Purchases of stock-in-trade

₹ in Lakh

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Purchase of traded goods		
Engineered equipments		
Other components, accessories, spares, etc.	4,024	3,679
	2,295	789
Total	6,319	4,468

31. Changes in inventories of finished and work-in-progress and stock in trade

₹ in Lakh

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening stock		
Finished goods		
Work-in-progress	390	352
Stock-in-trade	44	58
	355	297
Closing stock	A	707
Finished goods		
Work-in-progress	349	390
Stock-in-trade	65	44
	286	355
B	700	789
A-B	89	(82)

32. Employee benefits expense

₹ in Lakh

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages, allowances and bonus		
Contribution to provident and other funds (refer note 43)	2,659	2,399
Gratuity expense (refer note 43)	98	108
Staff welfare expenses (net)	64	32
	133	107
Total	2,954	2,646

33. Finance costs

₹ in Lakh

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest expenses on :		
- Interest expense on term loan, cash credit & bank overdraft		
- Interest on lease liabilities (refer note 40)	48	105
- Others	12	10
Bank charges	59	17
	46	27
Total	165	159

34. Depreciation and amortisation expense

₹ in Lakh

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of property, plant and equipment (refer note 4A)		
Amortisation of intangible assets (refer note 4D)	274	293
Depreciation of right of use assets (refer note 4C)	4	4
	36	28
Total	314	325



Josts Engineering Company Limited
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35. Other expenses

Particulars	₹ in Lakh	
	Year ended March 31, 2024	Year ended March 31, 2023
Sub contract and labour charges	368	296
Stores and spare parts consumed	63	38
Equipment hiring charges	-	4
Fuel and power	44	46
Repairs & maintenance (factory and office)	19	15
Repairs to machinery	101	107
Rent	58	38
Rates and taxes	9	7
Sales tax of earlier year write off (incl interest and tax amt)	-	38
Insurances	10	10
Travelling expenses	325	125
Postage, telephone and internet	28	30
Commission on sales	15	10
Testing and calibration	168	146
Advances in Subsidiary written off	-	-
Printing and stationery	14	12
Legal and professional charges	382	193
Conveyance expenses	221	264
Provision for doubtful debts	18	79
Bad debts written off	16	85
Provision for doubtful advances & deposits	1	4
Deposits written off	-	-
Loss on sale of property, plant and equipments	3	17
Freight on sales	374	369
Motor vehicle expenses	2	13
Directors' fees	14	11
Exchange rate difference (net)	-	-
Provision for inventory#	6	0
Inventory write-off	7	26
Auditor's Remuneration		
- Audit Fees		
- For taxation matters	14	13
- For other services	1	1
CSR expenses (refer note 48)	-	2
Miscellaneous expenses	15	9
	476	423
Total	2,772	2,431

figures are below rounding off norms adopted by the company



Jost's Engineering Company Limited
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36. Contingent liabilities and commitments (to the extent not provided for)

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Contingent liabilities :		
a) Claims against the company not acknowledged as debts : -Goods & Service Tax Demand		
b) Bank guarantees	122	66
c) Letter of credit issued to vendor	1,412	772
	364	73

37. Capital commitments

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

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Capital commitment		
-Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for.	297	302

Note:

The group has acquired leasehold land including building at a price of ₹ 572 lakhs and the land is located at MIDC Murbad, District Thane. The rationale behind investment is for expansion of Company's manufacturing activities. The capital commitment as on 31.03.2024 is ₹ 297 lakhs.

38. Taxation

The major component of tax expenses for the year are as under :

Particulars	₹ in Lakh	
	Year ended March 31, 2024	Year ended March 31, 2023
Current income tax		
Short provision for tax relating to previous years	349	282
Deferred tax#	31	6
Total income tax expense	(0)	(10)
	380	278

#figures are below rounding off norms adopted by the company

Particulars	₹ in Lakh (except as otherwise stated)	
	Year ended March 31, 2024	Year ended March 31, 2023
Reconciliation:		
Profit before tax	1,370	1,009
Applicable tax rate	25.17%	25.17%
Computed expected tax expense	344	244
Add:		
Short provision for tax relating to previous years	31	6
Expenses disallowed	72	117
Deferred tax#	(0)	(10)
Income from other source	22	7
Ind AS impact (net)	1	1
Less:		
Other income offered separately	(22)	(7)
Expenses allowed	(68)	(80)
Income tax expense as per profit & loss account	380	278
Effective tax rate	27.76%	27.54%

#figures are below rounding off norms adopted by the company

Deferred tax relates to the following:

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Deferred tax asset (net) comprises of timing difference on account of :		
Difference between WDV of property, plant and equipment as per books of accounts & income tax	10	13
Provision for employee benefits	65	58
Provision for doubtful debts and advances	52	47
Provision for warranty	18	21
Lease liabilities	(1)	(1)
Deferred tax asset	144	138

Reconciliation of deferred tax assets (net) :

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Opening balance	138	128
Tax income / (expense) during the year recognized in profit & loss account#	0	10
Differences on other comprehensive income#	6	0
Closing balance	144	138

#figures are below rounding off norms adopted by the company



39. 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 Private Limited (Equipment rental)
- IV. JECL Engineering Limited
- V. Josts Engineering INC

Particulars	For the year ended March 31, 2024						For the year ended March 31, 2023					₹ In Lakh
	Material handling	Engineered products	MHE Rentals India Private Limited (Equipment Rental)	JECL Engineering Limited	Josts Engineering INC	Total	Material handling	Engineered products	MHE Rentals India Private Limited (Equipment Rental)	JECL Engineering Limited	Total	
	Segment revenue											
Sale of products												
Sale of services	10,146	5,332	-	-	38	15,516	9,898	4,663	37	-	14,598	
Commission income	233	953	1,309	-	24	2,559	238	788	1,314	-	2,340	
Other income	-	660	-	-	-	660	-	493	-	-	493	
	9	-	-	-	-	9	-	-	-	-	8	
Unallocated income	10,388	6,985	1,309	-	62	18,744	9,944	5,944	1,351	-	17,239	
Total						77					60	
Segment results						18,821					17,299	
Segment results/ operating Profit												
Unallocated income	899	963	155	(1)	24	2,040	415	966	211	(1)	1,591	
(including income from interdividend)						77					60	
Unallocated expenses						582					482	
Interest expenses						165					159	
Profit before tax						1,370					1,010	
Provision for taxation - current tax						349					262	
Short provisions for income tax in respect of earlier years						31					6	
Deferred tax#						(0)					(10)	
Profit after tax						990					732	
Other Information												
Segment assets												
Unallocated assets	4,012	4,159	1,871	981	36	11,059	4,196	2,390	1,859	1	8,446	
Total assets						12,460					1,004	
Segment liabilities												
Unallocated liabilities	2,076	2,384	903	53	6	5,422	2,492	1,907	1,009	1	5,409	
(including share capital and reserves)						7,038					4,041	
Total liabilities						12,460					9,450	
Cost incurred during the financial year to acquire segment fixed assets	21	173	249	-	-	443	61	17	55	-	133	
Cost incurred during the financial year to acquire segment fixed assets (unallocated)						25					2	
Depreciation	47	40	188	-	-	273	46	43	202	-	291	
Depreciation (unallocated)						1					34	

#figures are below rounding off norms adopted by the company

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 organizational 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 income is not significant. Segment results include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.



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40. Leases

The group's leasing arrangements are in respect of operating leases for office premises. The rent period range between 1 years to 5 years and usually renewable on mutually agreed terms.

a. The movement in lease liabilities during the year:

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Opening balance		
Additions during year	120	72
Finance costs incurred during the year	39	70
Payment of lease liabilities	12	10
Closing balance	(42)	(32)
	129	120

b. The carrying value of the right of use and depreciation charged during the year

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Opening balance		
Additions during year	114	67
Depreciation charged during the year	41	75
Closing balance	36	28
	120	114

c. Amounts recognised in statement of profit or loss:

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Depreciation on right of use asset		
Finance costs incurred during the year	36	28
Rent expense	12	10
Total amounts recognised in profit or loss	(42)	(32)
	6	6

d. Maturity analysis of lease liabilities

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Maturity analysis of contractual undiscounted cash flows		
Less than one year		
One to five years	55	38
More than five years	93	106
Total undiscounted lease liability	-	-
	148	144
Non-current lease liability		
Current lease liability	98	92
Total lease liability	31	28
	129	120

41. Earnings per share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	₹ in Lakh, except EPS	
	As at March 31, 2024	As at March 31, 2023
Weighted average shares outstanding - basic	47,25,226	46,64,365
Weighted average shares outstanding - diluted	47,45,436	46,64,365

Net profit available to equity shareholders of the company used in the basic and diluted earnings per equity share was determined as follows:

Particulars	₹ in Lakh, except EPS	
	Year ended	
	March 31, 2024	March 31, 2023
Earnings available to equity shareholders	990	708
Earnings available for equity shareholders for diluted earnings per share	990	708
Basic earnings per share	20	16
Diluted earnings per share	20	16



42. Related party information

A. Names of related parties and nature of relationship:

Nature of relationship	Name of related party
Key managerial personnel (KMP)	Mr. Jai Prakash Agarwal, Executive Chairman and Director Mr. Vishal Jain, Vice Chairman & Managing Director Mr. Rohit Jain, Chief Financial Officer (CFO) Mrs. Babita Kumari, Company Secretary
Independent directors	Mr. Farukh Rakhshavoo Banatwalla (Upto 31.03.2024) Mr. Shallesh Rajnikant Sheth (Upto 31.03.2024) Mr. Marco Philippus Ardashir Wadia (Upto 31.03.2024) Mr. Sanjiv Swarup (From 07.02.2023) Mrs. Rekha Bagri (From 07.02.2023) Mr. Pramod Maheshwari (From 07.02.2023) Mr. Pramod Pophale (from 30.01.2024) Mr. Kallash Chandra Sermani (Upto 31.01.2024)
Non Independent directors	Mr. Dhanaji Sawant (Upto 13.12.2023)
Woman Director	Mr. L. Shwath Kumar (From 01.04.2023)
Relative of KMPs and where transaction exists	Mrs. Shikha Jain Mrs. Anshu Agarwal Mr. Rajendra Agarwal
Company in which director is interested and where transaction exists	Amphenol Omnicomcast India Private Limited Chambal Fertiliser and Chemicals Limited Bharat Wire Ropes Ltd. Stovec Industries Limited

B. Transactions with Related parties:

The details of transactions with related parties for the year ended March 31, 2024 are as follows:

Particulars	As at March 31, 2024									Total
	Company in which director is interested and where transaction exists				Others					
	Stovec Industries Limited	Amphenol Omnicomcast India Private Limited	Bharat Wire Ropes Ltd.	Chambal Fertiliser and Chemicals Limited	Independent directors	Non Independent directors	Woman director	KMPs	Relative of KMPs and where transaction exists	
Transactions										
Investment - purchase of equity of subsidiary	-	-	-	-	-	-	-	-	-	-
Sale of goods/services#	1	0	6	7	-	-	-	302	42	344
Sitting fees paid#	-	-	-	-	-	-	-	-	-	-
Dividend paid#	-	-	-	-	12	1	1	0	-	14
Money received against the warrants	-	-	-	-	0	-	7	15	1	15
Remuneration	-	-	-	-	-	-	32	95	-	22
Balance as at March 31, 2024									4	4
Outstanding balance receivable / (payable)										
Trade receivables#	0	-	-	0	-	-	-	-	-	0

Figures are below rounding off norms adopted by the company

The details of transactions with related parties for the year ended March 31, 2023 are as follows:

Particulars	As at March 31, 2023						Total
	Company in which director is interested and where transaction exists		Others				
	Stovec Industries Limited	Chambal fertiliser and chemicals limited	Independent directors	Woman director	KMPs	Relative of KMPs and where transaction exists	
Transactions							
Investment - purchase of equity of subsidiary	-	-	-	-	302	42	344
Loan taken	-	-	-	-	18	-	18
Repayment of loan taken	-	-	-	-	50	-	50
Interest paid on loan taken	-	-	-	-	17	-	17
Sale of goods/services	1	2	-	-	-	-	3
Sitting fees paid#	-	-	9	2	0	-	11
Dividend paid#	-	-	0	7	15	1	23
Remuneration	-	-	-	-	-	12	12
Balance as at March 31, 2023							
Outstanding balance receivable / (payable)							
Trade receivables#	0	-	-	-	-	-	0
Unsecured loan	-	-	-	-	(125)	-	(125)

Figures are below rounding off norms adopted by the company

Terms and conditions of transactions with related parties

The services provided to and received from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and without interest.



C. Compensation of key managerial personnel of the company ₹ in Lakh

Particulars	2023-24	2022-23
Short-term employment benefits	124	117
Post-employment benefits	9	5

Transactions with key managerial personnel : ₹ in Lakh

Nature of transactions	Year ended	
	March 31, 2024	March 31, 2023
Salary and allowances paid/payable to KMPs*:		
Ms Babita Kumari		8
Mr. Rehit Jain	13	24
Mr. Jai Prakash Agarwal	26	44
Mr. Vishal Jain	44	42
	41	

*Excludes gratuity and long term compensated absences which are actuarially valued as per applicable law and where separate amounts are not identifiable.



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43. Employee benefit plans:

1.a. Post employment defined benefit plans :

The group makes annual contributions to the employee's group gratuity assurance scheme administered by the Life Insurance Corporation of India ("LIC"), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

The following tables set out the funded status of the gratuity plans and the amounts recognized in the company's financial statements as at March 31, 2024 and March 31, 2023.

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Change in benefit obligations		
Present value of benefit obligation at the beginning of the year		
Interest cost		
Current service cost	203	222
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	12	10
Actuarial (gains)/losses on obligations - due to change in financial assumptions	25	26
Experience Gain/(Loss) on Plan Assets	-	1
Benefits Paid	1	(9)
	12	(6)
Present value of benefit obligations at the end of the year	(25)	(41)
	227	203
Change in plan assets		
Fair value of plan assets at the beginning of the year		
Return on plan assets excluding interest income		
Contributions by the employer	21	20
Benefits paid from the fund	6	5
Experience Gain/(Loss) on Plan Assets	25	41
	(25)	(41)
Fair value of plan assets at the end of the year	(5)	(4)
Net (liability)/asset recognised in the balance sheet	22	21
	(205)	(182)

Amount for the year ended March 31, 2024 and March 31, 2023 recognized in the statement of profit and loss under employee benefits expenses.

Recognized in profit and loss	Year ended	
	March 31, 2024	March 31, 2023
Current service cost		
Net interest cost	25	26
Expenses recognized	6	5
	30	31

Amount for the year ended March 31, 2024 and March 31, 2023 recognized in statement of other comprehensive income:

Recognized in other comprehensive income	Year ended	
	March 31, 2024	March 31, 2023
Actuarial (gains) / losses on obligation for the year		
Remeasurements during the period due to		
- Changes in financial assumptions	9	20
- Changes in demographic assumptions		
- Experience adjustments	1	(9)
- Actual return on plan assets less interest on plan assets	12	(6)
Net (income)/expense for the year recognized in OCI	5	4
	27	9

The weighted-average assumptions used to determine benefit obligations as at March 31, 2024 and March 31, 2023 are set out below:

Weighted average actuarial assumptions	As at	As at
	March 31, 2024	March 31, 2023
Discount rate	7.15%	7.30%
Weighted average rate of increase in compensation levels	5.00%	5.00%

Particulars	As at March 31, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Sensitivity analysis				
Discount rate (0.5% movement)				
Define benefit obligation (₹ in Lakhs)	(1.09%)	1.13%	(1.17%)	1.21%
Future salary growth (0.5% movement)	181	185	165	169
Define benefit obligation (₹ in Lakhs)	1.14%	(1.12%)	1.23%	(1.20%)
	185	181	169	165

Additional details :

Methodology adopted for valuation is projected unit credit method.

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

Since investment is with insurance company, assets are considered to be secured.

Assumptions regarding future mortality experience are set in accordance with the Indian Assured Lives Mortality (2012-14) Urban.

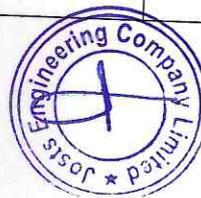
Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held by LIC, since the fund is managed by LIC.

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

Actual gains/losses are recognized in the period of occurrence under other comprehensive income (OCI). All above reported figures of OCI are gross of taxation.

Maturity profile of projected benefit obligations:

Projected benefits payable in future years from the date of reporting	Year ended	
	March 31, 2024	March 31, 2023
Within 1 year		
1-2 year	109	88
2-3 year	26	51
3-4 year	20	24
4-5 year	15	19
5-9 years	10	15
10 years and above	25	32
	16	29



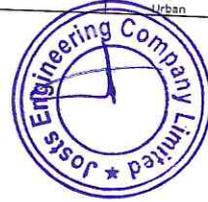
Jost's Engineering Company Limited
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1.b. Defined contribution plans :

Amounts recognised as expenses towards contributions to provident and family pension fund, employee state insurance corporation and other funds by the company are as below : (refer note 36)

b. Demographic assumptions

Particulars	As at March 31, 2024	As at March 31, 2023
Employee turnover (age years)		
21-30	23.00%	23.00%
31-40	14.00%	14.00%
41-50	22.00%	22.00%
51 & above	28.00%	28.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban



Jost's Engineering Company Limited
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44. 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 Company consists of debt and total equity of the Company.

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, long-term borrowings (term loan) 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 group is not subject to any externally imposed capital requirements.

Total debt includes all long and short-term debts as disclosed in note 18 and 20 to the financial statements.
The gearing ratio at the end of the reporting period was as follows:

Particulars	₹ In Lakh	
	As at March 31, 2024	As at March 31, 2023
Total debt	1,577	552
Total equity	5,799	3,967
Debt to equity ratio	0.27	0.14

45. Financial instruments

a. Financial instruments by category

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 current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the 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.

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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 :

Particulars	Note No.	As at March 31, 2024			Fair value		
		Fair value routed through profit & loss	Carrying at amortised cost	Total	Level 1	Level 2	Level 3
Financial assets at amortized cost:							
Non-current Assets							
(i) Investments	5	-	1	1	-	-	-
(ii) Others	6	-	257	257	-	-	-
Current assets							
(i) Investments	10	428	-	428	428	-	-
(ii) Cash and cash equivalents	12A	-	138	138	-	-	-
(iii) Bank balances	12B	-	289	289	-	-	-
(iv) Trade receivables	11	-	5,888	5,888	-	-	-
(v) Loans	13	-	67	67	-	-	-
(vi) Other financial assets	14	-	192	192	-	-	-
Total financial assets		428	6,832	7,260	428	-	-
Financial liabilities at amortized cost:							
Non-current liabilities							
(i) Borrowings	19	-	338	338	-	-	-
(ii) Lease liabilities		-	98	98	-	-	-
Current liabilities							
(i) Borrowings	21	-	1,239	1,239	-	-	-
(ii) Lease liabilities		-	31	31	-	-	-
(iii) Trade payables	22	-	3,230	3,230	-	-	-
(iv) Other financial liabilities	23	-	220	220	-	-	-
Total financial liabilities		-	5,156	5,156	-	-	-

The group has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.



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Particulars	As at March 31, 2023			Fair value		
	Fair value routed through profit & loss	Carrying at amortised cost	Total	Level 1	Level 2	Level 3
Financial assets at amortized cost:						
Non-current Assets						
(i) Investments	5	-	1	-	-	-
(ii) Others	6	-	265	-	-	-
Current assets						
(i) Investments	10	16	-	16	-	-
(ii) Cash and cash equivalents	12A	-	185	-	-	-
(iii) Bank balances	12B	-	14	-	-	-
(iv) Trade receivables	11	-	4,617	-	-	-
(v) Loans	13	-	73	-	-	-
(vi) Other financial assets	14	-	28	-	-	-
Total financial assets		16	5,183	16	-	-
Financial liabilities at amortized cost:						
Non-current liabilities						
(i) Borrowings	19	-	116	-	-	-
(ii) Lease liabilities		-	92	-	-	-
(iii) Other financial liabilities	20	-	19	-	-	-
Current liabilities						
(i) Borrowings	21	-	436	-	-	-
(ii) Lease liabilities		-	28	-	-	-
(iii) Trade payables	22	-	3,280	-	-	-
(iv) Other financial liabilities	23	-	262	-	-	-
Total financial liabilities		-	4,233	-	-	-

The group has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

46. 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 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.

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 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, GBP 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. A change of 10% in foreign currency would have following impact on profit before tax

Particulars	2023-24		2022-23	
	₹ in Lakh 10% Increase	₹ in Lakh 10% decrease	₹ in Lakh 10% Increase	₹ in Lakh 10% decrease
Trade receivables				
In EUR	2	(2)	4	(4)
In GBP#	-	-	0	(0)
In USD	1	(1)	-	-
Trade Payables				
In CNY	(1)	1	-	-
In EUR	(1)	1	-	-
In USD	(14)	14	20	7

Figures are below rounding off norms adopted by the company



Jost's Engineering Company Limited

Notes forming part of the Consolidated financial statements

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	As at March 31, 2024		As at March 31, 2023	
	₹ in Lakh	Amount in foreign currency in lakhs	₹ in Lakh	Amount in foreign currency in lakhs
Trade Receivable				
In EUR#	17	0	36	0
In GBP#	-	-	3	0
In USD#	12	0	-	-
Trade Payable				
In CNY#	5	0	-	-
In EUR#	11	0	199	2
In USD	139	2	70	1

Figures are below rounding off norms adopted by the company

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:

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Fixed rate instruments		
Financial liabilities	624	451
Variable rate instruments		
Financial liabilities	953	101

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	₹ in Lakh			
	March 31, 2024		March 31, 2023	
	Sensitivity analysis	Impact on profit and loss	Sensitivity analysis	Impact on profit and loss
Variable rate borrowings				
Interest rate increase by	1%	10	1%	1
Interest rate decrease by	1%	10	1%	1

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.



Jost's Engineering Company Limited
Notes forming part of the Consolidated financial statements

Maturity analysis for financial liabilities:

The following are the remaining contractual maturities of financial liabilities as at 31st March 2024:

Particulars	Note No.	₹ In Lakh		
		As at March 31, 2024		
		0 to 1 Year	More than 1 year	Total
Financial liabilities				
Non-current Liabilities				
(i) Borrowings				
(ii) Lease liabilities	19	-	338	338
			98	98
Current liabilities				
(i) Borrowings				
(ii) Lease liabilities	21	1,239	-	1,239
(iii) Trade payables		31	-	31
(iv) Other financial liabilities	22	3,230	-	3,230
	23	220	-	220
Total financial liabilities		4,720	436	5,156

The following are the remaining contractual maturities of financial liabilities as at 31st March 2023:

Particulars	Note No.	₹ In Lakh		
		As at March 31, 2023		
		0 to 1 Year	More than 1 year	Total
Financial liabilities				
Non-current Liabilities				
(i) Borrowings				
(ii) Lease liabilities	19	-	116	116
(ii) Other financial liabilities			92	92
	20	-	19	19
Current liabilities				
(i) Borrowings				
(ii) Lease liabilities	22	436	-	436
(iii) Trade payables		28	-	28
(iv) Other financial liabilities	23	3,280	-	3,280
	24	262	-	262
Total financial liabilities		4,006	227	4,233



Jost's Engineering Company Limited
Notes forming part of the Consolidated financial statements

47. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2023-24, to the extent the company has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	₹ in Lakh	
	As at	
	March 31, 2024	March 31, 2023
i. Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act).		
Principal amount due to micro and small enterprise.		
Interest due on above.	373	369
ii. Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
iii. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

48. Corporate social responsibility

As per Section 135 of the Companies Act 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

The CSR activities of the company are generally carried out through charitable organisations, where funds are allocated by the Company. These organisations carry out the CSR activities as specified in the schedule VIII of the Companies Act, 2013 on behalf of the company.

Particulars	₹ in Lakh
	Year ended March 31, 2024
Gross amount required to be spent by the company during the year.	
Amount spent during the year on:	15
(i) Construction/acquisition of any asset	-
(ii) On purposes other than (i) above	-
The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	15
The total of previous years' shortfall amounts	-
Amount sanctioned and provision made in books as per notification issued by The Ministry of Corporate Affairs dated January 22, 2021, amending the companies (Corporate Social Responsibility Policy) Rules, 2014.	15
Reason for shortfall	Not applicable
Nature of CSR activities	Education support in rural areas, equipment support in hospitals and training institute.



Jost's Engineering Company Limited
Notes forming part of the Consolidated financial statements
49. Additional regulatory information

a. Financial ratio disclosure

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% variance
Current ratio (In times)	Current assets	Current liabilities	1.48	1.31	12.6%
Debt-Equity ratio (in times)*	Total debt	Shareholders equity	0.27	0.14	95.3%
Debt service coverage ratio (in times)**	Earnings available for debt service	Debt service	24.74	9.20	168.8%
Return on equity ratio (in %)	Net profit for the year	Average shareholder's equity	20.28%	19.32%	4.99%
Inventory turnover ratio	Cost of goods sold OR sales	Average inventory = (Opening + Closing balance / 2)	15.55	14.75	5.38%
Trade receivables turnover ratio	Revenue from operations	Average trade Receivable	3.57	4.29	-16.74%
Trade payables turnover ratio	Net purchase value	Average trade payable	3.42	3.99	-14.20%
Net capital turnover ratio***	Revenue from operations	Working capital (Current assets - Current liabilities)	6.47	10.81	-40.11%
Net profit ratio (in %)****	Net profit for the year	Revenue from operations	5.28%	4.24%	24.61%
Return on capital employed (in %)****	Profit before tax and finance costs	Capital employed (Networth + Deferred tax liabilities)	36.47%	29.45%	23.83%
Return on investment (in %)	Income generated from treasury investments	Average invested funds in treasury investments	0.06	0.06	-3.21%

* due to increase in debt during the year
 ** due to increase in profit and decrease in interest cost during the year.
 *** due to increase in net working capital during the year
 **** due to increase in profit during the year

b. Relation with struck off Companies

(i) The group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c. Other information:

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Wilful defaulter

The group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) Compliance with number of layers of companies

The group does not have number of layers of companies.

(iv) Compliance with approved scheme(s) of arrangements

The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(v) Borrowing from banks and financial institutions for specific purpose

All the borrowings from banks and financial institutions have been used for the specific purposes for which they have been obtained.

(vi) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vii) Details of crypto currency or virtual currency

The group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(viii) Title deeds of immovable properties not held in name of the company

The company does not own any immovable properties other than leasehold properties.

(ix) Revaluation of Property, Plant & Equipment

The group has not revalued any of its Property, Plant & Equipments during the year.

(x) Registration of charges or satisfaction with Registrar of Companies (ROC)

All the charges or satisfaction of which is required to be registered with Registrar of Companies(ROC) have been duly registered within the statutory time limit provided under the provisions of Companies Act 2013 and rules made thereunder.

50. The group has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Further, the group has not received any funds from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

51. The Ministry of Corporate Affairs (MCA) has issued a notification (Companies (Accounts) Amendment Rules, 2021) which is effective from April 01, 2023, states that every company which uses accounting software for maintaining its books of account shall use only the accounting software where there is a feature of recording audit trail of each and every transaction, and further creating an edit log of each change made to books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

During the year the group used SAP and Tally as a accounting software for maintaining books of account, which has a feature of recording audit trail edit logs facility.

The audit trail features was enabled and operative throughout the financial year for the transactions recorded in the software impacting books of account at application level.

Except in respect of two subsidiary companies, the feature of recording audit trail (edit log) facility was not enabled throughout the year.

52. The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received presidential assent in September 2020. The said code is made effective prospectively from May 3, 2023. The company is assessing the impact, if any, of the Code.

53. Balances of certain debtors/creditors, deposits received/paid and advances are subject to confirmation and reconciliation. In the opinion of the management balances are stated at realisable value and no adjustments will be required.

54. (i) Additional information as required under Schedule III to the Companies act 2013, for enterprises consolidated as subsidiaries.

The financial statements of the following subsidiaries have been consolidated as per indian accounting standards (Ind AS) 110 "Consolidated financial statements" :

Name of subsidiary	Country of incorporation	Proportion of ownership interest (current year)	Proportion of ownership interest (previous year)
MHE Rentals India Private Limited	India	100%	80.11%
JECL Engineering Limited	India	100%	100%
Josts Engineering Inc., USA	USA	100%	-



Jost's Engineering Company Limited
Notes forming part of the Consolidated financial statements

(ii) Additional Information as required under Schedule III to the Companies Act 2013, of entities consolidated as subsidiaries :
For the Year 2023-24

Sr. No	Name of entity	Relationship	Net assets [total assets minus total liability]		Share in profit/(loss) for the year		Share in other comprehensive income/(loss) for the year		Share in total comprehensive income/(loss) for the year	
			% of consolidated net assets	Amount	% of consolidated profit	Amount	% of consolidated other comprehensive income	Amount	% of consolidated total comprehensive income	Amount
1	Jost's Engineering Company Limited	Parent Company	67%	3,873	87%	863	159%	(18)	86%	845
2	MHE Rentals India Private Limited	Subsidiary	17%	968	13%	126	-59%	7	14%	132
3	JECL Engineering Limited	Wholly owned subsidiary	16%	928	-2%	(16)	-	-	-2%	(16)
4	Josts Engineering INC, USA	Wholly owned subsidiary	1%	30	2%	17	-	-	2%	17
	Sub Total		100%	5,799	100%	990	100%	-11	100%	979
	Non-controlling interest			-		-		-		-
	Grand Total			5,799		990		-11		979

For the Year 2022-23

₹ in Lakh

Sr. No	Name of entity	Relationship	Net assets [total assets minus total liability]		Share in profit for the year		Share in other comprehensive income/(loss) for the year		Share in total comprehensive income for the year	
			% of consolidated net assets	Amount	% of consolidated profit	Amount	% of consolidated other comprehensive income	Amount	% of consolidated total comprehensive income	Amount
1	Jost's Engineering Company Limited	Parent Company	73%	2,780	83%	587	-15%	-1	82%	586
2	MHE Rentals India Private Limited	Subsidiary	27%	1,051	17%	122	115%	7	18%	129
3	JECL Engineering Limited#	Wholly owned subsidiary	0%	1	0%	-1	0	-	0%	-1
	Sub Total		100%	3,832	100%	708	100%	6	100%	714
	Non-controlling interest#			135		23		4		27
	Grand Total			3,967		731		10		741

figures are below rounding off norms adopted by the company

55. Previous year figures have been re-audited/reclassified wherever necessary to conform to current year figures.

56. The Financial Statements were approved by the Audit Committee and Board of Directors on May 15, 2024.

For and on behalf of the Board of Directors



Jai Prakash Agarwal
Chairman
DIN - 00242232

Vishal Jain
Managing Director & CEO
DIN - 00709250

Rohit Jain
Chief Financial Officer

Babita Kumari
Company Membership No. A40774

Place: Thane
Date: May 15, 2024



INDEPENDENT AUDITORS' 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 subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "consolidated 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 report of other auditor on separate financial statements of the one subsidiary referred to below in the Other Matter section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing, as specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the consolidated 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 (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 consolidated 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 financial statements. The results of audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

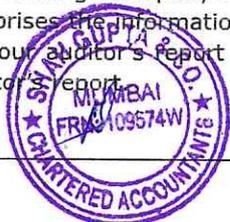
Sr. No.	Key Audit Matter	Auditor's Response
1.	Revenue Recognition: Refer note 3.6 of the consolidated financial statements) The Group Company deals in manufactured goods,	Principal Audit Procedures: ▪ Read the Group revenue recognition accounting policies and assessed compliance



Sr. No.	Key Audit Matter	Auditor's Response
	<p>traded goods, provide AMC services & representing principal on a commission basis and material handling rental business. It sells a number of equipment's and services to its customers, mainly in domestic market through its own sales & 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 Group 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 financial statements provide additional information on how the Group accounts for its revenue.</p>	<p>of the policies with Ind AS 115.</p> <ul style="list-style-type: none"> ▪ Assessed the design and tested the operating effectiveness of internal controls relating to revenue recognition. ▪ Assessed the appropriateness of Group's identification of performance obligations in its contracts with customers, its determination of transaction price, including allocation thereof to performance obligations and accounting policies for revenue recognition in accordance with the accounting principles laid down in Ind AS 115. ▪ Scrutinized sales ledgers to verify completeness of sales transactions. ▪ Tested the revenue recognized, on a sample basis, including testing of cut off assertion as at the year end. Our testing included tracing the information to agreements, price lists, invoices, proof of dispatches/deliveries. ▪ Assessed the revenue recognized with substantive analytical procedures including review of price and quantity. ▪ Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
2.	<p>Trade Receivable: (Refer note 11 of the consolidated financial statements)</p> <p>Trade receivable balances are significant to the Group as they amounted to ₹ 4,859 Lakh (gross) representing 72.68 % of the total current assets and 28.19 % of the total revenue of the Group for the year ended 31st March 2023. During the current financial year, the group Company has recognized bad debts ₹ 85 Lakh. 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 expected credit loss, bad debts is required.</p>	<p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> ▪ Obtained an understanding of the group's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers. ▪ On a sample basis, requesting trade receivable confirmations and evidence of receipts from the customers subsequent to balance sheet date. ▪ Analysis of ageing profile of the trade receivables to identify credit risks, reviewing historical Payment patterns and correspondence with customers on expected settlement dates. ▪ Also evaluated the assumptions and estimates used by management to determine the recoverability, provision for doubtful and trade receivables. ▪ Evaluated the provisions made for expected credit loss as per ECL model as specified by Ind AS 109. ▪ Review of documents and other records for trade receivables considered as doubtful and bad.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.



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

Management Responsibilities for the Consolidated 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 financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company's, as aforesaid. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements:

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

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements/financial information of a subsidiary, whose financial statements reflect total assets of ₹ 1,905 Lakh as at March 31, 2023, total revenues of ₹ 1,352 Lakh and net cash outflows amounting to ₹ 25 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor. Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.



Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary, incorporated in India, as noted in the 'Other Matter' paragraph we give in the **"ANNEXURE A"** a statement on the matters specified in paragraph 3(xxii) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditor on separates financial statements of subsidiary incorporated in India, referred in the Other Matters paragraph above 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 financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated 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;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary companies incorporated in India, none of the directors of the Holding Company and its subsidiary companies incorporated in India is disqualified as on March 31, 2023 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 Group covered under the Act, and the operating effectiveness of such controls, refer to our separate report in **'ANNEXURE B'**.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion, and to the best of our information and according to the explanations given to us, and based on the reports of the statutory auditors of such subsidiary company incorporated in India which were not audited by us the remuneration paid / provided by the Holding Company and Subsidiary company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.
 - (h) With respect to the other matters to be included in the auditors' 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 37 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.; and
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund.
 - iv. A) The respective management of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and other auditors of such subsidiary respectively that, to the best of its knowledge and belief, as disclosed in the Note 51 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or



- any other sources or kind of funds) by the Holding Company or any of subsidiary to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- B) The respective management of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief, as disclosed in the Note 51 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- C) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditor of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representation under sub-clause (A) and (B) contain any material misstatement.
- v. The final dividend paid by the Holding Company during the year which was declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. As stated in note 52(i) to the consolidated Ind AS financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 01, 2023 to the Holding Company and its subsidiaries which are Companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **SHAH GUPTA & Co.**

Chartered Accountants

Firm Registration No.: 109574W



Vedula Prabhakar Sharma

Partner

Membership No.: 123088

UDIN: 23123088BGVVUO2743



Place: Mumbai

Date: May 18, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements except for the following:

Sr. No.	Name	CIN	Relationship	Clause number of the CARO report which is qualified or adverse
1	MHE Rental India Private Limited	U71290MH2016PTC311695	Subsidiary	vii (a)

For **SHAH GUPTA & Co.**
Chartered Accountants
Firm Registration No.: 109574W



Vedula Prabhakar Sharma
Partner
Membership No.: 123088
UDIN: 23123088BGVVUO2743



Place: Mumbai
Date: May 18, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE

(Referred to in paragraph (f) under '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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of **JOST'S ENGINEERING COMPANY LIMITED** ("the Company" or "the Holding Company") and its subsidiaries, which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

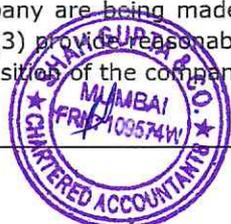
Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiaries, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the one subsidiary incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiaries which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting with reference to consolidated 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 over financial reporting with reference to consolidated 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.



Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to consolidated 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 over financial reporting with reference to consolidated 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

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiaries, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal control over financial reporting established by the respective companies 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 Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to one subsidiary, which is company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India. Our opinion is not modified in respect of this matter.

For **SHAH GUPTA & Co.**
Chartered Accountants
Firm Registration No.: 109574W



Vedula Prabhakar Sharma
Partner
Membership No.: 123088
UDIN: 23123088BGGVUO2743



Place: Mumbai
Date: May 18, 2023

Jost's Engineering Company Limited
Consolidated Balance Sheet as at March 31, 2023

₹ in Lakh

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	4A	1,937	2,137
(b) Capital work-in-progress	4B	22	22
(c) Right of use assets	4C	114	67
(d) Intangible assets	4D	17	13
(e) Financial assets			
(i) Non-current investments	5	1	1
(ii) Other non-current financial assets	6	265	121
(f) Deferred tax assets (net)	39	138	128
(g) Income tax assets (net)	7	10	19
(h) Other non-current assets	8	260	252
Total non-current assets		2,764	2,761
(2) Current assets			
(a) Inventories	9	1,260	1,077
(b) Financial assets			
(i) Current investments	10	16	114
(ii) Trade receivables	11	4,617	3,427
(iii) Cash and cash equivalents	12A	185	161
(iv) Bank balances other than cash and cash equivalents (iii) above	12B	14	217
(v) Loans	13	73	70
(vi) Other current financial assets	14	28	75
(c) Income tax assets	15	23	22
(d) Other current assets	16	470	269
Total current assets		6,686	5,432
Total assets		9,450	8,193
Equity and liabilities			
(1) Equity			
(a) Equity share capital	17	93	93
(b) Other equity	18	3,739	3,205
Total equity		3,832	3,298
Non-controlling interest		135	304
Total equity		3,967	3,602
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	116	456
(ii) Lease liabilities	20	92	54
(iii) Other non-current financial liabilities	21	19	37
(b) Non-current provisions		165	197
Total non-current liabilities		392	744
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	436	672
(ii) Lease liabilities	23	28	18
(iii) Trade payables		369	162
Total outstanding dues of micro enterprises and small enterprises		2,911	2,026
Total outstanding dues of creditors other than micro enterprises and small enterprises	24	262	229
(iv) Other current financial liabilities	25	845	578
(b) Other current liabilities	26	172	135
(c) Current provisions	27	68	27
(d) Income tax liabilities (net)		5,091	3,847
Total current liabilities		5,483	4,591
Total liabilities		9,450	8,193
Total equity and liabilities			

(1 - 3)

Corporate information and Significant accounting policies, key accounting estimates and judgements
See accompanying notes to the consolidated financial statements
As per our report of even date attached

For Shah Gupta & Co.
Chartered Accountants
Firm Registration Number : 109574W

Vedra Prabhakar Sharma
Partner
Membership No. 123088

Place: Mumbai
Date: May 18, 2023



For and on behalf of the Board of Directors

Jai Prakash Agarwal
Chairman
DIN - 00242232

Rohit Jain
Chief Financial Officer

Place: Thane
Date: May 18, 2023

Vishal Jain
Vice Chairman &
Managing Director
DIN - 00709250

Babita Kumari
Company Secretary
Membership No. A40774

Jost's Engineering Company Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Lakh, except EPS)

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
1	Revenue from operations	28	17,239	12,435
2	Other income	29	60	25
3	Total income [1+2]		17,299	12,460
4	Expenses			
	(a) Cost of materials consumed	30	6,343	4,458
	(b) Purchases of stock-in-trade	31	4,468	2,546
	(c) Changes in inventories of finished and work-in-progress and stock-in-trade	32	(82)	(75)
	(d) Employee benefits expense	33	2,646	2,578
	(e) Finance costs	34	159	152
	(f) Depreciation and amortization expense	35	325	283
	(g) Other expenses	36	2,431	1,858
	Total expenses		16,290	11,800
5	Profit before tax [3-4]		1,009	660
6	Tax expenses			
	(i) Current tax	39	202	202
	(ii) Deferred tax	39	(10)	1
	(iii) Short provision for tax relating to previous years	39	6	1
	Total tax expenses		278	204
7	Profit for the year [5-6]		731	456
8	Other comprehensive income			
	A) Items that will not be reclassified to profit or loss (net of tax)			
	(i) Remeasurement of employee benefits obligations		10	4
	Total other comprehensive income		10	4
	Total comprehensive income for the year		741	460
	Net profit attributable to:			
	(i) Owner of the company		708	450
	(ii) Non-controlling interests		23	6
	Profit of the year		731	456
	Other comprehensive income attributable to:			
	(i) Owner of the company		6	4
	(ii) Non-controlling interests#		4	(0)
	Other comprehensive income for the year		10	4
	Total comprehensive income attributable to:			
	(i) Owner of the company		714	454
	(ii) Non-controlling interests		27	6
	Total comprehensive income for the year		741	460
9	Earnings per equity share (of ₹ 5/- each)			
	(1) Basic (in ₹)		39	24
	(2) Diluted (in ₹)		39	24

figures are below rounding off norms adopted by the company

Corporate information and Significant accounting policies, key accounting estimates and judgements (1-3)

See accompanying notes to the consolidated financial statements

As per our report of even date attached

For Shah Gupta & Co.
Chartered Accountants
Firm Registration Number : 109574W

Vedula Prabhakar Sharma
Partner
Membership No. 123088

Place: Mumbai
Date: May 18, 2023



For and on behalf of the Board of Directors

Jai Prakash Agarwal
Chairman
DIN - 00242232

Rohit Jain
Chief Financial officer

Place: Thane
Date: May 18, 2023

Vishal Jain
Vice Chairman &
Managing Director
DIN - 00709250

Babita Kumari
Company Secretary
Membership No.
A40774

Jost's Engineering Company Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2023

A. Equity share capital

₹ in Lakh

(1) For the year ended March 31, 2023

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2023
93	-	-	-	93

(2) For the year ended March 31, 2022

₹ in Lakh

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2022
93	-	-	-	93

B. Other equity

₹ in Lakh

Particulars	Reserves and surplus			Other comprehensive income	Total
	Securities premium	Retained earnings	General reserve	Re-measurements gain/(loss) on the defined employee benefit plans	
Balance as at March 31, 2021	1,064	1,511	230	(19)	2,786
Profit for the year	-	450	-	-	450
Payment of dividend	-	(28)	-	-	(28)
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	4	4
Others	-	(7)	-	-	(7)
Balance as at March 31, 2022	1,064	1,926	230	(15)	3,205
Profit for the year	-	708	-	-	708
Payment of dividend	-	(56)	-	-	(56)
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	6	6
Others	(145)	21	-	-	(124)
Balance as at March 31, 2023	919	2,598	230	(9)	3,739

As per our report of even date attached

For Shah Gupta & Co.
Chartered Accountants

Firm Registration Number : 109574W

Vedula Prabhakar Sharma
Partner
Membership No. 123088

Place: Mumbai
Date: May 18, 2023



For and on behalf of the Board of Directors

Jai Prakash Agarwal
Chairman
DIN - 00242232

Rohit Jain
Chief Financial Officer

Place: Thane
Date: May 18, 2023

Vishal Jain
Vice Chairman & Managing Director
DIN - 00709250

Babita Kumari
Company Secretary
Membership No. A40774

Jost's Engineering Company Limited
Consolidated Cash Flow Statement for the year ended March 31, 2023

₹ in Lakh

Particulars	Year ended	
	March 31, 2023	March 31, 2022
A Cash flow from operating activities		660
Profit before taxes		
Adjustments for:	325	283
Depreciation and amortisation expense	17	10
Loss on sale of asset	(1)	-
Finance income on amortisation of deposits	(1)	(1)
Dividend income	(6)	(22)
Interest income	132	116
Finance costs	64	(16)
Provision for expected credit loss	85	92
Bad debts written off	(18)	2
Unrealised foreign exchange gain	107	104
Provision for warranty claims	0	28
Provision for inventory #	26	17
Inventory written off	38	17
Sales tax written off		
	766	630
Operating profit before working capital changes	1,775	1,290
Adjustments for (increase) / decrease in:		
Trade receivables	(1,341)	(499)
Inventories	(209)	41
Other non-current financial assets	(60)	(3)
Other current financial assets	(13)	(38)
Other current asset	(132)	(129)
Other non-current assets	(9)	(46)
Current loans	(3)	1
	1,443	(2)
Adjustments for increase/ (decrease) in:		
Trade payables	32	3
Other current financial liabilities	(61)	299
Other current liabilities	(16)	50
Other non-current liabilities	(32)	10
Change in non-current provisions	(79)	(69)
Change in current provisions		
	(473)	(382)
Cash generated from operations	1,302	908
Net income tax paid (net of refunds)	(238)	(244)
Net cash generated from operating activities (A)	1,064	664
B Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(102)	(323)
Right of use of asset	(75)	-
Proceeds from sale of property, plant and equipment	15	18
Bank balances other than classified as cash and cash equivalents	203	(15)
Proceeds/investment in fixed deposits (net)	(128)	-
Proceed/purchase of mutual funds investments (net)	98	(101)
Investment in equity shares of subsidiary	(345)	-
Interest received	8	22
Dividend received	1	1
	(325)	(398)
Net cash used in investing activities (B)		
C Cash flow from financing activities		
Net proceeds/(repayment) of working capital loans	(28)	-
Proceeds from/(repayment) of short term borrowings	(35)	411
Proceeds from/(repayment) of long term borrowings	(512)	(554)
Dividend paid	(56)	(28)
Repayment of lease liabilities	48	(20)
Finance cost	(122)	(116)
	(715)	(307)
Net cash used in financing activities (C)		
Net increase/(decrease) in cash and cash equivalents (A+B+C)	24	(41)
Cash and cash equivalents at the beginning of the year	161	202
Cash and cash equivalents at the end of the year (refer note 12A)	185	161

figures are below rounding off norms adopted by the company



(Handwritten signature)

Cash and cash equivalents include in the statement of cash flows comprising the following :

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks	94	156
In current accounts	90	-
In EEFC account	1	3
Cash on hand		
Total	185	161

Reconciliations part of cash flows

Particulars	April 01, 2022	Cash flows (net)	New leases	March 31, 2023
Cash credit/bank overdraft	194	(26)	-	156
Loan for machineries	774	(629)	-	145
Lease liabilities (including current maturities)	72	(32)	80	120
Total	1,040	(689)	80	431

Particulars	April 01, 2021	Cash flows (net)	New leases	March 31, 2022
Cash credit/bank overdraft	240	(46)	-	194
Vehicle loan	4	(4)	-	-
Loan for machineries	920	(146)	-	774
Lease liabilities (including current maturities)	11	(20)	81	72
Total	1,175	(216)	81	1,040

Note to Cash Flow Statement:

- The cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".
- Previous years' figures have been regrouped wherever necessary.

As per our report of even date attached

For Shah Gupta & Co.
Chartered Accountants

Firm Registration Number : 109574W


Vedula Prabhakar Sharma
Partner
Membership No. 123005



Place: Mumbai
Date: May 18, 2023

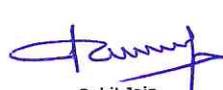
For and on behalf of the Board of Directors


Jai Prakash Agarwal
Chairman

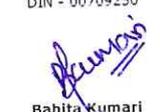
DIN - 00242232


Vishal Jain
Vice Chairman &
Managing Director

DIN - 00709250


Rohit Jain
Chief Financial Officer

Place: Thane
Date: May 18, 2023


Babita Kumari
Company Secretary

Membership No. A40774

Notes forming part of the Consolidated Financial Statements

1. Corporate information

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

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 an 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 of 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 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 subsidiary. 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 subsidiary 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 subsidiary 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 subsidiary 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 the 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.



Notes forming part of the Consolidated Financial Statements

A liability is current when:

- i. It is expected to be settled in the 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 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 & 4D
- b. Probable outcome of matters included under contingent liabilities - refer note 35
- c. Estimation of defined benefit obligation - refer note 44
- d. Estimation of tax expense and tax payable - refer note 37
- e. Measurement of lease liabilities and right of use asset (ROUA) - refer note 41
- f. Recoverability of trade receivables - refer note 11
- g. Lease - refer note 18
- h. Impairment of financial assets

2.6.1 Impairment of property, plant and equipment :

Determining whether property, plant, and equipment are 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 the 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 :

Property, plant, and equipment represent a significant proportion of the asset base of the group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the company's assets are determined by the management at the time the asset is acquired and reviewed at each financial year-end. Their lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

2.6.3 Discount rate - defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates, and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.6.4 Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on the evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in an outflow of resources embodying economic benefits, which involves judgments 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.

2.6.5 Recoverability of trade receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

2.6.6 Lease

The application of the AS 116 requires group to make judgements and estimates that affect the measurement of right-of-use assets and liabilities. In determining the lease term, we consider all facts and circumstances that create an economic incentive to exercise renewal options (or not exercise termination options). Assessing whether a contract



Notes forming part of the Consolidated Financial Statements

includes a lease also requires judgement. Estimates are required to determine the appropriate discount rate used to measure lease liabilities. The group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of use asset in a similar economic environment. The IBR therefore reflects what the group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

2.6.7 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 probable 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.

2.6.8 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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.

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	5 - 60 Years
2	Computers & Data Processing Units	3 - 6 Years
3	General Furniture & Fittings	10 Years
4	Office Equipment	5 Years
5	Plant & Machinery	15 Years
6	Vehicles	8 - 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 :



Notes forming part of the Consolidated Financial Statements

Sr. no.	Particulars	Useful life
1	Plant & Machinery	10 - 15 Years
2	Spares	5 Years
3	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. 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 :

The group recognizes amortization on a Written Down Value (WDV) basis over the estimated useful lives, which reflects the pattern in which the asset's economic benefits 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	2 - 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

Sr. no.	Particulars	Useful life
1	Intangible Asset	3 Years

3.3 Leases :

The group's 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 group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group 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.



Notes forming part of the Consolidated Financial Statements

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 realizable value. Costs incurred in bringing each product to its present location and condition in accounted for as follows:

Raw materials, stores & spares 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 labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

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

Due allowances are made for slow moving and obsolete inventories based on estimates made by the group.

3.6 Revenue recognition :

The group derives revenue from sale of material handling and engineered products. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation.

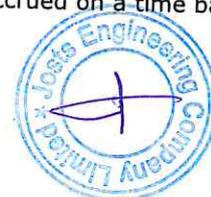
a) Sale of goods :

Sales are recorded net of trade discounts, quantity discounts, rebates, indirect taxes. Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer 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) Dividend and Interest income :

Dividend income from investments is recognised when the group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the group 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.



Notes forming part of the Consolidated Financial Statements

c) Rendering of services

Revenue from rendering of services is recognised over time considering the time elapsed. The transaction price of these services is recognised as a contract liability upon receipt of advance from the customer, if any, and is released on a straight line basis over the period of service.

d) Contract assets, contract liabilities and trade receivables

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues (which we refer to as unearned revenues) and advance from customers are classified as contract liabilities. A receivable is recognised by the group when the control over the goods is transferred to the customer such as when goods are delivered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The average credit period on sale of goods is 0 to 90 days.

e) Commission income

Commission income on sales of equipment and spares is charged for rendering of services and for the use of the group's sales and distribution network. Such revenue is recognised in the accounting period in which the services are rendered in accordance with the agreement with the parties.

3.7 Foreign currencies :

The consolidated 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'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 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. 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.



Notes forming part of the Consolidated Financial Statements

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 Taxes on Income :

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.

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.



Notes forming part of the Consolidated Financial Statements

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

Initial recognition and measurement

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit and loss (FVTPL), transaction costs that are attributable to the acquisition of the financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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

The group measures its financial assets at fair value at each balance sheet date. In this context, quoted investments are fair valued adopting the techniques defined in level 1 of fair value hierarchy of Ind-AS 113 "Fair Value Measurement" and unquoted investments, where the observable input is not readily available, are fair valued adopting the techniques defined in level 3 of fair value hierarchy of Ind AS 113 and securing the valuation report from the certified valuer. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Classification

The group classifies a financial asset in accordance with the below criteria:

- i. The group's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the company classifies its financial assets into the following categories:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)



Notes forming part of the Consolidated Financial Statements

A financial asset is measured at the amortized cost if both the following conditions are met :

- a. The group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a. The group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

However, the group recognizes dividend income from such instruments in the statement of profit and loss and fair value changes are recognized in other comprehensive income (OCI).

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the company. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the statement of profit and loss.

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 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 transaction that are within the scope of Ind AS 115, the group always measures the loss allowance at an amount equal to life time 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.

De-recognition

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 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.

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.

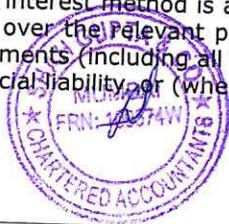
Equity instruments

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.



Notes forming part of the Consolidated Financial Statements

Foreign exchange gains and losses

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.

Offsetting of financial instruments

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

Reclassification of financial assets / liabilities

After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations.

Impairment of non-financial assets

The group assesses at each balance sheet date whether there is any indication that an asset may be impaired, if such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. Impairment losses are reversed in the statement of profit and loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

Fair value measurement

The group measures financial instruments at fair value in accordance with accounting policies at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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



Notes forming part of the Consolidated Financial Statements

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'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 cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable"

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. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.17 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.

3.18 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

3.19 Rounding of amounts :

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

3.20 Events after reporting date :

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3.21 Cash flow statement :

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated.



4A. Property, plant and equipment

₹ in Lakh

Particulars	Leasehold buildings	Plant & machinery	Furniture and fixtures	Vehicles	Computer & peripheral	Office equipment	Tangibles total
Gross carrying amount							
Balance as at April 1, 2021	19	2,700	72	26	87	14	2,918
Additions	-	267	6	14	33	4	324
Disposals	-	35	-	7	-	-	42
Balance as at March 31, 2022	19	2,932	78	33	120	18	3,200
Additions	-	98	-	-	28	1	127
Disposals	-	51	-	-	1	-	52
Balance as at March 31 2023	19	2,979	78	33	147	19	3,275
Accumulated depreciation							
Balance as at April 1, 2021	8	659	48	15	76	12	818
Additions	1	235	7	4	12	2	261
Disposals	-	9	-	7	-	-	16
Balance as at March 31, 2022	9	885	55	12	88	14	1,063
Additions	1	255	6	6	24	2	294
Disposals#	-	19	-	-	0	-	19
Balance as at March 31 2023	10	1,121	61	18	112	16	1,338
Net carrying amount							
Balance as at March 31, 2022	10	2,047	23	21	32	4	2,137
Balance as at March 31 2023	9	1,858	17	15	35	3	1,937

figures are below rounding off norms adopted by the company

Notes :

1. The Group does not own any immovable property other than property where the Company is the lessee and the lease agreements are duly executed in favour of the lessee.
2. Cash credit and bank overdraft are secured by immovable properties at C-7, Wagle Industrial Estate, Thane and plant and machineries of the company.



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

4B. Capital work-in-progress ₹ in Lakh

Balance as at March 31, 2022	22
Additions	-
Capitalised during the year	-
Balance as at March 31, 2023	22

Capital work-in-progress ageing schedule (as on March 31, 2023)

₹ in Lakh

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in process	-	-	-	-	-
Projects temporarily suspended#	-	-	0	21	22
Total	-	-	0	21	22

figures are below rounding off norms adopted by the company

Capital work-in-progress ageing schedule (as on March 31, 2022)

₹ in Lakh

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in process#	-	0	-	21	22
Projects temporarily suspended	-	-	-	-	-
Total	-	0	-	21	22

figures are below rounding off norms adopted by the company

Notes:

1. Capital work in progress as at 31st March 2023 primarily represents other expenses incurred in relation to purchase of land at Murbad, Thane.
2. There are no capital work-in-progress, where the actual cost of an asset/project has already exceeded the estimated cost as per original plan or actual timelines for completion of an asset/project have exceeded the estimated timelines as per original plan. Accordingly, no additional disclosure is required



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

4C. Right of use assets

₹ in Lakh

Particulars	Lease of office premises	Total
Balance as at April 1, 2021	45	45
Additions	75	75
Disposals	-	-
Balance as at March 31, 2022	120	120
Additions	75	75
Disposals	-	-
Balance as at March 31, 2023	195	195
Accumulated depreciation		
Balance as at April 1, 2021	35	35
Additions (refer note 41)	17	17
Disposals	-	-
Balance as at March 31, 2022	52	52
Additions (refer note 41)	28	28
Disposals	-	-
Balance as at March 31, 2023	80	80
Net carrying amount		
Balance as at March 31, 2022	67	67
Balance as at March 31, 2023	114	114



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

4D. Intangible assets

Particulars	₹ in Lakh	
	Computer software & licences	Total
Gross carrying amount		
Balance as at April 1, 2021		
Additions	56	56
Disposals	1	1
Balance as at March 31, 2022	7	7
Additions	50	50
Disposals	8	8
Balance as at March 31, 2023	-	-
Accumulated depreciation	58	58
Balance as at April 1, 2021		
Additions	37	37
Disposals	5	5
Balance as at March 31, 2022	5	5
Additions	37	37
Disposals	4	4
Balance as at March 31, 2023	-	-
Net carrying amount	41	41
Balance as at March 31, 2022	13	13
Balance as at March 31, 2023	17	17

Note: There are no intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan. Accordingly, no additional disclosure is required.



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

5. Non-current investments

Particulars	Face Value	As at March 31,2023		As at March 31,2022	
	Per share	No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
A Investments in equity instruments (unquoted fully paid up):					
(i) Others - at cost					
Zoroastrian Co-Operative Bank Limited	₹ 25	4,100	1	4,100	1
Total			1		1
Aggregate amount of unquoted investments			1		1



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

6. Other non-current financial assets

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good, unless otherwise stated)		
Security deposits	22	25
Bank deposits with more than 12 months maturity#	179	51
Prepaid lease hold land##	0	0
Interest accrued but not due on fixed deposits	1	-
Tender deposit	63	45
Total	265	121

Represents bank deposits under lien in respect of bank guarantees provided to customers and letter of credit issued to vendors of ₹ 845 Lakh (Previous year : ₹ Nil)

figures are below rounding off norms adopted by the company

7. Income tax assets (net)

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Advance income tax (net of provisions ₹ 202 Lakh (as at March 31, 22 ₹ 118 Lakh)	10	19
Total	10	19

8. Other non-current assets

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Capital advances	252	252
Prepaid expenses	8	-
Total	260	252

9. Inventories (At lower of cost and net realisable value)

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Raw materials	487	384
Work-in-progress	44	58
Finished goods	390	352
Stock-in-trade	355	297
Stores and spares	12	14
Less: Provision for inventory	1,288	1,105
Total	(28)	(28)
	1,260	1,077

Note: Inventories have been pledged as security against bank guarantee, letter of credit, cash credit facility, details relating to which has been described in note 22.



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

10. Current investments

₹ in Lakh

Particulars	As at March 31, 2023		As at March 31, 2023	As at March 31, 2022
	Unit value	Number of units		
Investments in mutual fund - FVTPL (quoted)				
Nippon India Low Duration Fund - Direct Plan Daily Idcw Plan	1,007.22	1,009.06	10	10
Nippon India Low Duration Fund - Daily Idcw Plan	452.16	1,008.97	5	4
Edelweiss Liquid Fund Direct Plan Growth	2,859.37	34.97	1	100
Total			16	114
Aggregate market value of quoted investments			16	114
Aggregate amount of quoted investments			9	108



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

11. Trade receivables

Particulars	₹ In Lakh	
	As at March 31, 2023	As at March 31, 2022
Secured, considered good	5	9
Unsecured, considered good	4,612	3,418
Credit impaired	242	165
	4,859	3,592
Less: Allowance for doubtful trade receivables	(242)	(165)
Total	4,617	3,427

11.1 Certain receivables are secured against security deposits taken from customers.

11.2 For lien/ charge details against trade receivables, refer note 22

11.3 Trade receivables are dues in respect of services rendered in the normal course of business.

11.4 The normal credit period allowed by the company ranges from 0 to 90 days

11.5 Receivable from related parties (refer note 43)

Particulars	₹ In Lakh	
	As at March 31, 2023	As at March 31, 2022
Stovec industries limited#	0	0
Chambal fertiliser and chemicals limited	-	1

figures are below rounding off norms adopted by the company

11.6 Movement in expected credit loss allowance

Particulars	₹ In Lakh	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	165	181
Impairment loss allowance on trade receivable	77	(16)
Balance at the end of the year	242	165

Trade receivables ageing schedule (as at March 31, 2023)

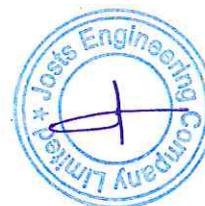
Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	1,805	2,087	490	173	35	27	4,617
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired#	0	3	12	85	35	27	162
(iv) Disputed trade receivables– considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	9	11	-	20
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	60
Total	1,805	2,090	502	267	81	114	4,859
Allowance for doubtful trade receivables							(242)
Total trade receivables	1,805	2,090	502	267	81	114	4,617

figures are below rounding off norms adopted by the company

Trade receivables ageing schedule (as at March 31, 2022)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	1,563	1,535	207	81	12	29	3,427
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired#	0	3	4	41	14	28	90
(iv) Disputed trade receivables– considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	1	14	60	75
Total	1,563	1,538	211	123	40	117	3,592
Allowance for doubtful trade receivables							(165)
Total trade receivables	1,563	1,538	211	123	40	117	3,427

figures are below rounding off norms adopted by the company



12A. Cash and cash equivalents

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- in current accounts	94	158
- in EEFC account	90	-
Cash on hand	1	3
Total	185	161

12B. Bank balances other than cash and cash equivalents

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Bank deposits with maturity more than 3 months but less than 12 months at inception		
- in margin money#	11	214
In earmarked accounts		
- unpaid dividend accounts##	3	3
Total	14	217

Represents bank deposits under lien in respect of bank guarantees provided to customers and letter of credit issued to vendors of ₹ Nil (Previous year : ₹ 747 Lakh)

##The above mentioned cash and bank balances are restricted cash and bank balances which are to be used for specified purposes. All other cash and bank balances are available for the operating activities.



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

13. Loans (Unsecured)

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless otherwise stated		
Loans to employees	73	70
Total	73	70



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

14. Other current financial assets

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good (unless stated otherwise)		
Tender deposits		59
Accrued commission on corporate guarantee	27	-
Duty recoverable	1	4
Interest accrued but not due on fixed deposits#	-	12
Total	28	75

figures are below rounding off norms adopted by the company

15. Income tax assets

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Advance tax and tax deducted at source less provision		22
Total	23	22

16. Other current assets

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good (unless stated otherwise)		
Balance with government authorities		
- VAT deposit#		24
- Deposit with GST (under protest) (refer note 37)	8	-
Prepaid expense	3	43
Other advances	81	1
Advance to employees	2	1
Income accrued but not due	21	-
Advance to suppliers	7	200
Total	348	269

The company has paid on account of demand raised, to be adjusted against the refund



17. Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	₹ in Lakh	Number of shares	₹ in Lakh
Share capital				
(a) Authorized				
Equity shares of ₹ 5/- each	20,00,000	100	20,00,000	100
(b) Issued and subscribed				
Equity shares of ₹ 5/- each	18,65,746	93	18,65,746	93
Total	18,65,746	93	18,65,746	93

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	₹ in Lakh	Number of shares held	₹ in Lakh
Opening balance at the beginning of the year	18,65,746	93	9,32,873	93
Add: Shares issued during the year	-	-	-	-
Add: Stock split during the year (refer note (b) below)	-	-	9,32,873	-
Less : equity shares cancelled during the year	-	-	-	-
Closing balance at the end of the year	18,65,746	93	18,65,746	93

b. Pursuant to the approval of the shareholders accorded on March 24, 2021 at the Extra Ordinary General meeting through Video Conferencing/Other Audio-Visual Means conducted by the Company, each equity share of face value of ₹ 10/- per share was split into two equity shares of face value of ₹ 5/- per share, with effect from May 21, 2021.

c. Rights, preferences and restrictions attached to equity shares:

The company has only one class of issued shares i.e Equity Shares having par value of ₹ 5/ 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.

d. Details of shares held by each shareholder holding more than 5% Shares:

Name of shareholders	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
Mr. Jai Prakash Agarwal	2,65,982	14%	2,65,982	14%
Mrs. Krishna Agarwal	1,12,130	6%	97,600	5%
Mrs. Shikha Jain	2,25,642	12%	2,25,642	12%
Mr. Vishal Jain	2,36,430	13%	2,36,430	13%
Mr. Sharad K. Shah	1,65,069	9%	1,58,120	8%

e. Details of Promoters shareholding :

Promoter name	As at March 31, 2023		As at March 31, 2022		% Change during the year
	Number of shares	% of holding	Number of shares	% of holding	
Mr. Jai Prakash Agarwal	2,65,982	14%	2,65,982	14%	-
Mrs. Anita Agarwal	41,480	2%	41,480	2%	-
Jai Prakash Agarwal and Sons (HUF)	-	0%	14,530	1%	(100%)
Mrs. Krishna Agarwal	1,12,130	6%	97,600	5%	15%
Mr. Rajendra Kumar Agarwal	41,480	2%	41,480	2%	-
Mrs. Shikha Jain	2,25,642	12%	2,25,642	12%	-
Mr. Vishal Jain	2,36,430	13%	2,36,430	13%	-

(f) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestments.

(g) There are no bonus shares issued or bought back during the period of five years immediately preceding the reporting date.

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

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

(j) Shares Allotted as Fully Paid-Up Pursuant to Contracts Without Payment Being Received In Cash During the Year of five Years Immediately Preceding the Date of The Balance Sheet is Nil



Jost's Engineering Company Limited

Notes forming part of the consolidated financial statements

18. Other equity

Particulars	Reserves and surplus			Other comprehensive income	Total
	Securities premium	Retained earnings	General reserve	Re-measurements gain/(loss) on the defined employee benefit plans	
Balance as at March 31, 2021	1,064	1,511	230	(19)	2,786
Profit for the year	-	450	-	-	450
Payment of dividend	-	(28)	-	-	(28)
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	4	4
Others	-	(7)	-	-	(7)
Balance as at March 31, 2022	1,064	1,926	230	(15)	3,205
Profit for the year	-	708	-	-	708
Payment of dividend	-	(56)	-	-	(56)
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	6	6
Others	(145)	21	-	-	(124)
Balance as at March 31, 2023	919	2,598	230	(9)	3,739

Notes:

(i) General reserve

Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserves for that year.

Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit and loss to the General reserves. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

(ii) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company.

(iii) Securities Premium

The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

19. Non-Current Borrowings

₹ in Lakh

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Secured : Loan from banks & Financial Institutions	116	456
Total	116	456

Note: Loan from banks and financial institutions are secured by hypothecatio of specific underlying fixed assets. These loans carry a rate of interest @ 8.5% to 12% repayable in monthly installments which varies from 48 to 60 months



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

20. Other non-current financial liabilities

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Dealer deposits	19	37
Total	19	37

21. Non-current provisions

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Provision for superannuation	16	16
Provision for gratuity (refer note 44)	114	140
Provision for compensated absences (refer note 44)	35	41
Total	165	197



Jost's Engineering Company Limited
Notes forming part of the standalone financial statements

22. Borrowings (at amortised cost)

Particulars	₹ In Lakh	
	As at March 31, 2023	As at March 31, 2022
Working capital loans from banks (secured)		
Cash credit/overdraft (refer note a below)	166	194
Current maturity of term loans (Refer Note 19)		
Machineries	145	318
Unsecured		
Loan from Director	125	160
Total	436	672

Borrowing have been drawn at following rate of interest

Particulars	Rate of Interest
Cash Credit/Overdraft	9.00% p.a. to 10.25% p.a.
Unsecured Loan	11% p.a.

Note:

a. Working capital loans from banks of ₹ 166 Lakh (31 March, 2022 ₹ 194 Lakh) are secured by:

i. pari passu first charge by way of hypothecation of stocks of raw materials, finished goods, work-in-process, consumables (stores and spares) and book debts of the Company, both present and future.

ii) pari passu second charge on immovable properties at C-7, Wagle Industrial Estate, Thane and plant and machineries of the company.

b. Term loan from banks are secured by specific underlying fixed assets. These loans carry a rate of interest @ 8.5% to 12% repayable in monthly installments which varies from 48 to 60 months

c. The Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of stocks of raw materials, finished goods, work-in-process, stores and spares and book debts, immovable properties and plant and machinery of the Company. There are no material discrepancies in the amount of current assets between financial information and books of accounts, having regard to the items of reconciliation state below :

Inventories

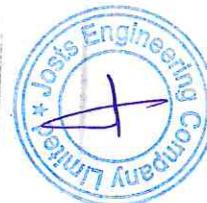
Particulars	₹ In Lakh			
	June'22	Sept'22	Dec'22	March'23
Amount as per FFR submitted to Banks	1,686	1,493	1,684	1,324
Amount as per books of accounts	1,530	1,480	1,715	1,288
Difference	(156)	(13)	31	(36)
Reasons	Company has submitted data to banks as per agreed timelines. However, accounts got finalised after due reconciliation and review by auditors. Moreover, the utilization of the working capital limits was much lower than the drawing power / sanctioned limits throughout the year.			

Trade Receivables

Particulars	₹ In Lakh			
	June'22	Sept'22	Dec'22	March'23
Amount as per FFR submitted to Banks	4,385	4,833	4,676	4,726
Amount as per books of accounts	4,382	4,694	4,674	4,682
Difference	(4)	(139)	(2)	(44)
Reasons	Company has submitted data to banks as per agreed timelines. However accounts got finalised after due reconciliation and review by auditors			

Trade Payables

Particulars	₹ In Lakh			
	June'22	Sept'22	Dec'22	March'23
Amount as per FFR submitted to Banks	2,514	2,497	2,566	3,061
Amount as per books of accounts	2,503	2,495	2,565	2,723
Difference	(11)	(2)	(1)	(338)
Reasons	Company has submitted data to banks as per agreed timelines. However accounts got finalised after due reconciliation and review by auditors			



23. Trade payables

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (refer note 48)	369	162
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,911	2,026
Provision for expense	-	-
Total	3,280	2,188

Trade payables ageing schedule (as at March 31, 2023)

Particulars	Outstanding for following periods from due date of payment					Accrued expense	Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	369	-	-	-	-	-	369
(ii) Others	845	1,709	37	-	-	-	2,911
(iii) Disputed dues - MSME	-	-	-	32	40	248	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	1,214	1,709	37	32	40	248	3,280

Trade payables ageing schedule (as at March 31, 2022)

Particulars	Outstanding for following periods from due date of payment					Accrued expense	Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	162	-	-	-	-	-	162
(ii) Others	749	975	56	40	22	184	2,026
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	911	975	56	40	22	184	2,188

Payables other than acceptances are normally settled within 180 days.



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

24. Other current financial liabilities

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Unclaimed dividends	3	206
Employee benefits payable	173	-
Creditors for other liabilities	1	18
Payable for capital goods	85	
Total	262	229

25. Other current liabilities

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Statutory remittances	143	140
Revenue received in advance	152	82
Other current liability#	32	0
Contract liabilities	518	356
Total	845	578

Figures are below rounding off norms adopted by the company

26. Current provisions

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Provision for gratuity (refer note 44)	68	61
Provision for compensated absences (refer note 44)	21	20
Other Provisions		
Provision for warranty claims	83	54
Total	172	135

27. Income tax liabilities (net)

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Provision for tax (net of advance tax ₹ 214 lakh (as at March 31, 2022 ₹ 175 lakh))	68	27
Total	68	27



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

28. Revenue from operations

Particulars	₹ in Lakh	
	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products		
Domestic turnover#	13,910	8,999
Export turnover	488	628
	14,398	9,627
Sale of services		
Sale of services - AMC and others	2,340	2,136
	2,340	2,136
Other operating revenues		
Commission income	493	657
Scrap & sundry sales	8	11
Miscellaneous income	-	4
	501	672
Total	17,239	12,435

The Company do not have any customers where total value of trade during the year is more than 10% of the Turnover.

Ind AS 115 Revenue from Contracts with Customers

Sales are recorded net of trade discounts, quantity discounts, rebates, indirect taxes. Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer 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. The Company has assessed and determined the following categories for disaggregation of revenue in addition to that provided under segment disclosure (refer note 40):

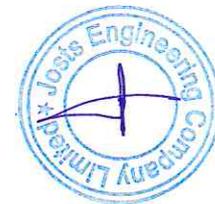
Particulars	₹ in Lakh	
	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customer - Sale of products	14,398	9,627
Revenue from contracts with customer - Sale of services	2,340	875
Other operating revenue	501	672
Total revenue from operations	17,239	11,174
India	16,751	11,807
Outside India	488	628
Total revenue from operations	17,239	12,435
Timing of revenue recognition		
At a point in time	17,239	12,435
Total revenue from operations	17,239	12,435

Timing of revenue recognition

Particulars	₹ in Lakh	
	Year ended March 31, 2023	Year ended March 31, 2022
Goods transferred at a point in time	14,398	9,627
Services transferred at a point in time	2,340	2,136
Total revenue from contracts with customers	16,738	11,763

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	₹ in Lakh	
	Year ended March 31, 2023	Year ended March 31, 2022
Revenue as per contracted price	16,842	11,906
Less: Discounts	(1)	(3)
Less: Sales return	(103)	(140)
Less: Commission	-	-
Revenue from contracts with customers	16,738	11,763



Jost's Engineering Company Limited

Notes forming part of the consolidated financial statements

Performance Obligation

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 0 to 90 days from delivery. There are no material unsatisfied performance obligation outstanding at the year end.

The performance obligations of the Company are part of contracts that have an original expected duration of less than one year and accordingly, the Company has applied the practical expedient and opted not to disclose the information about its remaining performance obligations in accordance with paragraph 121 of IND AS 115

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	₹ in Lakh	
	Year ended March 31, 2023	Year ended March 31, 2022
Trade receivables (refer note 11)	4,617	3,427
Contract liabilities (refer note 25)	518	356

Trade receivables are non interest bearing and are generally on terms of 0 to 90 days.

Contract assets includes amounts related to contractual right to consideration for completed performance objectives not yet invoiced.

As at 31 March, 2023 ₹ 242 Lakh (previous ₹ 165 Lakh) was recognised as provision for allowance for doubtful debts on trade receivables.

Contract liabilities include payments received in advance of performance under the contract, and are realised with the associated revenue recognised under the contract. Short term advances are detailed in note 25.

Set out below is the amount of revenue recognised from:

Particulars	₹ in Lakh	
	Year ended March 31, 2023	Year ended March 31, 2022
Amounts included in contract liabilities at the beginning of the year	356	214
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	342	186



Jost's Engineering Company Limited

Notes forming part of the consolidated financial statements

29. Other income

Particulars	₹ In Lakh	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest income:		
- interest received on bank deposits	8	16
- on income tax refund	2	5
- from other interest income#	0	2
	10	23
Exchange rate difference (net)	13	-
Provisions/liability no longer required written back	34	-
VAT interest received#	-	0
Dividend income	1	1
Finance income on security deposit	1	1
Other non operating income	1	-
Total	60	25

figures are below rounding off norms adopted by the company



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

30. Cost of materials consumed

Particulars	₹ In Lakh	
	Year ended March 31, 2023	Year ended March 31, 2022
Raw material consumed		
Inventory at the beginning of the year		482
Add: Purchases	384	4,360
Less: Inventory at the end of the year	6,446	384
Total	487	4,458

Breakup of cost of material consumed

Particulars	₹ In Lakh	
	Year ended March 31, 2023	Year ended March 31, 2022
Cost of material consumed		
Steel		240
Batteries	228	954
Others (Tyres, Controller, motor, battery charger etc.)	969	3,264
Total	5,146	4,458

31. Purchases of stock-in-trade

Particulars	₹ In Lakh	
	Year ended March 31, 2023	Year ended March 31, 2022
Purchase of traded goods		
Engineered equipments		1,888
Other components, accessories, spares, etc.	3,679	658
Total	756	2,546

32. Changes in Inventories of finished and work-in-progress and stock in trade

Particulars	₹ In Lakh	
	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock		
Finished goods	352	149
Work-in-progress	58	91
Stock-in-trade	297	392
Closing stock	A	632
Finished goods	390	352
Work-in-progress	44	58
Stock-in-trade	355	297
Total	B	707
A-B	(82)	(75)

33. Employee benefits expense

Particulars	₹ In Lakh	
	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages, allowances and bonus	2,399	2,374
Contribution to provident and other funds (refer note 44)	108	104
Gratuity expense (refer note 44)	32	27
Staff welfare expenses (net)	107	73
Total	2,646	2,578

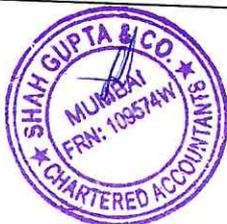
34. Finance costs

Particulars	₹ In Lakh	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest expenses on :		
- Interest expense on term loan, cash credit & bank overdraft	105	115
- Interest on lease liabilities (refer note 41)	10	6
- Others*	17	1
Bank charges	27	30
Total	159	152

figures are below rounding off norms adopted by the company

35. Depreciation and amortisation expense

Particulars	₹ In Lakh	
	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 4A)	293	261
Amortisation of intangible assets (refer note 4D)	4	5
Depreciation of right of use assets (refer note 4C)	28	17
Total	325	283



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

36. Other expenses

Particulars	₹ In Lakh	
	Year ended March 31, 2023	Year ended March 31, 2022
Sub contract and labour charges	296	248
Stores and spare parts consumed	38	28
Equipment Hiring Charges	4	11
Fuel and power	46	35
Repairs & maintenance (factory and office)	15	26
Repairs to machinery	107	97
Rent	38	50
Rates and taxes	7	10
Sales tax of earlier year write off (incl interest and tax amt)	38	17
Insurances	10	16
Travelling expenses	125	119
Postage, telephone and internet	30	26
Commission on sales	10	14
Testing and calibration	146	66
Printing and stationery	12	12
Legal and professional charges	193	75
Conveyance expenses	264	203
Provision for doubtful debts	79	(16)
Bad debts written off	85	92
Provision for doubtful advances & deposits	4	-
Loss on sale of property, plant and equipments	17	10
Freight on sales	369	293
Motor vehicle expenses	13	5
Directors' fees	11	7
Exchange rate difference (net)	-	1
Provision for Inventory#	0	28
Inventory write-off	26	17
Auditor's Remuneration		
- Audit Fees		
- For taxation matters	13	20
- For certification fees	1	3
- For other services	-	-
- Reimbursement of out of pocket expenses#	2	5
CSR expenses (refer note 49)	-	0
Miscellaneous expenses	9	-
Total	423	340
	2,431	1,858

figures are below rounding off norms adopted by the company



37. Contingent liabilities and commitments (to the extent not provided for)

Particulars	₹ In Lakh	
	As at March 31, 2023	As at March 31, 2022
Contingent liabilities :		
a) Claims against the company not acknowledged as debts :		
-Sales Tax demands (Net)	-	29
-Goods & Service Tax Demand		
b) Bank guarantees	66	-
c) Letter of credit issued to vendor	772	716
	73	31

There are numerous interpretative issues relating to the supreme court (SC) judgement on PF dated February 28, 2019. The group will update its provision, on receiving further clarity on the subject.

38. Capital commitments

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

Particulars	₹ In Lakh	
	As at March 31, 2023	As at March 31, 2022
Capital commitment		
-Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for.	302	302

Note:

The holding company is in the process of acquiring leasehold land including building at a price of ₹ 554 lakhs and has entered into an agreement on April 12, 2018. The land is located at MIDC Murbad, District Thane. The rationale behind investment is for expansion of Company's manufacturing activities.

39. Taxation

The major component of tax expenses for the year are as under :

Particulars	₹ In Lakh	
	Year ended	
	March 31, 2023	March 31, 2022
Current income tax	282	202
Short provision for tax relating to previous years	6	1
Deferred tax	(10)	1
Total income tax expense	278	204

Particulars	₹ In Lakh (except as otherwise stated)	
	Year ended	
	March 31, 2023	March 31, 2022
Reconciliation:		
Profit before tax	971	652
Applicable tax rate	25.17%	25.17%
Computed expected tax expense	244	164
Add:		
Short provision for tax relating to previous years	6	1
Expenses disallowed	117	91
Deferred tax	(10)	1
Income from other source	7	7
Ind AS impact (net)	1	1
Less:		
Other income offered separately	(7)	(7)
Expenses allowed	(80)	(54)
Income tax expense as per profit & loss account	278	204
Effective tax rate	28.63%	31.35%

Deferred tax relates to the following:

Particulars	₹ In Lakh	
	Balance Sheet	
	As at March 31, 2023	As at March 31, 2022
Deferred tax asset (net) comprises of timing difference on account of :		
Difference between WDV of property, plant and equipment as per books of accounts & income tax	13	6
Provision for employee benefits	58	73
Provision for doubtful debts and advances	47	35
Provision for warranty	21	15
Lease liabilities	(1)	(1)
Deferred tax asset	138	128

Reconciliation of deferred tax assets (net) :

Particulars	₹ In Lakh	
	As at March 31, 2023	As at March 31, 2022
Opening balance as on April 01, 2022		
Tax income / (expense) during the year recognized in profit & loss account	128	131
Differences on other comprehensive income#	10	(1)
Closing balance	138	128

#figures are below rounding off norms adopted by the company



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

40. 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 Private Limited (Equipment rental)
- IV. JECL Engineering Limited

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 organizational structure and internal reporting system.

Particulars	For the year ended March 31, 2023					For the year ended March 31, 2022				₹ In Lakh
	Material handling	Engineered products	MHE Rentals India Private Limited (Equipment Rental)	JECL Engineering Ltd	Total	Material handling	Engineered products	MHE Rentals India Private Limited (Equipment Rental)	Total	
	Segment revenue									
Sale of products										
Sale of services	9,698	4,663	37	-	14,398	7,172	2,449	5	9,626	
Commission income	238	788	1,314	-	2,340	204	670	1,263	2,137	
Other income	-	493	-	-	493	-	657	-	657	
	8	-	-	-	8	15	-	-	15	
Unallocated income	9,944	5,944	1,351	-	17,239	7,391	3,776	1,268	12,435	
Total					60				25	
Segment results					17,299				12,460	
Segment results/ operating Profit										
Unallocated Income	415	966	211	(1)	1,591	127	797	156	1,080	
(Including Income from interest/dividend)					60				25	
Unallocated expenses					482				293	
Interest expenses					159				152	
Profit before tax					1,010				660	
Provision for taxation – current tax					282				202	
Short provisions for income tax in respect of earlier years					6				1	
Deferred tax					(10)				1	
Profit after tax					732				456	
Other information										
Segment assets										
Unallocated assets	4,196	2,390	1,859	1	8,446	3,286	1,843	1,401	6,530	
Total assets					1,004				1,663	
Segment liabilities					9,450				8,193	
Unallocated liabilities	2,492	1,907	1,009	1	5,409	1,899	1,123	1,238	4,260	
(Including share capital and reserves)					4,041				3,933	
Total liabilities					9,450				8,193	
Cost incurred during the financial year to acquire segment fixed assets	61	17	55	-	133	99	46	173	318	
Cost incurred during the financial year to acquire segment fixed assets (unallocated)					2				6	
Depreciation	46	43	202	-	291	44	32	185	261	
Depreciation (unallocated)					34				22	

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 equipment. The other business segment reported is engineered products. The subsidiary operates in the business of renting of material handling equipments.

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.



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

41. Leases

The group's leasing arrangements are in respect of operating leases for office premises. The rent period range between 1 years to 5 years and usually renewable on mutually agreed terms.

a. The movement in lease liabilities during the year:

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Opening balance		
Additions during year	72	11
Finance costs incurred during the year	70	75
Payment of lease liabilities	10	6
Closing balance	(32)	(20)
	120	72

b. The carrying value of the right of use and depreciation charged during the year

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Opening balance		
Additions during year	67	10
Depreciation charged during the year	75	75
Closing balance	28	17
	114	67

c. Amounts recognised in statement of profit or loss:

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Depreciation on right of use asset	28	17
Finance costs incurred during the year	10	6
Rent expense	(32)	(20)
Total amounts recognised in profit or loss	6	3

d. Maturity analysis of lease liabilities

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Maturity analysis of contractual undiscounted cash flows		
Less than one year		
One to five years	38	32
More than five years	106	145
Total undiscounted lease liability	-	-
	144	177
Non-current lease liability		
Current lease liability	92	54
Total lease liability	28	18
	120	72

42. Earnings per share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	₹ in Lakh, except EPS	
	As at March 31, 2023	As at March 31, 2022
Weighted average shares outstanding - basic	18,65,746	18,65,746
Weighted average shares outstanding - diluted	18,65,746	18,65,746

Net profit available to equity shareholders of the company used in the basic and diluted earnings per equity share was determined as follows:

Particulars	₹ in Lakh, except EPS	
	Year ended	
	March 31, 2023	March 31, 2022
Earnings available to equity shareholders	708	450
Earnings available for equity shareholders for diluted earnings per share	708	450
Basic earnings per share	38	24
Diluted earnings per share	38	24



43. Related party information

A. Names of related parties and nature of relationship:

Nature of relationship	Name of related party
Key managerial personnel (KMP)	Mr. Jai Prakash Agarwal, Executive Chairman and Director Mr. Vishal Jain, Vice Chairman & Managing Director Mr. Rohit Jain, Chief Financial Officer (CFO) Mrs. Babita Kumari, Company Secretary Mr. Qamar Ali, Company Secretary (till 11.02.2022) Ms. Prajakta Patil, Company Secretary (till 30.04.2021)
Independent directors	Mr. Farokh Kekhushroo Banatwalla Mr. Shallesh Rajnikant Sheth Mr. Marco Philippus Ardeshr Wadia Mr. Sanjiv Swarup Mrs. Rekha Bagry Mr. Pramod Maheshwari
Woman Director	Mr. Kallash Chandra Somanl (Director of MHE Rentals India Private Limited)
Relative of KMPs and where transaction exists	Mrs. Shikha Jain Mrs. Anshu Agarwal Mr. Rajendra Agarwal
Company in which director is interested and where transaction exists	Chambal Fertilizer and Chemicals Limited Stovec Industries Limited

B. Transactions with Related parties:

The details of transactions with related parties for the year ended March 31, 2023 are as follows:

Particulars	As at March 31, 2023						Total
	Company in which director is interested and where transaction exists		Others				
	Stovec Industries Limited	Chambal Fertiliser and Chemicals Limited	Independent directors	Woman director	KMPs	Relative of KMPs and where transaction exists	
Transactions							
Investment - purchase of equity of subsidiary	-	-	-	-	-	-	-
Loan taken	-	-	-	-	302	42	344
Repayment of loan taken	-	-	-	-	18	-	18
Interest paid on loan taken	-	-	-	-	50	-	50
Sale of goods/services	-	-	-	-	17	-	17
Sitting fees paid#	1	2	-	-	-	-	3
Dividend paid#	-	-	9	2	0	-	11
Remuneration	-	-	0	7	15	1	23
Balances as at March 31, 2023							
Outstanding balance receivable / (payable)							
Trade receivables#	0	-	-	-	-	-	0
Unsecured loan	-	-	-	-	-	-	-
#figures are below rounding off norms adopted by the company					(125)	-	(125)

The details of transactions with related parties for the year ended March 31, 2022 are as follows:

Particulars	As at March 31, 2022						Total
	Company in which director is interested and where transaction exists		Others				
	Stovec Industries Limited	Chambal Fertiliser and Chemicals Limited	Independent directors	Woman director	KMPs	Relative of KMPs and where transaction exists	
Transactions							
Loan taken	-	-	-	-	-	-	-
Interest paid on loan taken	-	-	-	-	57	-	57
Sale of goods/services	-	-	-	-	12	-	12
Sitting fees paid#	2	14	-	-	-	-	16
Dividend paid	-	-	6	1	0	-	7
Remuneration	-	-	-	3	8	1	12
Balances as at March 31, 2022							
Outstanding balance receivable / (payable)							
Trade receivables#	0	1	-	-	-	-	1
Unsecured loan	-	-	-	-	-	-	-
#figures are below rounding off norms adopted by the company					(160)	-	(160)

Terms and conditions of transactions with related parties

The services provided to and received from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and will be settled in cash.



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

C. Compensation of key managerial personnel of the company

Particulars	₹ in Lakh	
	2022-23	2021-22
Short-term employment benefits	117	112
Post-employment benefits	5	5

Transactions with key managerial personnel :

Nature of transactions	₹ in Lakh	
	Year ended March 31, 2023	Year ended March 31, 2022
Salary and allowances paid/payable to KMPs*:		
Mr. Qamar Ali	-	5
Ms. Prajakta Patil#	-	0
Ms Babita Kumari	-	-
Mr. Rohit Jain	8	-
Mr. Jai Prakash Agarwal	24	20
Mr. Vishal Jain	44	44
	42	42

#figures are below rounding off norms adopted by the company

*Excludes gratuity and long term compensated absences which are actuarially valued at company level and where separate amounts are not identifiable.



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

44. Employee benefit plans:

1.a. Post employment defined benefit plans :

The group makes annual contributions to the employee's group gratuity assurance scheme administered by the Life Insurance Corporation of India ("LIC"), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

The following tables set out the funded status of the gratuity plans and the amounts recognized in the financial statements as at March 31, 2023 and March 31, 2022.

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Change in benefit obligations		
Present value of benefit obligation at the beginning of the year		
Interest cost	222	225
Current service cost	10	10
Actuarial (gains)/losses on obligations - due to change in demographic assumptions #	26	24
Actuarial (gains)/losses on obligations - due to change in financial assumptions	1	-
Experience Gain/(Loss) on Plan Assets	(9)	(3)
Benefits Paid	(6)	(6)
Present value of benefit obligations at the end of the year	(41)	(28)
	203	222
Change in plan assets		
Fair value of plan assets at the beginning of the year		
Return on plan assets excluding interest income	20	46
Contributions by the employer	5	5
Benefits paid from the fund	41	1
Experience Gain/(Loss) on Plan Assets	(41)	(28)
Fair value of plan assets at the end of the year	(4)	(4)
Net (liability)/asset recognised in the balance sheet	21	20
	(182)	(202)

Figures are below rounding off norms adopted by the company

Amount for the year ended March 31, 2023 and March 31, 2022 recognized in the statement of profit and loss under employee benefits expenses.

Recognized in profit and loss	Year ended	
	March 31, 2023	March 31, 2022
Current service cost	26	24
Net interest cost	5	5
Expenses recognized	31	29

Amount for the year ended March 31, 2023 and March 31, 2022 recognized in statement of other comprehensive income:

Recognized in other comprehensive income	Year ended	
	March 31, 2023	March 31, 2022
Actuarial (gains) / losses on obligation for the year		
Remeasurements during the period due to		
- Changes in financial assumptions	20	25
- Changes in demographic assumptions	(9)	(3)
- Experience adjustments	-	-
- Actual return on plan assets less interest on plan assets	(6)	(6)
Net (income)/expense for the year recognized in OCI	4	4
	9	20

The weighted-average assumptions used to determine benefit obligations as at March 31, 2023 and March 31, 2022 are set out below:

Weighted average actuarial assumptions	As at	As at
	March 31, 2023	March 31, 2022
Discount rate	7.30%	5.75%
Weighted average rate of increase in compensation levels	5.00%	5.00%

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Sensitivity analysis				
Discount rate (0.5% movement)	(1.17%)	1.21%	(1.36%)	1.41%
Define benefit obligation (₹ In Lakhs)	165	169	187	192
Future salary growth (0.5% movement)	1.23%	(1.20%)	1.41%	(1.38%)
Define benefit obligation (₹ In Lakhs)	169	165	192	187

Additional details :

Methodology adopted for valuation is projected unit credit method.

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

Since investment is with insurance company, assets are considered to be secured.

Assumptions regarding future mortality experience are set in accordance with the Indian Assured Lives Mortality (2012-14) Urban.

Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held by LIC, since the fund is managed by LIC.

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

Actuarial gains/losses are recognized in the period of occurrence under other comprehensive income (OCI). All above reported figures of OCI are gross of taxation.

Maturity profile of projected benefit obligation:

Projected benefits payable in future years from the date of reporting	Year ended	
	March 31, 2023	March 31, 2022
Within 1 year		
1-2 year	88	81
2-3 year	51	48
3-4 year	24	42
4-5 year	19	19
5-9 years	15	15
10 years and above	32	35
	29	31



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

1.b. Defined contribution plans :

Amounts recognised as expenses towards contributions to provident and family pension fund, employee state insurance corporation and other funds by the company are as below : (refer note 33)

b. Demographic assumptions

Particulars	₹ In Lakh	
	Year ended	
	March 31, 2023	March 31, 2022
Employee turnover (age years)		
21-30	23.00%	34.00%
31-40	14.00%	21.00%
41-50	22.00%	14.00%
51 & above	28.00%	19.00%
Mortality rate		
	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Urban



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

45. 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, long-term borrowings (term loan) 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.

Total debt includes all long and short-term debts as disclosed in note 19 and 22 to the financial statements. Total equity consists of equity attributable to owner's of the company and non-controlling interest.

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

Particulars	₹ In Lakh	
	As at March 31, 2023	As at March 31, 2022
Total debt	552	1,128
Total equity	3,967	3,602
Debt to equity ratio	0.14	0.31

46. Financial instruments

a. Financial Instruments by category

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 current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the 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.

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Accounting classification and fair value :

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

Particulars	Note No.	As at March 31, 2023			Fair value		
		Fair value routed through profit & loss	Carrying at amortised cost	Total	Level 1	Level 2	Level 3
Financial assets at amortized cost:							
Non-current assets							
(i) Investments	5	-	1	1	-	-	-
(ii) Other financial assets	6	-	265	265	-	-	-
Current assets							
(i) Investments	10	16	-	16	16	-	-
(ii) Cash and cash equivalents	12A	-	185	185	-	-	-
(iii) Bank balances	12B	-	14	14	-	-	-
(iv) Trade receivables	11	-	4,617	4,617	-	-	-
(v) Loans	13	-	73	73	-	-	-
(vi) Other financial assets	14	-	28	28	-	-	-
Total financial assets		16	5,183	5,199	16	-	-
Financial liabilities at amortized cost:							
Non-current liabilities							
(i) Borrowings	19	-	116	116	-	-	-
(ii) Lease liabilities	20	-	92	92	-	-	-
(iii) Other financial liabilities		-	19	19	-	-	-
Current liabilities							
(i) Borrowings	22	-	436	436	-	-	-
(ii) Lease liabilities		-	28	28	-	-	-
(iii) Trade payables	23	-	3,280	3,280	-	-	-
(iv) Other financial liabilities	24	-	262	262	-	-	-
Total financial liabilities		-	4,233	4,233	-	-	-

The group has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

Particulars	Note No.	As at March 31, 2022			Fair value		
		Fair value routed through profit & loss	Carrying at amortised cost	Total	Level 1	Level 2	Level 3
Financial assets at amortized cost:							
Non-current assets							
(i) Investments	5	-	1	1	-	-	-
(ii) Other financial assets	6	-	121	121	-	-	-
Current assets							
(i) Investments	10	114	-	114	114	-	-
(ii) Cash and cash equivalents	12A	-	161	161	-	-	-
(iii) Bank balances	12B	-	217	217	-	-	-
(iv) Trade receivables	11	-	3,427	3,427	-	-	-
(v) Loans	13	-	70	70	-	-	-
(vi) Other financial assets	14	-	75	75	-	-	-
Total financial assets		114	4,072	4,186	114	-	-
Financial liabilities at amortized cost:							
Non-current liabilities							
(i) Borrowings	19	-	456	456	-	-	-
(ii) Lease liabilities		-	54	54	-	-	-
(iii) Other financial liabilities	20	-	37	37	-	-	-
Current liabilities							
(i) Borrowings	22	-	672	672	-	-	-
(ii) Lease liabilities		-	18	18	-	-	-
(iii) Trade payables	23	-	2,188	2,188	-	-	-
(iv) Other financial liabilities	24	-	229	229	-	-	-
Total financial liabilities		-	3,654	3,654	-	-	-

The group has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

47. 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 Company'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 company's operating activities when transactions are denominated in a different currency from the group'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 group. The group 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 group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The group's exposure to other foreign currencies is not material.

A change of 10% in foreign currency would have following impact on profit before tax

Particulars	2022-23		2021-22	
	₹ In Lakh 10% Increase	₹ In Lakh 10% decrease	₹ In Lakh 10% Increase	₹ In Lakh 10% decrease
Trade receivables				
In EUR				
In GBP#	4	(4)	19	(19)
In USD	0	(0)	1	(1)
	-	-	4	(4)
Trade Payables				
In EUR				
In USD	(20)	20	(8)	8
	(7)	7	-	-

Figures are below rounding off norms adopted by the company



Jost's Engineering Company Limited

Notes forming part of the consolidated financial statements

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	As at March 31, 2023		As at March 31, 2022	
	₹ In Lakh	Amount in foreign currency in lakhs	₹ In Lakh	Amount in foreign currency in lakhs
Trade Receivable				
In EUR#	36	0	188	2
In GBP#	3	0	6	0
In USD	-	-	39	1
Trade Payable				
In EUR	199	2	78	1
In USD	70	1	-	-

Figures are below rounding off norms adopted by the company

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:

Particulars	₹ In Lakh	
	As at March 31, 2023	As at March 31, 2022
Fixed rate instruments		
Financial liabilities	451	1,026
Variable rate instruments		
Financial liabilities	101	102

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	March 31, 2023		March 31, 2022	
	Sensitivity analysis	Impact on profit and loss	Sensitivity analysis	Impact on profit and loss
Variable rate borrowings				
Interest rate increase by	1%	1	1%	1
Interest rate decrease by	1%	1	1%	1

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.



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

Maturity analysis for financial liabilities:
The following are the remaining contractual maturities of financial liabilities as at 31st March 2023:

Particulars	Note No.	₹ in Lakh		
		As at March 31, 2023		
		0 to 1 Year	More than 1 year	Total
Financial Liabilities				
Non-current liabilities				
(i) Borrowings	19	-	116	116
(ii) Lease liabilities		-	92	92
(ii) Other financial liabilities	20	-	19	19
Current liabilities				
(i) Borrowings				
(ii) Lease liabilities	22	436	-	436
(iii) Trade payables		28	-	28
(iv) Other financial liabilities	23	3,280	-	3,280
	24	262	-	262
Total financial liabilities		4,005	228	4,233

The following are the remaining contractual maturities of financial liabilities as at 31st March 2022:

Particulars	Note No.	₹ in Lakh		
		As at March 31, 2022		
		0 to 1 Year	More than 1 year	Total
Financial Liabilities				
Non-current liabilities				
(i) Borrowings	19	-	456	456
(ii) Lease liabilities		-	54	54
(ii) Other financial liabilities	20	-	37	37
Current liabilities				
(i) Borrowings				
(ii) Lease liabilities	22	672	-	672
(iii) Trade payables		18	-	18
(iv) Other financial liabilities	23	2,188	-	2,188
	24	229	-	229
Total financial liabilities		3,107	547	3,654



Jost's Engineering Company Limited
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48. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2022-23, to the extent the group has received intimation from the "Supplier regarding their status under the Act.

Particulars	As at	
	March 31, 2023	March 31, 2022
i. Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act). Principal amount due to micro and small enterprise. Interest due on above.	369	162
ii. Interest paid by the group in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
iii. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

49. Corporate social responsibility

As per Section 135 of the Companies Act 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

The CSR activities of the company are generally carried out through charitable organisations, where funds are allocated by the Company. These organisations carry out the CSR activities as specified in the schedule VII of the companies Act, 2013 on behalf of the company.

Particulars	Year ended March 31, 2023
Gross amount required to be spent by the company during the year.	9
Amount spent during the year on:	
(i) Construction/acquisition of any asset	-
(ii) On purposes other than (i) above	-
The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	9
The total of previous years' shortfall amounts	-
Amount sanctioned and provision made in books as per notification issued by The Ministry of Corporate Affairs dated January 22, 2021, amending the companies (Corporate Social Responsibility Policy) Rules, 2014.	9
Reason for shortfall	Not applicable
Nature of CSR activities	Education support in rural areas, equipment support in hospitals and training institute.

50. Additional regulatory information

a. Financial ratio disclosure

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% variance
Current ratio (in times)	Current assets	Current liabilities	1.31	1.41	(6.99%)
Debt-Equity ratio (in times)*	Total debt	Shareholders equity	0.14	0.31	(55.55%)
Debt service coverage ratio (in times)**	Earnings available for debt service	Debt service	9.20	7.30	26.01%
Return on equity ratio (in %)**	Net profit for the year	Average shareholder's equity	19.32%	13.46%	43.54%
Inventory turnover ratio***	Cost of goods sold OR sales	Average Inventory = (Opening + Closing balance / 2)	14.75	11.32	30.30%
Trade receivables turnover ratio	Revenue from operations	Average trade Receivable	4.29	3.87	10.85%
Trade payables turnover ratio	Net purchase value	Average trade payable	3.99	3.26	22.27%
Net capital turnover ratio****	Revenue from operations	Working capital (Current assets - Current liabilities)	10.81	7.84	37.78%
Net profit ratio (in %)	Net profit for the year	Revenue from operations	4.24%	3.67%	15.59%
Return on capital employed (in %)*	Profit before tax and finance costs	Capital employed (Networth + Deferred tax liabilities)	29.45%	22.55%	(30.04%)
Return on investment (in %)*	Income generated from treasury investments	Average invested funds in treasury Investments	0.06	0.01	625.70%

* due to repayment of loans during the year.

** due to increase in profit during the year.

*** due to increase in revenue from operations.

**** due to increase in revenue and improvement in working capital.

***** due to income generated on liquid funds during the year



Jost's Engineering Company Limited
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b. Relation with struck off Companies

(i) The group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c. Other information:

(i) Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Wilful defaulter

The group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) Compliance with number of layers of companies

The group has complied with number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction of number of layers) Rules, 2017.

(iv) Compliance with approved scheme(s) of arrangements

The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(v) Borrowing from banks and financial institutions for specific purpose

All the borrowings from banks and financial institutions have been used for the specific purposes for which they have been obtained.

(vi) Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vii) Details of crypto currency or virtual currency

The group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(viii) Title deeds of immovable properties not held in name of the company

The group does not own any immovable properties other than leasehold properties.

(ix) Revaluation of Property, Plant & Equipment

The group has not revalued any of its Property, Plant & Equipments during the year.

(x) Loans / Advances in the nature of loans to Promoters, Directors, KMP's and Related Parties

The group has not advanced loans/advances in the nature of loans to promoters, directors, KMP's and related parties.

(xi) Registration of charges or satisfaction with Registrar of Companies (ROC)

All the charges or satisfaction of which is required to be registered with Registrar of Companies (ROC) have been duly registered within the statutory time limit provided under the provisions of Companies Act 2013 and rules made thereunder.

51. The group has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Further, the group has not received any funds from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

52. Events occurring after balance sheet date

(i) The Board of holding company in its meeting held on 18th May 2023 has recommended a dividend of ₹ 1.5/- per share on equity share of face value ₹ 2/- each, i.e. 75% to the members of the Company. This amount is to be paid after approval from the members in the ensuing annual general meeting.

(ii) The equity shares of holding company having face value of ₹ 5/- each fully paid up has been sub-divided into equity shares having face value of ₹ 2 each fully paid up w.e.f. 28th April 2023.

53. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received presidential assent in september 2020. The said code is made effective prospectively from May 3, 2023. The group is assessing the impact, if any, of the Code.

54. Balances of certain debtors/creditors, deposits received/paid and advances are subject to confirmation and reconciliation. In the opinion of the management balances are stated at realisable value and no adjustments will be required.

55. (i) Additional information as required under Schedule III to the Companies act 2013, for enterprises consolidated as subsidiaries.

The financial statements of the following subsidiaries have been consolidated as per Indian accounting standards (Ind AS) 110 "Consolidated financial statements" :

Name of subsidiary	Country of Incorporation	Proportion of ownership Interest (current year)	Proportion of ownership Interest (previous year)
MHE Rentals India Private Limited	India	80.11%	60.23%
JECL Engineering Limited	India	100%	-



Jost's Engineering Company Limited
Notes forming part of the consolidated financial statements

(ii) Additional Information as required under Schedule III to the Companies Act 2013, of entities consolidated as subsidiaries :
For the year 2022-23

Sr. No	Name of entity	Relationship	Net assets [total assets minus total liability]		Share in profit/(loss) for the year		Share in other comprehensive income/(loss) for the year		Share in total comprehensive income/(loss) for the year	
			% of consolidated net assets	Amount	% of consolidated profit	Amount	% of consolidated other comprehensive income	Amount	% of consolidated total comprehensive income	Amount
1	Jost's Engineering Company Limited	Parent Company	73%	2,780	83%	587	consolidated other comprehensive income (15%)	(1)	82%	586
2	MHE Rentals India Private Limited	Subsidiary wholly owned	27%	1,051	17%	122	115%	7	16%	129
3	JECL Engineering Limited#	Subsidiary	0%	1	0%	(1)	0%	-	0%	(1)
	Sub Total		100%	3,832	100%	708	100%	6	100%	714
	Non-controlling interest			135		23		4		27
	Grand Total			3,967		731		10		741

* figures are below rounding off norms adopted by the company
For the year 2021-22

Sr. No	Name of entity	Relationship	Net assets [total assets minus total liability]		Share in profit for the year		Share in other comprehensive income/(loss) for the year		Share in total comprehensive income for the year	
			% of consolidated net assets	Amount	% of consolidated profit	Amount	% of consolidated other comprehensive income	Amount	% of consolidated total comprehensive income	Amount
1	Jost's Engineering Company Limited	Parent Company	85%	2,791	39%	402	% of consolidated other comprehensive income 142%	5	90%	407
2	MHE Rentals India Private Limited	Subsidiary	15%	507	11%	48	(42%)	(1)	10%	17
	Sub Total		100%	3,298	100%	450	100%	4	100%	454
	Non-controlling interest#			304		6		(0)		6
	Grand Total			3,602		456		4		460

* figures are below rounding off norms adopted by the company

56. Previous year figures have been rerounded/reclassified wherever necessary to conform to current year figures.
57. The Financial Statements were approved by the Audit Committee and Board of Directors on May 18, 2023.

For and on behalf of the Board of Directors

Jai Prakash Agarwal
Chairman
DIN - 00242232

Vishal Jain
Vice Chairman & Managing Director
DIN - 00709250

Rohit Jain
Chief Financial Officer

Babita Kumari
Company Membership No. A40774

Place: Thane
Date: May 18, 2023



ACCOUNTING RATIOS

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Consolidated and Standalone Financial Statements for Financial Years ending March 31, 2025, March 31, 2024 and March 31, 2023 included in the section “**Financial Statements**” on page 88 of this Letter of Offer:

Particulars	Based on Audited Consolidated Financial Statements		
	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Basic earnings per share (₹)*	17.58	10.13	7.84
Diluted earnings per share (₹)*	17.58	10.08	7.84
Return on Net Worth (%)	22.33	17.40	19.04
Net Asset Value per Equity Share (₹)	78.73	58.22	41.17
EBITDA (₹ in Lakhs)	3,066.26	1,848.49	1,493.02

*The weighted average number of equity shares is adjusted for the share splits that have changed the number of equity shares outstanding for respective periods

Particulars	Based on Audited Standalone Financial Statements		
	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Basic earnings per share (₹)*	16.11	9.90	7.44
Diluted earnings per share (₹)*	16.11	9.85	7.44
Return on Net Worth (%)	19.59	15.64	16.71
Net Asset Value per Equity Share (₹)	82.26	63.30	44.51
EBITDA (₹ in Lakhs)	2,572.21	1,588.34	1,177.40

*The weighted average number of equity shares is adjusted for share splits that have changed the number of equity shares outstanding for respective periods

The formula used in the computation of the above ratios are as follows:

Basic earnings per share	Net Profit/(Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (after adjusting non-controlling interest) from continued operations after exceptional item, as applicable/Weighted Average number of Equity Shares.
Diluted earnings per share	Net Profit/(Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (after adjusting non-controlling interest) from continued operation after exceptional item, as applicable/Weighted Average number of Equity Shares (including convertible securities)
Return on net worth (in %)	Profit/(Loss) for the year/period as per Statement of Profit and Loss attributable to Equity Shareholders from continued operations and discontinued operations (prior to other comprehensive income)/Net worth at the end of the year/period
Net Worth as per 2(1) (hh) SEBI (ICDR) Regulation,2018	Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.
Net asset value per Equity Share	Net Worth at the end of the year/period divided by number of Equity Shares at the end of the year/period.
EBITDA	Profit / (Loss) for the period before finance costs, tax, depreciation, amortization and exceptional items from continued operations and discontinued operation as presented in the statement of profit and loss.

a) Calculation of Net Worth and Return on Net Worth:

(₹ in lakhs)

Particulars	Based on Audited Consolidated Financial Statements		
	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Net Profit/(Loss) after Tax from continued operations and discontinued operations (before OCI) (A)	1,754.22	990.39	731.29
Net Worth (B)*	7,856.72	5,692.90	3,841.00
Return of Net Worth (A/B) (%)	22.33	17.40	19.04

*Net worth as per 2(1) (hh) of SEBI (ICDR) Regulations, 2018

(₹ in lakhs)

Particulars	Based on Audited Standalone Financial Statements		
	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Net Profit/(Loss) after Tax from continued operations and discontinued operations (before OCI) (A)	1,608.00	968.10	693.91
Net Worth (B)*	8,208.68	6,190.16	4,152.47
Return of Net Worth (A/B) (%)	19.59	15.64	16.71

*Net worth as per 2(1) (hh) of SEBI (ICDR) Regulations, 2018

b) Calculation of Net asset value per Equity Share:

Particulars	Based on Audited Consolidated Financial Statements		
	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Net Worth (A) (₹ in Lakhs)	7,856.72	5,692.90	3,841.00
No. of shares (B) (in numbers)	99,78,730	97,78,730	93,28,730
Net Assets Value (₹) [(A x 100,000) / B]	78.73	58.22	41.17

Particulars	Based on Audited Standalone Financial Statements		
	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Net Worth (A) (₹ in Lakhs)	8,208.68	6,190.16	4,152.47
No. of shares (B) (in numbers)	99,78,730	97,78,730	93,28,730
Net Assets Value (₹) [(A x 100,000) / B]	82.26	63.60	44.51

c) Calculation of EBITDA

(₹ in lakhs)

Particulars	Based on Audited Consolidated Financial Statements		
	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Net Profit/ Loss before tax and exceptional item	2,441.25	1,369.68	1,009.23
Add: Finance Cost	265.04	165.31	158.72
Add: Depreciation and Amortisation Expense	359.97	313.50	325.07
EBITDA	3,066.26	1,848.49	1,493.02

(₹ in lakhs)

Particulars	Based on Audited Standalone Financial Statements		
	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Net Profit/ Loss before Tax and exceptional item	2,219.92	1,342.64	971.85
Add: Finance Cost	187.07	117.35	82.19
Add: Depreciation and Amortisation Expense	165.22	128.35	123.36
EBITDA	2,572.21	1,588.34	1,177.40

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations together with our Consolidated Audited Financial Statement for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 prepared in accordance with the provisions under the Companies Act, 2013 and Ind AS, including the notes and schedules thereto, included in the section titled “**Financial Information**” on page 88. You should also read the section titled “**Risk Factors**” on page 20, which discusses a number of factors and contingencies that could impact our financial condition and results of operations, and the section titled “**Our Business**” on page 74, which presents important information about our business.*

Unless otherwise specified in this section or unless the context otherwise requires, the following discussion is based on our Consolidated Audited Financial Statement for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 which is derived from the comparatives of the Consolidated –Audited Financial Statement for the year ended March 31, 2025 and Consolidated –Audited Financial Statement for the year ended March 31, 2024 in relevant parts, on internally prepared statistical information available to our management and publicly available information.

Our fiscal year ends on March 31 of each year, so all references to a particular “fiscal year” and “Fiscal” are to the twelve (12) month period ended March 31 of that fiscal year. Unless otherwise specified, all amounts in this section are stated on a consolidated basis. In this section, any reference to “we”, “us” or “our” is to Jost's Engineering Company Limited.

Overview of our Business

Our Company is involved in the business of supply of a wide range of material handling and engineered products. These products are designed to support the movement, lifting, storage, and transportation of goods within industrial, warehouse, and commercial environments. We aim to provide practical and reliable solutions that help improve efficiency and productivity in various operational settings. To serve our customers better, we have established an all-India sales and service network. This network enables us to reach customers across the country and offer assistance in terms of product information, after-sales service, technical assistance, and the supplying spare parts. Our focus is not just on supply of equipment, but also on offering complete solutions that add value to the customers' operations.

The products we offer are marketed under well-recognized brand names such as “JUMBO,” “PYGMY,” and “JOTRUK.” These brands have built a strong reputation over time and are known for their quality, durability, and consistent performance. Our product range consists of Industrial Platform Trucks, Tow Trucks, Hand Pallet Trucks, Electric Pallet Trucks, Electric Pallet Stackers, Reach Trucks, Forklifts, Racking Systems, Scissor Lifts, Dock Levelers, Pneumatic Sample Transport Systems, Battery Operated Passenger Carriers and various other customized products.

Through our diverse product offerings and service support, we continue to focus on customer satisfaction, safety, and operational efficiency. Our aim is to build long-term relationships with customers by offering dependable products and solutions tailored to their day-to-day working needs. Also, our Company has diversified its business by entering into equipment rental business and renewable energy sectors. The Company marked its entry into the rental business through its subsidiary namely MHE Rentals India Private Limited (Presently Wholly Owned Subsidiary). Through its joint venture, Suryavayu Renewable and Energy Solutions Pvt. Ltd., our Company has strengthened its renewable energy focus and expanded its portfolio in solar and wind power projects.

Our consolidated gross revenue from operations for Fiscal 2025 stood at ₹23,891 lakh as against ₹18,744 lakh in Fiscal 2024. Our consolidated EBITDA for Fiscal 2025 and 2024 was ₹3,066 lakh and ₹1,849 lakh, respectively. Our consolidated Profit/Loss for the Fiscal 2025 stood at ₹1,754 lakh as against profit/Loss of ₹990 lakh in Fiscal 2024

Significant Developments after March 31, 2025

To our knowledge and belief, no circumstances other than those disclosed below have arisen since March 31, 2025, which materially affect or is likely to affect, the trading and profitability of our company, or the value of our assets or our ability to pay material liabilities within the next 12 months:

- Execution of Exclusive Distribution Agreement between the Company and Suzhou Pioneer Material Handling Equipment & Technology Co. Ltd ('Zowell') effective from 1st April, 2025
- Commencement of Commercial production of JECL Engineering Limited, Wholly Owned Subsidiary of the Company at Murbad, Maharashtra w.e.f. 1st April, 2025
- Approval of Joint development of Thane Factory Land situated at C-7 Wagle Industrial Estate, Road No12, Thane 400604 received vide shareholders approval dated 20th April, 2025
- Receipt of order value of ₹16,00,99,089.56/- (Rupees Sixteen Crore Ninety Nine Thousand Eighty-Nine and Paise Fifty-Six only) (inclusive of GST and all taxes) from Rajasthan Rajya Vidyut Prasaran Nigam Limited.
- Receipt of LOI with order value of ₹6,19,50,000/- (Rupees Six Crore Nineteen Lakh Fifty Thousand only) from Transmission Corporation of Andhra Pradesh Limited.
- Board of Directors in their meeting held on 29th May, 2025, recommended dividend for FY 2024-25 of ₹1.25/- per equity share of ₹1/- each, subject to the approval of shareholders.
- Resignation of Mr. Rohit Jain from the position of Chief Financial Officer and Key Managerial Personnel with effect from 31 st May 2025 and appointment of Mr. Pranesh Bhandari as Chief Financial Officer and Key Managerial Personnel with effect from 01 st June, 2025.

Factors that may affect results of the Operations

The following important factors could cause actual results to differ materially from the expectations include among others:

- General economic and business conditions;
- Increasing competition in the industry;
- Changes in laws and regulations that apply to the industry;
- Our ability to attract and retain clients;
- Availability and Cost of Raw Materials ;

Significant Accounting Policies

For disclosure of our Significant Accounting policies as at and for the year ended March 31, 2025, as required by Ind AS 1 and other applicable standards, see section titled "**Financial Information**" on page 88.

Change in Accounting Policies

Except as mentioned in chapter "**Financial Information**" on page 88 of this Letter of Offer, there has been no change in the accounting policies during the FY 2024-2025.

Reservations, Qualifications and Adverse Remarks

There are no reservations or qualifications or adverse remarks in the auditors' report for FY 2024-25.

Summary of the Results of Operations

The following discussion on the financial operations and performance should be read in conjunction with the Consolidated financial results of the company.

(₹ in Lakhs)

Particulars	Audited Financial Statements		
	For the Financial Year		
	Mar-25	Mar-24	Mar -23
Revenue from Operations	23,891	18,744	17,239.00
Other income	129	77	60

Particulars	Audited Financial Statements		
	For the Financial Year		
	Mar-25	Mar-24	Mar -23
Total Income	24,020	18,821	17,299
Cost of Material Consumed	5664	4,838	6343
Purchase of Stock in Trade	8926	6,319	4468
Changes in inventories of finished goods and stock-in-trade	278	89	-82
Employee benefits expenses	3031	2,954	2646
Finance costs	265	165	159
Depreciation and amortization expenses	360	314	325
Other expenses	3055	2,772	2431
Total Expenses	21,579	17,451	16,290
Profit/ (Loss) before Tax	2,441	1,370	1,009
Exceptional items	64	-	-
Tax expense			
Current Tax	573	349	282
Deferred Tax	49	-	-10
Short Provision for tax relating to previous year	1	31	6
Total Tax Expense	623	380	278
Profit After Tax	1,754	990	731

1. **Revenue:** Our income consists of revenue from operations and other Income:
 - **Revenue from Operations:** Our major revenues are derived sale, services & rental of material handling and engineering products.
 - **Other Income-** Other income primarily comprises of dividend and Interest Income, Commission Income, scrap & sundry sales and miscellaneous income.
2. **Expenses:** Our expenses are divided into Expenditure on Cost of materials consumed, Purchase of stock-in-trade, Changes in inventories of Finished Goods and work-in-progress, Employee Benefit expenses, Finance cost, Depreciation and amortization expenses and Other Expenses:
 - Cost of materials consumed: The cost included in consumption of steel, batteries and others such as tyres, controller, motor, battery charger etc.
 - Purchase of stock-in-trade: Purchase of stock-in-trade includes purchase of traded goods such as engineered equipments and other components, accessories, spares etc.
 - Changes in inventories of Finished Goods and work-in-progress: Changes in inventories of Finished Goods and work-in-progress comprises of difference in closing balance vis-à-vis opening balance of closing stock.
 - Employee Benefit Expenses: The employee costs are towards salaries, wages, allowances and bonus, contributions to provident and other funds, gratuity expenses and staff welfare expenses.
 - Depreciation and amortization expenses: It consists of depreciation on property, plant & equipment, amortization of intangible assets and depreciation of right of use assets.
 - Finance Cost: Finance cost includes interest expense on term loan, cash credit & bank overdraft, interest on lease liabilities and bank charges.
 - Other expenses: Includes expenses sub contract and labour charges, travelling expenses, Legal and professional charges, Testing and Calibration, Repairs and Maintenance including maintenance charges for machinery, Freight on sales and Miscellaneous expenses etc.

Financial Year 2025 compared to Financial Year 2024

Total Income

Revenue from Operations – Revenue increased by 27.46% to ₹23,891 Lakhs for the Financial Year 2025 from ₹18,744 Lakhs for the Financial Year 2024. due to increase in order book and execution of high value projects.

Expenditure

Cost of Material Consumed- The cost of material consumed has increased by 17.07% to ₹5664 Lakhs for the Financial year 2025 from ₹4,838 Lakhs for the Financial Year 2024. This correlates with the increase in revenue during the period and also due to better inventory management

Purchase of Stock in Trade- The Purchase of Stock in Trade has increased by 41.26% to ₹ 8,926 Lakhs for the Financial year 2025 from ₹6,319 Lakhs for the Financial Year 2024. The increase is primarily due to increase in sales.

Employee Expenses – Employee benefit expenses have increased by 2.61% to ₹3,031 Lakhs for the Financial Year 2025 from ₹ 2,954 Lakhs for the Financial Year 2024, due to increase in employee cost consequent to increase in head counts at managerial and support level, increments and incentives given to employees as part of performance incentives.

Finance Cost - Finance costs increased by 60.61% to ₹265 Lakhs for the Financial Year 2025 from ₹165 Lakhs for the Financial Year 2024 mainly due to due to payment of interest on utilisation of Cash Credit facility, interest on vehicle loan, interest on rights to use, bank and processing charges.

Depreciation & amortization Expenses- Depreciation and amortization have increased by 14.65 % to ₹360 Lakhs for the Financial Year 2025 from ₹314 Lakhs for the Financial Year 2024. This increase was due to depreciation on fixed assets capitalized during Financial Year 2024-25 and effect of IND AS 116- Lease Accounting.

Other Expenses – Other expenses have increased by 10.21% to ₹3,055 Lakhs for the Financial Year 2025 from ₹2,772 Lakhs for the Financial Year 2024, mainly due to increase in our execution of orders which is in line with the increase in revenue from operations.

Profit/ Loss before tax: Profit before tax during the current year amounting to ₹2,441 Lakhs, the profit before tax for the year has increased by 78.17% from ₹1,370 Lakhs for the Financial Year 2024, due to increase in revenue and margin.

Net Profit/ Loss: Profit after tax during the current year amounting to ₹1,754 lakhs, the net profit for the year has increased by 77.17% from ₹990 Lakhs for the Financial Year 2024, due to increase in revenue and margin.

Financial Year 2024 compared to Financial Year 2023

Total Income

Revenue from Operations – Revenue increased by 8.73% to ₹18,744 Lakhs for the Financial Year 2024 from ₹17,239 Lakhs for the Financial Year 2023. This increase is mainly attributed to sale of product.

Expenditure

Cost of Material Consumed- The cost of material consumed has decreased by 23.73% to ₹4,838 Lakhs for the Financial year 2024 from ₹6,343 Lakhs for the Financial Year 2023 due to decrease in sales of manufacturing products.

Purchase of Stock in Trade- The Purchase of Stock in Trade has increased by 41.43% to ₹6,319 Lakhs for the Financial year 2024 from ₹4,468 Lakhs for the Financial Year 2023 due to increase in sales of traded products.

Employee Expenses – Employee benefit expenses have increased by 11.64% to ₹2,954 Lakhs for the Financial Year 2024 from ₹2,646 Lakhs for the Financial Year 2023, due to increase in number of employees and salary increment.

Finance Cost - Finance costs increased by 3.77% to ₹165 Lakhs for the Financial Year 2024 from ₹159 Lakhs for the Financial Year 2023 mainly due to minor increase in bank charges.

Depreciation & amortization Expenses- Depreciation and amortization have decreased by 3.3 % to ₹314 Lakhs for the Financial Year 2024 from ₹325 Lakhs for the Financial Year 2023. This minor decrease was due to decrease in cost of depreciation of Tangible assets.

Other Expenses – Other expenses have increased by 14.03% to ₹2,772 Lakhs for the Financial Year 2024 from ₹2,431 Lakhs for the Financial Year 2023, mainly due to increase in labour charges, Travelling expenses and Legal and Professional charges.

Profit/ Loss before tax: Profit before tax during the current year amounting to ₹1,370 Lakhs, the profit before tax for the year has increased by 35.78% from ₹1,009 Lakhs for the Financial Year 2023, due to increase in revenue and margin.

Net Profit/ Loss: Profit after tax during the current year amounting to ₹990 lakhs, the net profit for the year has increased by 35.43% from ₹731 Lakhs for the Financial Year 2023, due to increase in revenue and margin.

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. ***Unusual or infrequent events or transactions:*** During the period under review, the amount paid under Voluntary retirement scheme to workers of ₹64 lakhs is the only transaction covered under infrequent events of transactions.
2. ***Known trends or uncertainties*** – To our knowledge, there are no other known factors, which we expect to have a material adverse impact on our revenues or income from continuing operations
3. ***Future relationship between costs and revenues:*** There are no known factors affecting the future relationship between expenditure and income that will have a material adverse impact on the operations and finances of our Company in spite of closing down of our manufacturing operations.
4. ***Significant economic/regulatory changes that materially affected or are likely to affect income from continuous operations:***

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

Currently there are no significant economic changes that materially affected our Company's operations or are likely to affect income except as mentioned in the section titled "***Risk Factors***" on page 20 of this Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

5. ***The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales price:*** The Increase in revenues is by and large linked to increase in sale of units of our existing portfolio of products.
6. ***Introduction of new categories under existing brands and addition to new distribution channels.***
Except as disclosed in "***Our Business***" on page 74, we have not announced and do not expect to announce in the near future any new products or business segments.
7. ***Total turnover of each major industry segment in which the issuer operated:*** We currently have two segments Material Handling Equipment and Engineering Product Division. The turnover details are given in "***Financial Information***" at page 88
8. ***Status of any publicly announced new products or business segment: Not Applicable***
9. ***Seasonality of Business: Not Applicable***

10. ***Dependence on a single or few customers:***

Other than as described in this letter of offer, particularly in sections “***Risk Factors***” on page 20, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

11. ***Competitive Conditions:*** We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths like quality products, brand loyalty, timely supply and better sourcing of raw-material. Due to which, we are able to stay competitive. For further details, kindly refer the chapter titled “***Our Business***” beginning on page 74 of this Letter of Offer.

SECTION VI -LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Except as stated in this section, there are no outstanding litigation proceedings with respect to (i) issues of moral turpitude or criminal liability on part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position; and (v) other litigation, including civil or tax litigation proceedings, which involves an amount in excess of the Materiality Threshold (as defined below) considered material in terms of (a) the “Policy for Determination of Materiality of Events and Information” adopted by our Board, in accordance with the requirements under Regulation 30 of the SEBI Listing Regulations, and (b) the materiality policy as adopted by the Board and last modified on August 14, 2023, for the purpose of litigation disclosures in this Letter of Offer (“**Materiality Policy**”).

In this regard, please note the following:

Any outstanding litigation involving our Company i.e., proceedings other than litigation involving issues of moral turpitude, criminal liability, material violation of statutory regulations or proceedings related to economic offences, shall be considered material and shall be disclosed in this Letter of Offer, if it,

- a) is likely to result in discontinuity or alteration of event or information already available publicly; or
- b) is likely to result in significant market reaction if the said omission came to light at a later date; or
- c) whose value or the expected impact in terms of value exceeds the lower of the following:
 - 1) 2% of turnover, as per the last audited financial statements of the Company;
 - 2) 2% of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;
 - 3) 5% of the average of absolute value of profit or loss after tax, as per the last 3 audited consolidated financial statements of the Company.
- d) in case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the Company, the event or information is considered material.

The materiality threshold limit as per the materiality policy arrives at ₹57.90 Lakhs for the financial year 2025-26. i.e., 5% of the average of absolute value of profit or loss after tax as per the Consolidated Financial Statements amounts, in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Based on the criteria outlined in (iv) above, any ongoing litigation or arbitration involving the Company will be deemed “material” for disclosure in the Issue Documents if the amount in question exceeds ₹36.28 Lakhs, which is equivalent to 5% of the average of absolute value of profit or loss after tax as per the Consolidated Financial Statements amounts of the Company’s (“**Materiality Threshold**”). However, if the amount involved is below the Materiality Threshold or cannot be quantified but is considered material by the Board or could potentially have a significant adverse impact on the Company’s operations or financial position, such matters have also been disclosed in this section.

Pre-litigation notices received by our Company from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) has not been evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.

All terms defined herein in a particular litigation disclosure pertain to that litigation only. A summary of legal proceedings involving our Company, which we consider material, is set forth below:

1. **Litigations involving our Company**

A. **Proceedings involving issues of moral turpitude or criminal liability initiated against our Company**

As on date of filing of this letter of offer, there are no proceedings initiated against our company

involving issues of moral turpitude or criminal liability.

2. Proceedings involving issues of moral turpitude or criminal liability initiated by our Company

As on date of filing of this letter of offer, there are no proceedings initiated by our company involving issues of moral turpitude or criminal liability.

3. Proceedings involving material violations of statutory regulations by our Company

As on date of filing of this letter of offer, there are no proceedings involving material violations of statutory regulations by our Company.

A. Economic offences where proceedings have been initiated against our Company

As on date of filing of this letter of offer, there are no proceedings initiated against our company for economic offences.

B. Other proceedings involving our Company which if they result in an adverse outcome, would materially and adversely affect the operations or financial position of our Company

C. As on date of filing of this letter of offer, there are no other proceedings involving our Company which if they result in an adverse outcome, would materially and adversely affect the operations or financial position of our Company.

A. Tax Proceedings

Below are the details of the pending tax cases involving our Company, specifying the number of cases pending and the total amount involved:

		(₹ in lakhs)
Particulars	Number of Cases	Amount involved
Our Company		
Direct Tax	15	4.48
Indirect Tax*	02	121.82 [#]
Total	17	126.30

^{#(1)} In relation to Financial Year 2017–18 and the tax period July 2017 to March 2018, the Department of Goods & Services Tax, Government of Maharashtra, issued a notice in Form GST ASMT-10 on September 3, 2021, highlighting discrepancies in the Company's returns. Subsequently, a Demand Order dated June 15, 2022, was issued under Sections 73, 50, and 122 of the MGST Act, 2017, raising a demand of ₹65.93 lakhs based on alleged irregularities including delayed ITC claims, interest liabilities, contraventions of Sections 155 and 73(1), and excess RCM ITC. The Company filed an appeal against the said Demand Order in Form GST APL-01 on September 13, 2022, contesting the observations of the GST Department.

^{#(2)} In relation to Financial Year 2018–19 and the tax period April 2018 to March 2019, the Department of Goods & Services Tax, Government of Maharashtra, issued a notice in Form GST ASMT-10 on August 10, 2023, highlighting discrepancies in the Company's returns. Subsequently, a Demand Order dated February 02, 2024, was issued under Sections 73, 50, and 122 of the MGST Act, 2017, raising a demand of ₹55.89 lakhs based on alleged discrepancies including excess outward tax, ITC from non-filer suppliers, and mismatched ITC claims. The Company filed an appeal against the said Demand Order in Form GST APL-01 on May 1, 2024, contesting the observations of the GST Department.

*The Company had an outstanding GST demand of ₹0.31 lakhs, which has been duly paid. However, the said demand continues to be reflected on the GST portal.

1. Litigations involving our Subsidiaries

A. Proceedings involving issues of moral turpitude or criminal liability initiated against our Subsidiaries

As on date of filing of this letter of Offer, there are no proceedings initiated against our Subsidiaries

B. Proceedings involving issues of moral turpitude or criminal liability initiated by our Subsidiaries

As on date of filing of this letter of offer, there are no proceedings initiated by our Subsidiaries involving issues of moral turpitude or criminal liability except as stated below:

1. JECL Engineering Limited (“**Petitioner**”) filed a criminal complaint bearing S.C.C/19367/2023 under Section 138 read with section 141 of the Negotiable Instruments Act, 1881 and Section 420 of Indian Penal Code, 1860 (“**Act**”), before the Hon’ble Civil Judge Senior Division in Thane (“**Hon’ble Court**”) against PEB Metal Buildings Private Limited (“**Respondent No. 1**”), Santosh Kumar Sanjay (“**Respondent No. 2**”), Vinita Kumari (“**Respondent No. 3**”), Collectively the (“**Respondents**”).

Respondent No. 2 & 3 are Directors and authorised signatory of Respondent No. 1. Respondents approached Petitioner to supply roofing sheets, turbo ventilators, ridge panels, and painting material along with labours required for other purposes. Pursuant to this, a letter of intent was issued by Petitioner in favour of Respondent No. 1 on May 18, 2023, for ₹28 Lakhs plus taxes. Petitioners then issued a purchase order dated May 22, 2023, in favour of Respondent No. 1 which was accepted by them on May 25, 2023. Petitioner paid an advance amount of ₹8.40 Lakhs on May 22, 2023, to the Respondents. Pursuant to this, a postdated blank cheque dated June 19, 2023, was issued by Respondent No.1 as a security against advance payment to the petitioner.

An additional amount of ₹2.74 Lakhs was paid to the Respondents for team mobilization on May 30, 2023, by the Petitioner. However, Respondents did not provide materials and labour as per the purchase order within the stipulated time.

Due to non fulfilment of the conditions of purchase order, Petitioner deposited the postdated cheque dated June 19, 2023, for a total amount of ₹11.20 Lakhs. Cheque was dishonoured and hence, a legal notice was issued on July 13, 2023, by Advocate of the Petitioner against the Respondents, but respondents neglected the notice and did not make the payment of the dishonoured cheque within stipulated period. Therefore, Petitioner filed a complaint before the Hon’ble Court for payment of ₹11.20 Lakhs with compensation under section 357 of Code of Criminal Procedure, 1973.

As per the deed of settlement dated October 18, 2024, between Petitioner and Respondent No.1, both parties had agreed to compromise and settle the dispute. Parties agreed that Petitioner shall request the Hon’ble Court for disposing the criminal complaint pursuant to the terms of the deed of settlement are complied with. Matter is pending before the Hon’ble Court and next date of hearing is August 28, 2025.

C. *Proceedings involving material violations of statutory regulations by our Subsidiaries*

As on date of filing of this letter of offer, there are no proceedings involving material violations of statutory regulations by our Subsidiaries.

D. *Economic offences where proceedings have been initiated against our Subsidiaries*

As on date of filing of this letter of offer, there are no proceedings initiated against our Subsidiaries for economic offences.

E. *Other proceedings involving our Company which if they result in an adverse outcome, would materially and adversely affect the operations or financial position of our Subsidiaries*

As on date of filing of this letter of offer, there are no other proceedings involving our Subsidiaries which involve an amount exceeding the materiality threshold or are otherwise material in terms of the Material Policy and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company.

F. *Tax Proceedings*

Below are the details of the pending tax cases involving our Subsidiaries, specifying the number of cases pending and the total amount involved:

(₹ in lakh)		
Particulars	No. of cases	Amount involved
Our Subsidiary		
Direct tax	08	0.52

Particulars	No. of cases	Amount involved
Indirect tax	NIL	NIL*
Total	08	0.52

**Our subsidiary, MHE Rentals India Private Limited, had an outstanding GST demand of ₹15.52 lakhs, comprising a tax liability of ₹6.99 lakhs and interest and penalties amounting to ₹8.53 lakhs. Pursuant to the GST Amnesty Scheme, the interest and penalties of ₹8.53 lakhs were waived, and the Company discharged the tax liability of ₹6.99 lakhs.*

G. Auditor Qualifications

As on March 31, 2025, our Wholly owned material Subsidiary, MHE Rentals India Private Limited, has not deposited ₹0.38 lakhs with the Employee’s State Insurance Corporation (“**ESIC**”) and ₹3.08 lakhs with the Employees’ Provident Fund Organisation (“**EPFO**”). The Statutory Auditor, has made observations in the Companies (Auditor's Report) Order (“**CARO**”), highlighting the above and stating therein that these payments are in arrears for a period of more than six months.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material pertaining to the objects of the Issue. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for the renewal from time to time.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled “*Objects of the Issue*” at page 53 of this Letter of Offer.

MATERIAL DEVELOPMENTS

Other than as disclosed below and in this Letter of Offer, to our knowledge, no material developments have arisen since March 31, 2025, which materially and adversely affect or are likely to affect the operations, performance, prospects or profitability, or the value of the assets of the Company or the ability to pay material liabilities:

- a) Execution of Exclusive Distribution Agreement between the Company and Suzhou Pioneer Material Handling Equipment & Technology Co. Ltd ('Zowell') effective from 1st April, 2025
- b) Commencement of Commercial production of JECL Engineering Limited, Wholly Owned Subsidiary of the Company at Murbad, Maharashtra w.e.f 1st April, 2025
- c) Approval of Joint development of Thane Factory Land situated at C-7 Wagle Industrial Estate, Road No12, Thane 400604 vide shareholders approval dated 20th April, 2025
- d) Receipt of order value of ₹16,00,99,089.56/- (Rupees Sixteen Crore Ninety Nine Thousand Eighty-Nine and Paise Fifty-Six only) (inclusive of GST and all taxes) from Rajasthan Rajya Vidyut Prasaran Nigam Limited.
- e) Receipt of LOI with order value of ₹6,19,50,000/- (Rupees Six Crore Nineteen Lakh Fifty Thousand only) from Transmission Corporation of Andhra Pradesh Limited.
- f) Recommendation dividend for FY 2024-25 of ₹1.25/- per equity share of ₹1/- each, subject to the approval of shareholders.
- g) Resignation of Mr. Rohit Jain from the position of Chief Financial Officer and Key Managerial Personnel with effect from 31st May, 2025 and appointment of Mr. Pranesh Bhandari as Chief Financial Officer and Key Managerial personnel of the Company with effect from 1st June, 2025.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors in its meeting dated January 28, 2025, have authorized this Issue under Section 62(1) (a) and other applicable provisions of the Companies Act, 2013.

Our Rights Issue Committee, in its meeting held on August 13, 2025, has resolved to issue up to 18,47,913 fully paid up Equity Shares on rights basis to the Eligible Equity Shareholders, at Issue price of ₹270/- per Rights Equity Share aggregating up to ₹4,989.37 Lakhs and the Rights Entitlement as 5 (Five) Rights Equity Share for every 27 (Twenty-Seven) fully paid-up Equity Share, as held on the Record Date. The Issue Price is ₹270/- per Rights Equity Share and has been arrived at by our Company prior to determination of the Record Date.

This Letter of Offer has been approved by our Rights Issue Committee on August 13, 2025.

Our Company has received in-principle approval from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Rights Equity Shares to be allotted in this Issue pursuant to their letter dated August 05, 2025. Our Company will also make applications to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN: INE636D20017 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "*Terms of the Issue*" beginning on page 111 of this Letter of Offer.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of our Promoter Group have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Letter of Offer.

Further, our Promoters and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None of our Directors or Promoter are associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Letter of Offer.

None of our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoters, and Directors have been categorized or identified as Wilful defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on Wilful Defaulters and Fraudulent Borrowers issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under the Indian Companies Act, 1882. The Equity Shares of our Company are presently listed on BSE Limited. Our Company is eligible to undertake and offer Equity Shares

pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with the provisions specified in Clause (1) of Part B of Schedule VI to the SEBI ICDR Regulations.

Compliance with SEBI (ICDR) Regulations

The present Issue being of less than ₹5,000 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of this Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with the BSE Limited. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with BSE Limited.

Our Company is in compliance with requirements of Regulation 61 and Regulation 62 of the SEBI (ICDR) Regulations, to the extent applicable. Further, in relation to compliance Regulation 62 (1) (a) of the SEBI (ICDR) Regulations, our Company undertakes to make an application to BSE Limited for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE Limited is the Designated Stock Exchange for the Issue.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI (ICDR) Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with the BSE;
2. The reports, statements and information referred to above are available on the website of BSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board of directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI (ICDR) Regulations and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.

DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is up to ₹4,995 lakhs. The present Issue being of less than ₹5,000 lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI ICDR Regulations and our Company shall submit the copy of this Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI, i.e., www.sebi.gov.in.

Disclaimer from our Company

Our Company accepts no responsibility for statements made otherwise than in this Letter of Offer or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in this Issue will be deemed to have represented to our Company, and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares of our Company and are relying on independent advice/ evaluation as to their ability and quantum of investment in this Issue.

Cautions

Our Company shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales

reports, etc., after filing this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlements, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of Offer is current only as at its date.

Our Company and their directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

Disclaimer in respect of Jurisdiction

This Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, Maharashtra, India only.

Disclaimer Clause of BSE

As required, a copy of this Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to us, post scrutiny of this Letter of Offer, is as under:

“BSE Limited (“the Exchange”) has given, vide its letter dated August 05, 2025, permission to this Company to use the Exchange’s name in this Letter of Offer as the stock exchange on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- *Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer;*
- or*
- *Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or*
- *Take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;*

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.”

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE Limited.

Listing

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Selling Restrictions

This Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Letter of Offer, the Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement (collectively “**Issue Materials**”) and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Draft Letter of Offer, the Abridged

Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email, who have provided their valid e-mail address to our Company and physical dispatch through speed post the Rights Issue related Issue Materials only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, this Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Letter of Offer, the Draft Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar and the Stock Exchange.

Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, in the event the Issue Materials have been sent to the registered email addresses of such Eligible Equity Shareholders. No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Draft Letter of Offer, the Abridged Letter of Offer or any Issue Materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Draft Letter of Offer or the Abridged Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and in those circumstances, this Letter of Offer, the Draft Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer, the Draft Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer, the Draft Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer, the Draft Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of this Letter of Offer, the Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer, the Draft Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY

OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF ("UNITED STATES"), EXCEPT IN A TRANSACTION NOT SUBJECT TO, OR EXEMPT FROM, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT. THERE IS NO INTENTION TO REGISTER ANY PORTION OF THE ISSUE OR ANY OF THE SECURITIES DESCRIBED HEREIN IN THE UNITED STATES OR TO CONDUCT A PUBLIC OFFERING OF SECURITIES IN THE UNITED STATES. ACCORDINGLY, THIS LETTER OF OFFER / THE DRAFT LETTER OF OFFER / ABRIDGED LETTER OF OFFER AND THE ENCLOSED APPLICATION FORM AND RIGHTS ENTITLEMENT LETTERS SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME. IN ADDITION, UNTIL THE EXPIRY OF 40 DAYS AFTER THE COMMENCEMENT OF THE ISSUE, AN OFFER OR SALE OF RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES WITHIN THE UNITED STATES BY A DEALER (WHETHER OR NOT IT IS PARTICIPATING IN THE ISSUE) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "US SEC"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinion:

Our Company has received written consent dated August 12, 2025, from the Statutory Auditor to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI (ICDR) Regulations, 2018 in this Letter of Offer as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) report dated May 29, 2025, May 15, 2024 and May 18, 2023 on our Audited Financial Statements for the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023 ; and (ii) statement of tax benefits dated August 12, 2025, in this Letter of Offer and such consent has not been withdrawn as on the date of this Letter of Offer. The term ‘expert’ and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any public / rights issues during last one year immediately preceding the date of this Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Filing

This Letter of Offer has been filed with the BSE and has been submitted to SEBI for information and dissemination purpose as per the provisions of the SEBI ICDR Regulations.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redressal System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets once every quarter. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Bigshare Services Private Limited is our Registrar and Share Transfer Agent. All

investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Status of outstanding investor complaints

As on the date of the LOF, there were nil outstanding investor complaints.

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see "*Terms of the Issue*" beginning at page 111 of this Letter of Offer. The contact details of our Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Issue

Bigshare Services Private Limited

S6-2, 6th Floor, Pinnacle Business Park

Mahakali Caves Road,

next to Ahura Centre

Andheri East,

Mumbai- 400093

Maharashtra, India

Telephone: +91 22 62638200

Email: rightsissue@bigshareonline.com

Website: <https://www.bigshareonline.com>

Investor Grievance Email id: investor@bigshareonline.com

Contact Person: Mr. Suraj Gupta

SEBI Registration No.: INR000001385

URL of SEBI Website:

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

Babita Kumari, Company Secretary and Compliance officer of our Company. Her contact details are set forth hereunder.

Josts Engineering Company Limited

C-7 Wagle Industrial Estate,

Road No 12, Thane 400604.

E-mail: cs@josts.in

Website: www.josts.in

Telephone: +91 022-62674000

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Investors should carefully read the provisions contained in this Letter of Offer, the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. The Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

The Eligible Equity Shareholders are requested to note that application in this issue can only be made through ASBA or any other mode which may be notified by SEBI.

OVERVIEW

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents/ records confirming the legal and beneficial ownership of the securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

This Issue and the Right Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the RBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the BSE Limited and the terms and conditions as stipulated in the Allotment Advice.

Dispatch and availability of Issue Materials

In accordance with the SEBI ICDR Regulations, the SEBI Rights Issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then this Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- i. our Company at www.josts.com;
- ii. the Registrar at <https://www.bigshareonline.com>;
- iii. the Stock Exchange at www.bseindia.com; and

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar at <https://www.bigshareonline.com> by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company at www.josts.com.

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, in the event the Issue Materials have been sent to the registered email addresses of such Eligible Equity Shareholders or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit..

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue, will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A

TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN AND IN RELIANCE ON REGULATIONS UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is in the United States when the buy order is made. No Application Form should be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Issue Materials only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be in the United States and is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including that such person is submitting and/ or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements, including in the United States; and our Company shall not be bound to issue or Allot any Rights Equity Shares in respect of any such Application Form.

PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in the Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouces', to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat escrow account, as applicable. For further details on the Rights Entitlements and demat escrow account, see "*Terms of Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 114 this Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat escrow account in case of resident Eligible Equity Shareholders holding shares in physical form, as applicable, as on Record Date and applying in the Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

a) *Facilities for Application in this Issue:*

ASBA facility

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, please refer to Paragraph titled "**Procedure for Application through the ASBA process**" beginning on page 123 of this Letter of Offer.

Please note that subject to SCSBs complying with the requirements of SEBI Rights Issue Circular, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Rights Issue Circular, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

b) *Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:*

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a suspense escrow demat account (namely, "M/S JOST S ENGINEERING COMPANY LIMITED – UNCLAIMED SECURITIES SUSPENSE ACCOUNT") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Resident Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings; or (f) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (g) non-institutional equity shareholders in the United States.

c) *Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form:*

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only.

Such Eligible Equity Shareholders holding shares in physical form, as applicable, can update the details of their respective demat accounts on the website of the Registrar at <https://www.bigshareonline.com>. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish their relevant details (such as copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) along with the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat

accounts at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in the Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Such Resident Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

In accordance with the SEBI Rights Issue Circulars, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

d) *Application for Additional Equity Shares:*

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only.

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for, exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "**Basis of Allotment**" beginning on page 137 of this Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Investors kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the Renounee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled "**Procedure for Application through the ASBA process**" beginning on page 123 of this Letter of Offer.

Renounees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renounee(s) as well.

Authority for the Issue

This Issue has been authorized through a resolution passed by our Board at its meeting held on January 28, 2025, under Section 62(1)(a) of the Companies Act, 2013.

The Rights Issue Committee has in their meeting held on August 13, 2025, approved this Letter of Offer. The Rights Issue Committee have in their meeting held on August 13, 2025, determined the Issue Price at ₹270/- per Equity Share (including a premium of ₹269/- per Equity Share), the Rights Entitlement as 5 (Five) Rights Equity Share(s) for every 27 (Twenty-Seven) fully paid-up Equity Share(s) held on the Record Date. Our Company has received in-principle approval from BSE Limited in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be allotted in the Issue pursuant to letter dated August 05,

2025. Our Company will also make application to BSE Limited to obtain its trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars. The Issue Price is ₹270/- per Equity Share and has been arrived at by our Company in consultation with the prior to determination of the Record Date.

Our Company has been allotted the ISIN: INE636D20017 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. For details, please refer to the section entitled "*Terms of the Issue*" beginning on page 111 of this Letter of Offer

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement ("REs") (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., August 20, 2025, are entitled to the number of Rights Equity Shares as set out in the Application Form / in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue at <https://www.bigshareonline.com> by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company: www.josts.com.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: INE636D20017. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date in dematerialised form only. Further, if no Application is made by the Eligible Equity Shareholders or the Renouncee of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market or off-market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application and apply for Equity Shares offered under Rights Issue, if they want to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹1/-

Issue Price

Each Rights Equity Share is being offered at a price of ₹270/- per Rights Equity Share including a premium of ₹269/- per Rights Share in the Issue.

The Issue Price is ₹270/- per Equity Share and has been arrived at by our Company prior to determination of the Record Date.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 5 (Five) Rights Equity Share(s) for every 27 (Twenty-Seven) Equity Share(s) held on the Record Date.

Terms of Payment

The entire amount of the Issue Price of ₹270/- per Rights Equity Share shall be payable at the time of Application.

Each Rights Equity Share is being offered at a price of ₹270/- per Rights Equity Share (including a premium of ₹ 269/- per Rights Equity Share), for every 1 Rights Equity Share allotted in this Issue.

Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. If there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 5 (Five) Rights Equity Share(s) for every 27 (Twenty-Seven) Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 27 (Twenty-Seven) Equity Share(s) or not in the multiple of 27 (Twenty-Seven), the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement, if any.

For example, if an Eligible Equity Shareholder holds 100 (Hundred) Equity Shares, such Shareholder will be entitled to 18 (Eighteen) Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for Additional Rights Equity Share if such Eligible Equity Shareholder has applied for Additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Equity Shares in the Issue post allocation towards Rights Entitlements applied for.

Also, those Equity Shareholders holding less than 6 (Six) Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (one) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. Application Forms with zero entitlement will be non-negotiable/non-renounceable.

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of this Letter of Offer, the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and Memorandum of Association and the Articles of Association provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment Advice. The Rights Equity Shares to be issued and allotted pursuant to the Issue shall rank pari passu with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act, 2013 and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

As per the SEBI Rights Issue Circulars, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the Issue Opening Date. On the Issue Closing Date, the Depositories will suspend the ISIN of Rights Entitlements for transfer and once the Allotment is done post the Basis of Allotment approved by the Designated Stock Exchange, the separate ISIN no. INE636D20017 for Rights Entitlements so obtained will be permanently deactivated from the Depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN INE636D01041 on BSE (Scrip Code: 505750). The Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Our Company has received in-principle approval from BSE through a letter bearing reference number LOD/RIGHT/HC/FIP/671/2025-26 dated August 05, 2025. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within 7 working days from the finalization of the Basis of Allotment. Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the BSE. Upon receipt of such listing and trading approvals, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time prescribed under the SEBI ICDR Regulations. The listing and trading of the Rights Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. If permissions to list, deal in and for an official quotation of the Rights Equity Shares is not granted by BSE, our Company shall within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, forthwith refund through verifiable means/unblock the respective ASBA accounts, the entire monies received/blocked, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of fourth day, be jointly and severally liable to repay the money,

with interest at rates prescribed under applicable law. For details of trading and listing of Rights Equity Shares, please refer to the heading "*Terms of Payment*" beginning on page 117 of this Letter of Offer.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, please refer to "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*" beginning on page 50 of Letter of Offer.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

1. The right to receive dividend, if declared;
2. The right to vote in person, or by proxy;
3. The right to receive offers for rights shares and be allotted bonus shares, if announced;
4. The right to receive surplus on liquidation;
5. The right of free transferability of Equity Shares;
6. The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited/restricted by law; and
7. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in the Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 01, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars, our Company will send, through email and registered/speed post, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other Issue Material only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, our Company along with the will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar nor the shall be responsible for not sending the physical copies of Issue Materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non- availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and a Marathi language daily newspaper (Marathi being the regional language in the place where our Registered Office is located).

This Letter of Offer, the Draft Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors:

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018, as amended from time to time, issued by the RBI, non- residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on rightsissue@bigshareonline.com). or physically/postal means at the address of the Registrar It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the and our Company will not be responsible for any

such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Common Application Form shall be sent/dispatched to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the and the Stock Exchange. Our Board may at its absolute discretion agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to their repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and to obtain prior approval from RBI for applying in this Issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat escrow account, as applicable. For further details on the Rights Entitlements and demat escrow account, see "***Terms of Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders***" on page 114 of this Letter of Offer.

Further, the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date can apply for this Issue through ASBA facility. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, please refer to "***Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form***" beginning page 129 of this Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form, as applicable, as on Record Date and applying in the Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to

Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Prior to making an Application, such Investors should enable the internet banking of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details please refer to "Grounds for Technical Rejection" beginning on page 134 of this Letter of Offer. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, please refer to "*Applications on Plain Paper under ASBA process*" beginning on page 126 of this Letter of Offer.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. Details of each Eligible Equity Shareholders Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and other Issue Materials would also be available on the website of the Registrar to the Issue at <https://www.bigshareonline.com> and link of the same would also be available on the website of our Company at www.josts.com. Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

If the Eligible Equity Shareholder applies in the Issue, then such Eligible Equity Shareholders will have the option to:

1. apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
2. apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
3. apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
4. apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
5. renounce its Rights Entitlements in full.

In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. Thursday, September 04, 2025, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period through ASBA mode. Such resident Eligible Equity Shareholders must check the procedure for Application in

"Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form" beginning on page 129 of this Letter of Offer.

Procedure for Application through the ASBA process

An Investor, wishing to participate in the Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have otherwise provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in the Issue and clear demarcated funds should be available in such account for such an Application.

The, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "**Applications on Plain Paper under ASBA process**" beginning on page 126 of this Letter of Offer.

Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in

part. Applications for Additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the BSE in the manner prescribed under the section titled "*Terms of the Issue*". Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "*Basis of Allotment*"

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to the Renounee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part. The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by the RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by the RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off market transfer.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Our Company accepts no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

A. On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective

demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in accordance with the terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN: INE636D20017 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlement. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., Friday, August 29, 2025 to Wednesday, September 03, 2025 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN: INE636D20017 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

B. Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a Depository Participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their Depository Participant by issuing a delivery instruction slip quoting the ISIN: INE636D20017, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their Depository Participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above and only such plain paper applications which provide all the details required in terms of Regulation 78 of SEBI ICDR Regulations shall be accepted by SCSBs.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Stock Exchange to provide requisite details.

An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Issuer, being Josts Engineering Company Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option preferred - only Demat form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for;
8. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
9. Total number of Rights Equity Shares applied for within the Rights Entitlements;
10. Total amount paid at the time of application of ₹270/- per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the Applicants;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence);
16. Additionally, all such Applicants are deemed to have accepted the following:

"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("United States") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("Regulation S"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and

under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulations or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

*I/ We hereby make representations, warranties and agreements set forth in "**Restrictions of Foreign Ownership of Indian Securities**" on page 147 of this Letter of Offer*

I/We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties and agreements set forth therein."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://www.bigshareonline.com>.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Last date for Application

The last date for submission of the duly filled in Application Form or a plain paper Application is September 09, 2025, Issue Closing Date. Our Board or Rights Issue Committee may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application together with the amount payable is either (i) not blocked with an SCSB; (ii) not received by the Bankers to the Issue on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof; or (iii) not uploaded with Stock Exchange, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "**Terms of the Issue - Basis of Allotment**"

Please note that on the Issue Closing Date for Applications through ASBA process shall be uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange. Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in the Issue.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018, as amended from time to time issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Right Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment Advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar. It will be the sole responsibility of the investors to ensure that the necessary

approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals. In case of change of status of holders, i.e., from resident to non resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

As regards Applications by Non-Resident Investors, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar or our Company.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions (other than the United States and India) where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdiction. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard.

Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.

In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

In case of an Application Form received from the non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursement, if any shall be credited to such account.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be

made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in the Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, as applicable, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in the Issue:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;
2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least 1 (One day) before the Issue Closing Date;
3. The remaining procedure for Application shall be same as set out in “*-Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 126 of this Letter of Offer
4. In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM, AS APPLICABLE.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE REFER TO "ALLOTMENT ADVICES/ REFUND ORDERS/ UNBLOCKING OF ASBA ACCOUNTS" BEGINNING ON OF PAGE 138 THIS LETTER OF OFFER.

General instructions for Investors

1. Please read this Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
2. In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

3. Please read the instructions on the Application Form sent to you.
4. The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
5. Application should be made only through the ASBA facility.
6. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
7. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Applications on Plain Paper under ASBA process*" beginning on page 126 of this Letter of Offer.
8. In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
9. An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
10. Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE.
11. Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar.
12. In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
13. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
14. In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid.
15. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
16. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name

and all communication will be addressed to the first Applicant.

17. All communication in connection with Application for the Rights Equity Shares, including any change in address, contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the Date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers (for Eligible Equity Shareholders who hold Equity Shares in physical form, as applicable, as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in address, contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective Depository Participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable.
18. Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
19. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
20. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
21. In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Additional general instructions for Investors in relation to making of an Application

1. Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
2. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section entitled "*Applications on Plain Paper under ASBA process*" beginning on page 126 of this Letter of Offer.
3. Ensure that the demographic details such as address, PAN, DP ID, Client ID, folio number, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or Registrar or shall be liable to compensate the Investor

for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

4. By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
5. Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
6. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
7. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
8. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
9. Do not pay the Application Money in cash, by money order, pay order or postal order.
10. Do not submit multiple Applications.
11. No investment under the FDI route requiring government approval will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
12. An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Do's:

1. Ensure that the Application Form and necessary details are filled in.
2. Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
3. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects.
4. Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the the SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

1. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
2. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
3. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
4. Do not pay the Application Money in cash, by money order, pay order or postal order.
5. Do not submit multiple Applications.

Do's for Investors applying through ASBA:

1. Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
2. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
3. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
4. Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
5. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
6. Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
7. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
8. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
9. Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA

1. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
2. Do not send your physical Application to the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
3. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
4. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.
5. Do not submit Application Form using third party ASBA account.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

1. DP ID, folio number and Client ID mentioned in Application does not match with the DP ID, folio number and Client ID records available with the Registrar.
2. Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
3. Sending an Application to our Company, the, the Registrar, Banker to the issue, to a branch of a SCSB which is not a Designated Branch of the SCSB.
4. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
5. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
6. Account holder not signing the Application or declaration mentioned therein.
7. Submission of more than one Application Form for Rights Entitlements available in a particular demat

account.

8. Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
9. Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
10. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
11. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
12. Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
13. Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
14. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
15. If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
16. Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
17. Applications which have evidence of being executed or made in contravention of applicable securities laws.
18. Application from Investors that are residing in U.S. address as per the depository records (other than in reliance with Reg S).
19. Applicants not having the requisite approvals to make application in the Issue.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

1. Our Company, the Registrar or any other person acting on behalf of us reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorized to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.
2. Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.
3. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
4. The Allotment Advice and the email intimating unblocking of ASBA Account would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.
5. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Multiple Applications

In case where multiple Applications are made using same demat account in respect of the same Rights Entitlement, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, please refer to "*Investment by Mutual Funds*" beginning on page 142 of this Letter of Offer.

In cases where multiple Applications are submitted, including cases where an (a) Investor submits Application Forms along with a plain paper Application, or (b) multiple plain paper Applications, or (c) multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications that may be submitted by any of the Promoters or members of the Promoter Group as described in "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*" beginning on page 50 of this Letter of Offer.

Underwriting

The Issue is not underwritten.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post 5.00 p.m. (Indian Standard Time) on the Issue Closing Date.

Issue schedule

Event	Indicative Date
Last Date for credit of Rights Entitlements	Friday, August 22, 2025
Issue Opening Date	Friday, August 29, 2025
Last Date for On Market Renunciation Rights [#]	Wednesday, September 03, 2025
Issue Closing Date*	Tuesday, September 09, 2025
Finalization of Basis of Allotment (on or about)	Tuesday, September 16, 2025
Date of Allotment (on or about)	Wednesday, September 17, 2025
Date of credit (on or about)	Friday, September 19, 2025
Date of listing (on or about)	Monday, September 22, 2025

[#]Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

*Our Board, or a Rights Issue Committee thereof, will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., Thursday, September 04, 2025 to enable the credit of the Rights Entitlements by way of transfer from the demat escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., Monday, September 08, 2025. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., <https://www.bigshareonline.com>). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., <https://www.bigshareonline.com>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.josts.com)

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

1. Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renounee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.
2. Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity

Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (1) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

3. Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are unsubscribed Rights Equity Shares after making full Allotment under (1) and (2) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
4. Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis in consultation with the Designated Stock Exchange, as part of the Issue and will not be a preferential allotment.
5. Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding.
6. After taking into account Allotment to be made under (1) to (5) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advices/Refund Orders/ Unblocking of ASBA Accounts

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email, who have provided their valid e-mail address to our Company and physical dispatch through speed post the Rights Issue related Issue Materials only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds/unblocking of fund beyond such

period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

The allotment advice or refund order (if any) or unblocking advice would be sent by e-mail or registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company but the Applicant's Depository Participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

Refund payment to Non-residents

The Application Money will be unblocked in the FCNR/NRE Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Right Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE RESIDENT ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form only. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

1. Tripartite Agreement between our Company, National Securities Depository Limited and the Registrar to the Company dated July 03, 2021.
2. Tripartite Agreement between our Company, Central Depository Service India Limited and the Registrar to the Company dated August 09, 2021.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary

account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's Depository Participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's Depository Participant.

If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders whose Equity Shares are with IEPF authority/ in suspense, etc.). The allotment advice or refund order (if any) or unblocking advice would be sent by e-mail or registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company but the Applicant's Depository Participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

- Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable Allotment Advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" beginning on page 143 of this Letter of Offer.

Procedure for Applications by certain categories of Investors

Investment by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions or restrictions as specified by SEBI and RBI in this regard.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the GoI from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA

Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs, VCFs and FDI route

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("SEBI VCF Regulations") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("SEBI FVCI Regulations") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("*SEBI AIF Regulations*") prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹2 lakhs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO counts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants.

However, in compliance with the FEMA Rules, the aggregate ceiling of 10% has been raised to 24%, by a special resolution to that effect passed by the general body of the Indian Company.

Further, in accordance with Press Note 3 of 2020, the FDI Policy ("Press Note") has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government of India. It is not clear from the Press Note whether or not an issuance of the Right Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 05, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

1. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
2. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
3. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447. "

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹50 lakhs or with both.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be unblocked in the respective ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date and refunded in the respective bank accounts from which Application Money was received on or before T+1 day (T being the date of finalisation of Basis of Allotment). In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

- i. All monies received out of the Issue shall be transferred to a separate bank account;
- ii. Details of all monies utilized out of the Issue referred to in clause (i) above shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- iii. Details of all unutilized monies out of the Issue referred to in clause (i) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- iv. Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
3. The funds required for unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. Other than any Equity Shares that may be issued pursuant to exercise options under the ESOP 2016 and ESOP 2018, no further issue of securities shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription, etc. other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.
6. In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
7. Adequate arrangements shall be made to collect all ASBA Applications.
8. At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
9. As on date our Company does not have any convertible debt instruments.
10. Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
11. Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes enquiries to ascertain such facts.

Minimum Subscription

The Promoter and Promoter Group may or may not subscribe their rights entitlement arising out of the proposed Rights and may renounce whole or a part of their Rights Entitlement in the favor of third parties, which our Promoters and Promoter Group may identify in due course or may renounce /sell part of their Rights Entitlement in the open market. Therefore, the minimum subscription criteria (of at least 90% of the Issue) as provided in regulation 86(1) of the SEBI ICDR Regulations is applicable to this Issue. Pursuant to regulation 86(2) of the SEBI (ICDR) Regulations, 2018 in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than four days from the closure of the Rights Issue.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 w.e.f. September 28, 2020, has amended Regulation 3 (b) of the SEBI (ICDR) Regulations as per which the threshold of the rights issue size under Regulation 3 of the SEBI (ICDR) Regulations has been increased from ₹10,00,00,000.00/- (Rupees Ten Crores Only) to ₹50,00,00,000.00/- (Rupees Fifty Crores Only). Since the size of this Issue falls under the said threshold, this Letter of Offer had been filed with the BSE Limited and will not be filed with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the BSE Limited.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchange will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Investor Grievances, Communication and Important Links

Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "**Risk Factors**" beginning on page 20 of this Letter of Offer.

All enquiries in connection with this Letter of Offer, Draft Letter of Offer, Abridged Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "**Josts Engineering Company Limited – Rights Issue**" on the envelope to the Registrar at the following address:



Bigshare Services Private Limited

Address: Office No. S6-2, 6th Floor, Pinnacle Business Park
Mahakali Caves Road, next to Ahura Centre, Andheri East, Mumbai- 400093
Maharashtra, India
Contact Person: Suraj Gupta

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar of the Issue i.e <https://www.bigshareonline.com>. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 22 62638200.

The Investors can visit following links for the below-mentioned purposes:

1. Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: <https://www.bigshareonline.com> or call helpline number.
2. Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar to the Issue i.e. Bigshare Services Private Limited: <https://www.bigshareonline.com>

3. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form, as applicable, and
4. Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders: rightsissue@bigshareonline.com

The Issue will remain open for minimum period of 7 (Seven) days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy will be valid until the DPIIT issues an updated circular.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the issue as an incorporated non-resident must do so in accordance with the FDI Policy and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors

are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII- STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the material contracts for inspection referred to hereunder, would be available on the website of the Company at www.josts.com and will also be made available at our Registered Office between 09:00 am to 05:30 pm on all working days from the date of this Letter of Offer until the Issue Closing Date.

1. MATERIAL CONTRACTS FOR THE ISSUE

- (i) Registrar Agreement dated April 28, 2025, entered into amongst our Company and the Registrar to the Issue;
- (ii) Bankers to the Issue Agreement dated August 13, 2025, among our Company, Registrar to the Issue and the Bankers to the Issue.

2. MATERIAL DOCUMENTS IN RELATION TO THE ISSUE

- (i) Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.
- (ii) Annual Reports of the Company for the past five years.
- (iii) Fresh certificate of incorporation dated February 25, 1918, issued by Registrar of Companies, Bombay, pursuant to change of name of our Company to '*Josts Engineering Company Limited*'.
- (iv) Resolution of the Board of Directors at its meeting held on January 28, 2025, in relation to the Issue authorization and other related matters;
- (v) Resolution of the Rights Issue Committee dated April 28, 2025, approving and adopting the Draft Letter of Offer;
- (vi) Resolution of our Rights Issue Committee dated August 13, 2025, finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio;
- (vii) Resolution of the Rights Issue Committee dated August 13, 2025, approving and adopting the Letter of Offer.
- (viii) Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Bankers to the Issue, Legal Advisor to the Issue and Registrar to the Issue for inclusion of their names in this Letter of Offer to act in their respective capacities;
- (ix) Consent letter dated April 28, 2025, from our Statutory Auditors, namely, Shah Gupta & Co., Chartered Accountants to include their name in this Letter of Offer, as an "expert" as defined under Section 2(38) of the Companies Act, 2013, and such consent has not been withdrawn as on the date of this Letter of Offer. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act;
- (x) Statement of Tax Benefits dated August 12, 2025, for our company from the Statutory Auditor of our company;
- (xi) Tripartite Agreement dated July 03, 2021, between our Company, NSDL and the Registrar to

the Issue;

- (xii) Tripartite Agreement dated August 09, 2021, between our Company, CSDL and the Registrar to the Issue;
- (xiii) In principle approval dated August 05, 2025 issued by BSE Limited;

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Eligible Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-

Jai Prakash Agarwal
Chairman & Whole-Time Director
Date: August 13, 2025
Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-

Vishal Jain

Managing Director & Chief Executive Officer

Date: August 13, 2025

Place: Bangalore

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-

Shikha Jain

Non-Executive Director

Date: August 13, 2025

Place: Bangalore

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-

Pramod Kumar Maheshwari

Non – Executive Independent Director

Date: August 13, 2025

Place: Kota

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-

Sanjiv Swarup

Non - Executive Independent Director

Date: August 13, 2025

Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-

Rekha Shreeratan Bagry

Non – Executive Independent Director

Date: August 13, 2025

Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE KEY MANAGERIAL PERSONNEL OF THE COMPANY

Sd/-

Pranesh Bhandari
Chief Financial Officer
Date: August 13, 2025
Place: Thane