



Since 1907

# Jost's Engineering Company Limited

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Email : jostfact@josts.in

Website: www.josts.com

( Registered Office : Great Social Building, 60 Sir Phirozeshah Mehta Road, Mumbai 400 001 )

**The Secretary,**  
BSE Ltd.,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400001

14<sup>th</sup> August, 2021

Dear Sir,

**Scrip Code- 505750**

**Subject- Annual Report 2020-21 and AGM Notice for 114<sup>th</sup> Annual General Meeting of the members of the Company to be held on 9<sup>th</sup> September, 2021.**

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, enclosed is a copy of the Annual Report 2020-21 being sent to the shareholders which contains the Notice of the Annual General Meeting of the Company.

The Hundred and Fourteenth Annual General Meeting of members of the Company will be held on Thursday, the 9<sup>th</sup> day of September, 2021 at 02:00 p.m. through Video Conferencing/Other Audio-Visual Means.

As per Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members the facility to cast their vote(s) on all resolutions set forth in the Notice by electronic means ("e-voting"). The instructions for e-voting are mentioned in notes of the Notice of AGM.

Thanking You,

Yours Faithfully,

**For Jost's Engineering Company Limited**

Qamar Ali  
Company Secretary



Encl: As above.



ANNUAL REPORT

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THROUGH  
THE  
CHAOS

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2020 - 2021

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### Disclaimer

This document contains statements about expected future events and financials of Jost's Engineering Company Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

# ABOUT US

## MATERIAL HANDLING DEPARTMENT

THE MHD MANUFACTURES AND DISTRIBUTES MATERIAL HANDLING EQUIPMENT, SUCH AS ELECTRIC PALLET TRUCKS, PLATFORM/TOW TRUCKS, RACKING SYSTEMS, ELECTRIC/DIESEL FORKLIFTS AND REACH TRUCKS.

THE MHD PROVIDES INNOVATIVE SOLUTIONS TO ITS CUSTOMERS TO SAVE ON THEIR LABOR COSTS, MATERIAL COSTS AND CONSERVE TIME, THEREBY INCREASING THE EFFICIENCY OF THEIR PROCESSES. JOSTS HAS BEEN CATERING TO VARIOUS INDUSTRIES FOR THEIR MATERIAL STORAGE AND TRANSPORTATION NEEDS; LOADING AND UNLOADING, STACKING AND RETRIEVING OPERATIONS FOR OVER FIFTY YEARS.

## ENGINEERED PRODUCTS DIVISION

THE EPD OF THE COMPANY DEALS IN VARIOUS PRODUCT LINES SUCH AS SOUND AND VIBRATION, ENVIRONMENTAL SIMULATION, PROCESS CONTROL INSTRUMENTATION, COMPONENTS, ELECTRICAL TEST AND MEASUREMENT, NANOTECHNOLOGY AND ANALYTICAL SOLUTIONS, HEAT AND COMBUSTION SOLUTIONS. THE COMPANY IS COMMITTED TO PROVIDING ENVIRONMENT- FRIENDLY TECHNOLOGY WHILE ASSISTING ITS CUSTOMERS TO ENHANCE THE PERFORMANCE OF THEIR PRODUCTS AND PROCESSES.

## TECHNICAL SERVICES

JOSTS ALSO PROVIDES ON-SITE TESTING, TECHNICAL TRAINING INSTALLATION, ERECTION, AND COMMISSIONING, CALIBRATION, ANNUAL MAINTENANCE CONTRACT, MAINTENANCE SERVICES, AND FURTHER TO PROVIDE SERVICES SUPPORT TO THEIR CUSTOMERS

## MHE RENTALS

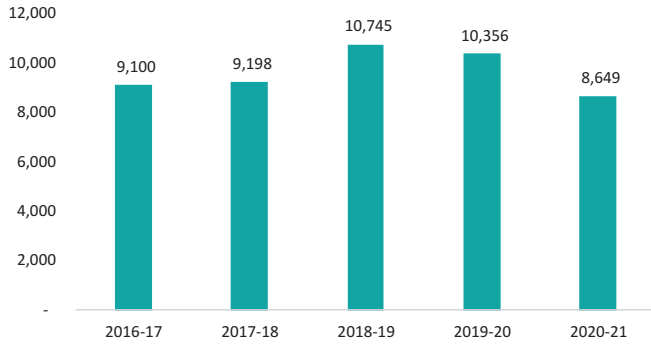
MHE RENTALS OFFERS THE BEST EQUIPMENT IN ACCORDANCE WITH CUSTOMERS' NEEDS ALONG WITH ON-TIME TECHNICAL SUPPORT. THE PRODUCTS AND SERVICES ARE CUSTOMIZED AS PER THE FOLLOWING PARAMETERS: Equipment | Trained operator | Annual maintenance contract | Manpower





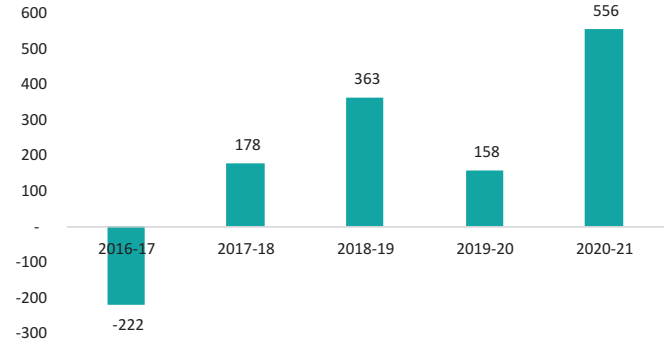
## Income

(₹ in Lakhs)



## Profit Before Tax

(₹ in Lakhs)

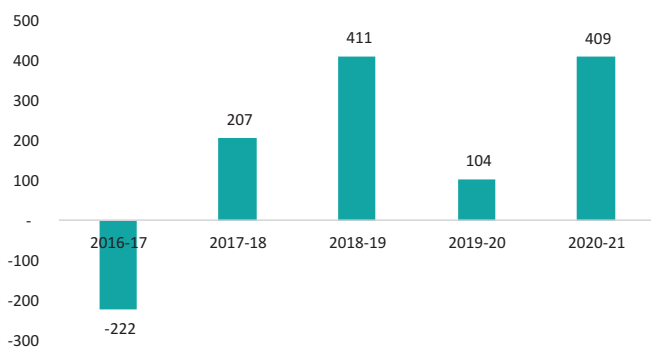


# Financial

## highlights

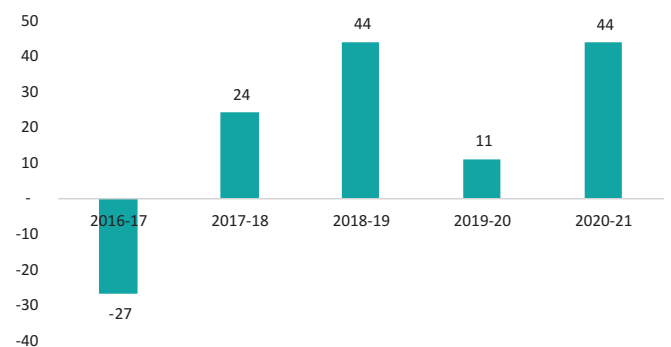
## Profit After Tax

(₹ in Lakhs)



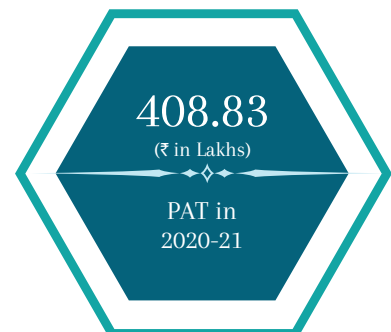
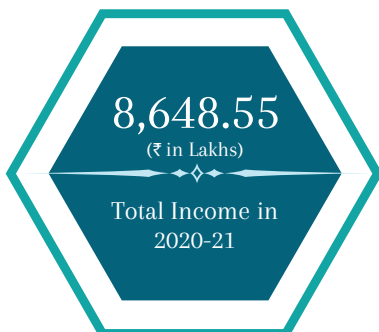
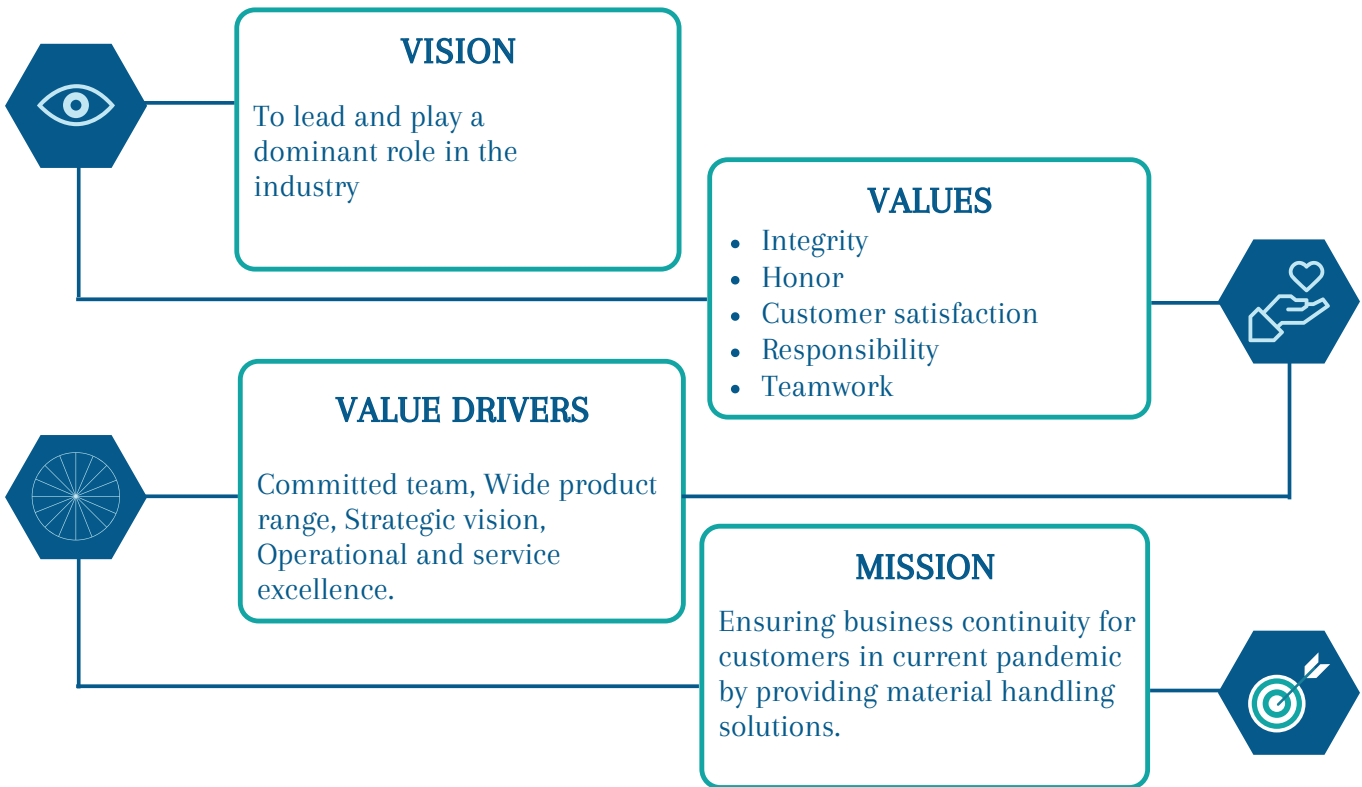
## Earnings per share

(₹ in Lakhs)

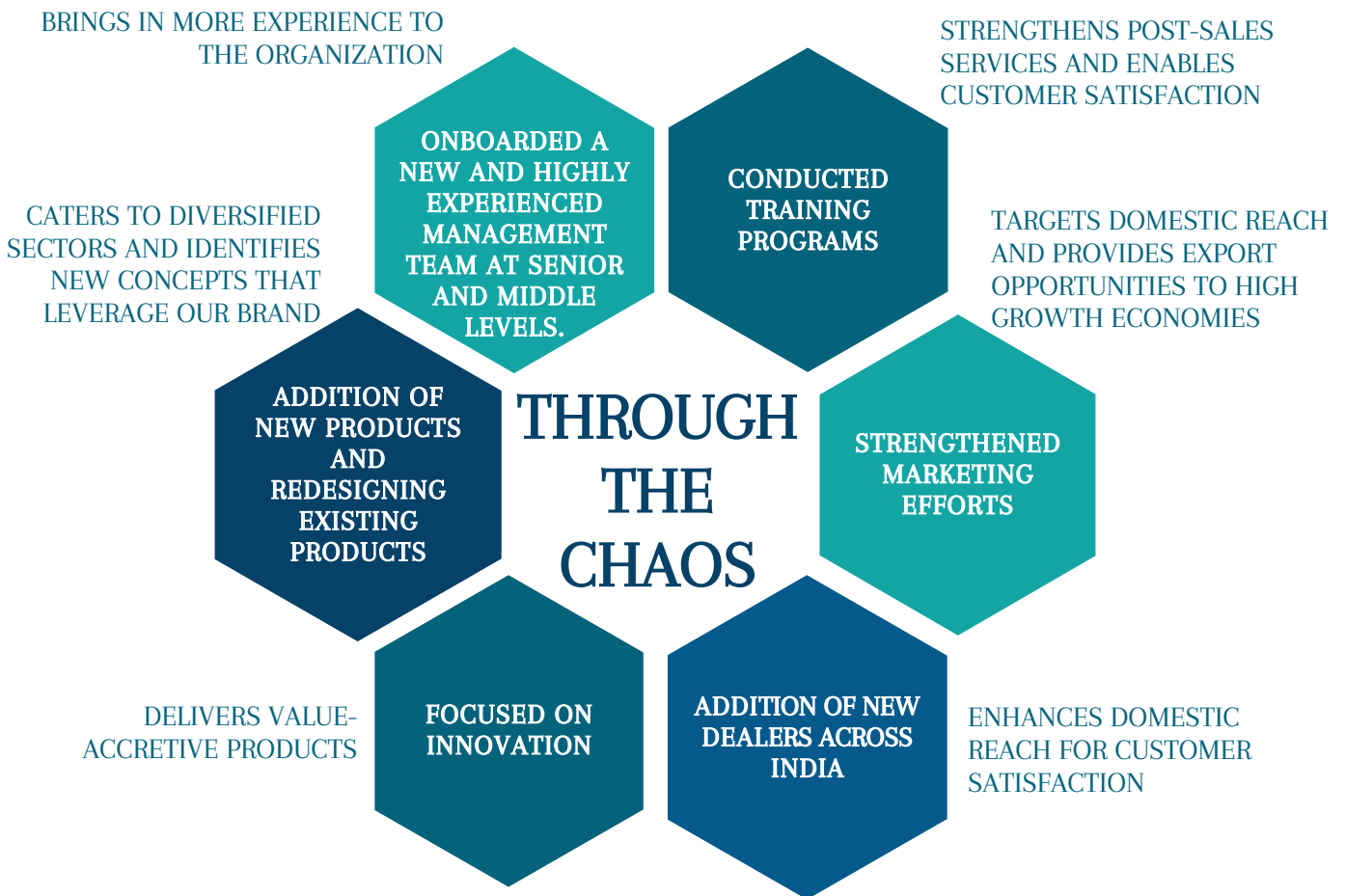


# THROUGH THE CHAOS

*JOST'S IS EVOLVING WITH A UNIQUE BUSINESS STRUCTURE FOR BUILDING A SUSTAINABLE ENVIRONMENT.*



Josts undertook some major initiatives to move towards a better future in these uncertain and chaotic times. With a robust and productive hybrid model of operation, Josts worked on improving performance, crafting clear goals, and empowering small, cross-silo teams to make decisions. We also worked on recognizing and adopting new collaboration technologies.



WINSTON CHURCHILL ONCE SAID,  
*“NEVER LET A GOOD CRISIS GO TO WASTE.”*



## BOARD OF DIRECTORS



Mr. Shailesh Sheth  
Director



Mr. Jai Prakash Agarwal  
Chairman



Mr. Vishal Jain  
Vice-Chairman and Managing Director



Mrs. Shikha Jain  
Director



Mr. Marco Wadia  
Director



Mr. F.K. Banatwalla  
Director

## MANAGEMENT

Mr. L. Sharath Kumar  
President - EPD

Mr. Vishal Jain  
Vice Chairman and Managing Director

Mr. Rohit Jain  
Chief Finance Officer

### CORPORATE INFORMATION

#### Bankers

HDFC Bank Ltd.

The Zoroastrian Co-operative Bank Ltd.

Bank of Maharashtra

#### Solicitors

M/s. Crawford Bayley and Company

### AUDITORS

M/s. Singhi & Co

Chartered Accountants

Registrar and Share Transfer Agents

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,

Opp. Vasant Oasis, Makwana Road, Marol,

Andheri (East), Mumbai - 400 059, Maharashtra, India.

Phone: 022-6263 8200, Website: [www.bigshareonline.com](http://www.bigshareonline.com)

Investor correspondence link :

<https://www.bigshareonline.com/InvestorLogin.aspx>

# From the Chairman's desk



Dear Shareholders,

It gives me immense satisfaction to present to you, the Josts' Annual Report for the year 2020-21. We survived through this year of chaos by continuing our journey of transformation and thrived by improving on profitable growth. Even during the most tumultuous time that our company has ever seen, we can look at Josts performance for the fiscal year 2021 with quiet contentment.

Over the past year, we were extremely focused on ensuring the safety and wellbeing of our employees. To support our employees during this challenging period, we prioritized mental and physical health while helping them maintain a better work-life balance. For our employees, we have taken a variety of measures that encompass financial, medical and insurance assistance.

Today, the world is undergoing three major transitions simultaneously – the pandemic-induced model for hybrid work which requires new ways to collaborate, orchestrate and deliver, the technology transformation driven by cloud, and the digital acceleration of business models that are changing the way we work and live. Josts is proud to say that our employees have access to the latest digital technology and are embracing agile ways of working. We have been successful in virtually engaged with our employees, as employees continue to work remotely

Josts' subsidiary, MHE Rental business, is steady, and the company is consolidating its business while providing satisfactory services to its customers.

The year FY21 was an economic roller coaster. It can be described as a 'tale of two halves', where we witnessed a precipitous slowdown in economic activity in the first half, followed by an impressive sequential rebound in the second half. We believe a phased recovery in economic activity over the next couple of years will result in tax

buoyancy, and consequently enable the Government to forge ahead with various infrastructure projects. While the Union Budget 2021 highlighted large outlays on infrastructure, the Government also postponed the fiscal consolidation exercise to FY25, essentially creating more room for future capital expenditure. Currently, numerous projects in India are being funded by various bilateral/ multilateral agencies, which can potentially plug funding gaps in the National Infrastructure Pipeline. Private sector balance sheets have been looking healthier, thanks to the combination of incentives, low tax rates and liquidity.

We have created a strong leadership team to work with trained and motivated employees who have proven their mettle by working through the pandemic. Our cross-functional teams have brought the best of all our capabilities together by working in unison, to support and serve our clients.

I am pleased to inform you that Josts has continued its growth in the Engineered Products Division and Material Handling Division despite the impact of nationwide lockdown imposed due to the COVID-19 Pandemic. The Engineered Products Division has made a substantial contribution to the profits made in the FY21. Through this division, we serve the industries of Aerospace & Defense, Education, R&D Labs, and private segments like Auto Engineering and FMCG. We aspire to sharpen the focus on the technical service business in the years to come.

The Material Handling Division performed better this year. Josts is continuously putting focus on the quality of products and better customer services. Refinement and enhancement of customer acquisition has added value to the division.

We continue to emphasize on shareholder value creation by concentrating on cost efficiencies and leveraging technology for productivity gains. Josts' strategically diversified business portfolio, geographical dispersion, robust balance sheet and strong order book are reliable signs pointing to a brighter future. Furthermore, Josts has proven its execution capability and the committed workforce is successfully aiding the company's transition into a digitally evolved work environment.

For me, it is a matter of pride to see the commitment and dedication that our employees have displayed during this year to serve our clients. I am extremely grateful to them, our clients, the leadership team, our board members, and all our well-wishers, who have supported us with their trust and patience through this most challenging year.

With Best Wishes,

Jai Prakash Agarwal  
*Chairman*

## **SATUTORY REPORTS**

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# Board's Report

The Directors present herewith Annual Report together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2021.

(₹ in lakhs)

	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>1. Standalone Financial Results</b>		
<b>Profit/(Loss) before exceptional items and Tax</b>	555.90	541.46
Exceptional Items	-	<b>383.77</b>
<b>Profit Before tax</b>	555.90	157.69
Less : Tax Expense:		
Current Tax	<b>165.20</b>	<b>76.22</b>
Deferred Tax	<b>(2.17)</b>	<b>(10.68)</b>
Short/(Excess) Provision for Income tax of earlier years	(15.96)	(11.89)
<b>Profit/(Loss) after tax</b>	<b>408.83</b>	<b>104.04</b>
Balance brought forward from previous year	1,327.65	1,257.35
Amount available for appropriation	1,736.48	1,361.39
Less : Dividend paid during the year	27.99	27.99
Dividend distribution tax paid during the year	-	5.75
General Reserve	-	-
<b>Balance carried forward</b>	<b>1,708.49</b>	<b>1,327.65</b>

## 2. Dividend

The Directors are pleased to recommend a dividend of ₹ 3/- per share (30%) on Equity Shares of ₹ 10/- each for the year ended 31<sup>st</sup> March, 2021.

## 3. State of the Company's Affairs and Operations:

Income for the year under review, was ₹ 8,648.55 Lakhs as against ₹ 10,355.92 Lakhs in the previous year. The profit before tax was ₹ 555.90 Lakhs as against ₹ 157.69 Lakhs in the previous year. Generally, business should continue to progress. Barring unforeseen circumstances, there should be improved results in the current financial year 2021-22.

## 4. Performance of Subsidiary Company MHE Rentals India Private Limited.

This Subsidiary is engaged in equipment rental business. For the year ended 31<sup>st</sup> March, 2021, the turnover was ₹ 1084.14 lakhs as against ₹ 1228.39 Lakhs in the previous year, the loss for the year ended 31<sup>st</sup> March, 2021 was ₹ 59.01 lakhs as against loss of ₹ 78.28 Lakhs in the previous year. Further there are no Joint Venture or associate companies.

## 5. Share Capital

The Authorized Capital of the company is ₹ 1,00,00,000 and Paid Up capital of the company is ₹ 93,28,730. During the Year the company at its extra Ordinary General Meeting dated 24<sup>th</sup> March, 2021 approved Sub Division of its equity

shares from the Face Value of ₹ 10/- each to Face Value of ₹ 5/- each.

## 6. Consolidated Financial Statements

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

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

## 7. Material Subsidiary

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

## Board's Report (Contd...)

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

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

### 9. Directors' Responsibility Statement

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

- (i) that in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2021 and of the profit of the Company for the year ended on that date;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis;
- (v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 10. Particulars of employees

The information pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not given as no employee, employed throughout the financial year 2021, was in receipt of the remuneration of ₹ 102 lakhs or more and no employee, employed for the part of the financial year 2020-21 was in receipt of remuneration of ₹ 8.50 lakhs or more per month.

### 11. Annual Return

The Annual Return of the Company as on March 31, 2021 can be accessed on the Company's website at [www.josts.com](http://www.josts.com)

### 12. Deposits

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

### 13. Particulars of Loans, Guarantees and Investments

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

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

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

### 15. Vigil Mechanism / Whistle Blower Policy

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

### 16. Risk Management Policy

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

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

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

## Board's Report (Contd...)

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

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

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

### 17. Nomination and Remuneration Policy

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

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

### 18. Prevention of Sexual Harassment

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

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

### 19. Committees of the Board

The Board of Directors have constituted the following Committees in compliance with the Companies Act, 2013. These Committees deal with specific areas and activities which concern the Company.

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

(iii) Share Transfer and Stakeholders Relationship Committee	Mr. Shailesh Sheth - Chairman Mr. F. K. Banatwalla - Member Mr. Jai Prakash Agarwal - Member
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### 20. Independent Directors' Meeting

During the year under review, the Independent Directors had a separate Meeting on 29<sup>th</sup> January, 2021 for reviewing the performance of non-independent directors, the performance of the Chairperson of the Company, and to assess the quality, quantity and timeliness of flow of information between the management and the Board so as to enable the Board to effectively and reasonably perform their duties.

### 21. Meetings of the Board

During the year under review 5 (Five) Board Meetings and 9 (Nine) Committee Meetings were convened and held. The details of the same forms a part of the Corporate Governance Report.

### 22. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, the Board of Directors of the company evaluates the performance of the Independent Directors, Committees of the Board and the Board as a whole and found the performance satisfactory.

### 23. Related Party Transactions

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

All related party transactions entered into during FY 2020-21 were on an arm's length basis and in the ordinary course of business. No material related party transactions were entered into during the financial year 2020-21. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is attached as Annexure-F.

### 24. Auditors

#### (i) Statutory Auditors

M/s. Singhi & Co., Chartered Accountants, (Firm's Registration No. 302049E) was appointed as the Statutory Auditors of the Company, at the 110<sup>th</sup> Annual General Meeting, held on 20<sup>th</sup> July, 2017 to hold office, from the conclusion of the 110<sup>th</sup> Annual

## Board's Report (Contd...)

General meeting till the conclusion of the 115<sup>th</sup> Annual General Meeting, subject to ratification by the members every year. Necessary resolution for ratification of the appointment of M/s Singhi & Co., Chartered Accountants as the Statutory Auditors is included in the Notice of the 114<sup>th</sup> Annual General Meeting.

The reports of the Statutory Auditors, M/s. Singhi & Co., Chartered Accountants, on the Standalone and Consolidated Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2021, form part of this Annual Report. The Statutory Auditors have submitted an unmodified opinion on the audit of financial statements for the year ended 31<sup>st</sup> March, 2021 and there is no qualification, reservation or adverse remarks given by the Auditors in their Report.

### (ii) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s, Sandeep Dar & Co., Company Secretaries, as Secretarial Auditor, to undertake the Secretarial Audit for the year ended 31<sup>st</sup> March, 2021. The Secretarial Audit Report is annexed as Annexure "B" to the Board's Report. The Company has complied with applicable Secretarial Standards.

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

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

1. Ref: Para I of the Report:
  - a. The Company Secretary and Compliance Officer of the Company had resigned and ceased in the employment of the Company w.e.f. 1<sup>st</sup> March, 2020. The Company had six months' time to fill up the vacancy caused by the resignation of Company Secretary and Compliance Officer. However, due to nationwide lockdown because of COVID-19 pandemic the company was not able to fill up the said vacancy. Further, the Company appointed the Asst. Company Secretary and Compliance Officer w.e.f. 23<sup>rd</sup> November, 2020.
  - b. The Chief Financial Officer of the Company had resigned and ceased in the employment of the Company w.e.f. 17<sup>th</sup> December, 2019. The Company had six months' time to fill up the vacancy caused by the resignation of Chief Financial Officer. However, due to nationwide lockdown because of COVID-19 pandemic the

company was not able to fill up the said vacancy. Further, the Company appointed the Chief Financial Officer w.e.f. 11<sup>th</sup> December, 2020.

2. Ref: Para V (i) of the Report:
  - a. The Company Secretary and Compliance Officer of the Company had resigned and ceased in the employment of the Company w.e.f. 1<sup>st</sup> March, 2020. The Company had six months' time to fill up the vacancy caused by the resignation of Company Secretary and Compliance Officer. However, due to nationwide lockdown because of COVID-19 pandemic the company was not able to fill up the said vacancy. Further, the Company appointed the Asst. Company Secretary and Compliance Officer w.e.f. 23<sup>rd</sup> November, 2020.
  - b. The company submitted Annual Report for the year 2019-20 pursuant to Regulation 34 of SEBI (LODR) late by 3 days to the Stock exchange. The delay of 3 days was from 14<sup>th</sup> August, 2020 to 16<sup>th</sup> August, 2020. However, the company had sent Annual Report to the shareholders on 13<sup>th</sup> August, 2020 itself. The next three days i.e. Friday was a working day, Saturday was a National Holiday and Sunday was weekly off. We had submitted the Annual Report to the Stock Exchange on the next available working day i.e. Monday, 17<sup>th</sup> August, 2020. Thus, there was a delay of only one day i.e. Friday 14<sup>th</sup> August, 2020.
  - c. The said fines have been reflected in Company's accounts as approved by the board of directors in its meeting held on 6<sup>th</sup> May 2021. However, the matter relating to levy of fine tabled in the ensuing board meeting.

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

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

### 26. Management Discussion and Analysis Report

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



## Board's Report (Contd...)

### 27. Corporate Governance

The Corporate Governance Report for the year ended 31<sup>st</sup> March, 2021 alongwith Certificate of Compliance of conditions of the Corporate Governance received from the practicing Company Secretary, M/s Sandeep Dar & Company as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) is annexed as Annexure 'E' and forms an integral part of this Report.

### 28. Internal Control System and Adequacy

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

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

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

### 30. Directors

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

### 31. Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company as on 31<sup>st</sup> March, 2021 are:

Mr. Vishal Jain - Vice Chairman and Managing Director was Re-appointed for further period of 3 Three years w.e.f. 4<sup>th</sup> October, 2020.

Mr. Rohit Jain - Chief Financial Officer, appointed with effect from 11<sup>th</sup> December, 2020. And Additional Compliance officer under regulation 30(5) of SEBI (LODR) Regulations, 2015 w.e.f 7<sup>th</sup> May, 2021.

Ms. Prajakta Patil- Company Secretary, ceased in the employment with effect from 26<sup>th</sup> April, 2021 and Mr. Qamar Ali is Appointed as Company Secretary and compliance officer w.e.f. 7<sup>th</sup> May, 2021.

### 32. Material Changes And Commitments, If Any

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

### 33. Change In The Nature Of Business

There is no change in the nature of the business of your Company during the Financial Year under review.

### 34. Disclosure About Cost Audit And Records

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, are not applicable to our company.

### 35. Corporate Social Responsibility (CSR)

Corporate Social Responsibility provisions are not applicable to company.

### 36. Statement in respect of adequacy of internal financial control with reference to the financial statements

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its Business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of the reliable financial disclosures"

### 37. Reserves

During the financial year ended 31st March, 2021, No amount was transferred to General reserves.

### 38. Acknowledgements

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

On behalf of the Board of Directors

Jai Prakash Agarwal

Chairman

DIN: 00242232

Place : Thane

Dated : 7<sup>th</sup> August, 2021

## Annexure "A" to the Directors' Report (Contd...)

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

### (A) CONSERVATION OF ENERGY

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

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

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

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

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

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

### (B) TECHNOLOGY ABSORPTION

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

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

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

Product quality improvements is at the heart of Technology upgrades.

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

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

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

NIL

### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings	- ₹ 977.05 Lakhs
Foreign Exchange Outgo	- ₹ 847.43 Lakhs

On behalf of the Board of Directors

**Jai Prakash Agarwal**

Chairman

DIN: 00242232

Place : Thane

Dated : 7<sup>th</sup> August, 2021

## Annexure "B" to the Directors' Report (Contd...)

### FORM NO. MR-3 SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 (hereinafter referred to as "Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
  - (a) **Pursuant to provisions of Section 203(1)(ii), the Company had not appointed Company Secretary for the period starting from March 01, 2020 to November 22, 2020.**
  - (b) **Pursuant to provisions of Section 203(1)(iii), the Company had not appointed Chief Financial Officer for the period starting from December 18, 2019 to December 10, 2020.**
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
    - (a) **Pursuant to Regulation 6, the Company had not appointed Compliance Officer from March 01, 2020 to November 22, 2020.**
    - (b) **Pursuant to Regulation 34, Company has not submitted the Annual report within the period prescribed under this regulation.**
    - (c) **Pursuant to Circular SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020, Company has not placed before the Board the fines Levied by the stock exchange.**

## Annexure "B" to the Directors' Report (Contd...)

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

- (a) The Factories Act, 1948
- (b) Micro, Small and Medium Enterprises Development Act, 2006
- (c) The Payment of Wages Act, 1936;
- (d) The Employees' Provident Funds and Misc. Provisions Act, 1952;
- (e) The Payment of Bonus Act, 1965;
- (f) The Payment of Gratuity Act, 1972;
- (g) Trade Union Act, 1926
- (h) Employees State Insurance Act, 1948
- (i) Minimum Wages Act, 1948
- (j) Environment (Protection) Act, 1986
- (k) The Contract Labour (Regulation and Abolition) Act, 1970
- (l) The Apprentice Act, 1961

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited.

**We further report that** The Board of Directors of the Company is duly constituted with proper balance of Executive Directors,

Non-Executive Directors and Independent directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

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

**CS Sandeep Dar**

Membership No: 3159

COP No: 1571

UDIN: F003159C000700548

Date: 28<sup>th</sup> July, 2021

Place: Navi Mumbai



## Annexure "C" to the Directors' Report

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

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year 2020-21:

Name of the Directors	Nature of Directorship	Ratio
Mr. Jai Prakash Agarwal#	Non-Executive Director	0.45:1
Mr. Marco Wadia	Non-Executive Independent Director	0.31:1
Mr. Shailesh Sheth	Non-Executive Independent Director	0.41:1
Mr. F. K. Banatwalla	Non-Executive Independent Director	0.45:1
Mr. Vishal Jain	Vice Chairman and Managing Director	4.49:1
Mrs. Shikha Jain	Non-Executive Director	0.22:1

# Executive Director w.e.f. 1<sup>st</sup> April, 2021

**Notes:**

- Directors' Remuneration includes sitting fees for attending board / committee meetings.
- Employees for the above purpose, includes all employees excluding employees governed under collective bargaining.
- For computing median remuneration, the employees who have worked for the complete financial year 2020-21 have been considered.

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, in the financial year 2020-21:

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

**Notes:**

- \*For part of the year (i.e appointed with effect from 11<sup>th</sup> December, 2020) and therefore the percentage increase in his case is not applicable.
- \*\* For part of the year (i.e Appointed w.e.f 23<sup>rd</sup> November, 2020 and ceased in the employment with effect from 26<sup>th</sup> April, 2021) and therefore the percentage increase in her case is not applicable.
- # Executive Director w.e.f 1<sup>st</sup> April, 2021

(iii) The percentage increase in the median remuneration of employees in the financial year 2020-21: NIL

There is no increase in the median remuneration of employees for the financial year 2020-21 as compared to median remuneration of employees for the financial year 2019-20.

## Annexure "C" to the Directors' Report (Contd...)

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

241 as on 31<sup>st</sup> March, 2021.

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

There is no average percentage increase in the financial year 2020-21, in the salaries of employees as compared to the average percentage increase of the previous financial year 2019-20. For computing average percentage increase in the salaries of the employees, the employees who have worked for the complete financial year 2019-20 and 2020-21 have been considered to make the figures comparable.

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

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

**(vii) The information required pursuant to Section 197 of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of your Company are available to Shareholders for inspection on request. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary, on [cs@josts.com](mailto:cs@josts.com), whereupon a copy would be sent.**

**On behalf of the Board of Directors**

**Jai Prakash Agarwal**

Chairman

DIN: 00242232

Place : Thane

Dated : 7<sup>th</sup> August, 2021

## Annexure "D" to the Directors' Report

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### **A. Industry structure and developments:**

##### **• Material Handling Division (MHD)**

The MHD manufactures and distributes material handling equipment, such as electric pallet trucks, platform/tow trucks, racking systems, electric/diesel forklifts and reach trucks.

The MHD provides innovative solutions to its customers to save on their labor costs, material costs and conserve time, thereby increasing the efficiency of their processes. Josts has been catering to various industries for their material storage and transportation needs; loading and unloading, stacking and retrieving operations for over fifty years.

##### **• Engineering Products Division (EPD)**

The EPD of the company deals in various product lines such as sound and vibration, environmental simulation, process control instrumentation, components, electrical test and measurement, nanotechnology and analytical solutions, heat and combustion solutions. The company is committed to providing environment-friendly technology while assisting its customers to enhance the performance of their products and processes.

Josts is associated with some of the world's leading brands that create cutting-edge engineering products for demanding industrial applications. We provide advanced solutions; a blend of innovation and technical expertise, and technical and commercial support in sales, commissioning and post-sale services to these brands.

The engineering sector accounts for 27% of the factories in the industrial sectors and represents 63% of overall foreign collaborations. India's engineering sector has witnessed remarkable growth over the last few years, driven by increased investment in infrastructure and industrial production. The engineering sector is closely associated with the manufacturing and infrastructure sectors, which are of strategic importance to the Indian economy. The Government of India plans to invest US\$ 1.5 trillion in infrastructure over the next five years. Turnover of the capital goods industry is expected to increase to US\$ 115.17 billion by 2025. India's engineering R&D market value is predicted to increase from US\$ 36 billion in FY19 to US\$ 42 billion by FY22.

Josts Aerospace & Defense segment is expected to grow in accordance with the government's plans of executing its satellite launch missions and increasing expenditure on the modernization of aircraft & helicopter programs,

various defense equipment and system manufacturing projects. Increasing private ownership of the systems and components manufacturing sector and new product testing opportunities from both private and government labs, create a promising business potential for the company.

The power segment will continue to grow as the government and the private sector invest in Generation, Transmission, and Distribution companies for augmentation, upgrading and modernization of the network

The automotive segment might continue to face a slowdown due to recent policy changes and movement restrictions put in place because of the pandemic.

Similarly, slow progress in the education sector is anticipated as universities and colleges remain closed due to lockdowns and quarantine rules.

#### **B. Opportunities and threats**

The Indian government's 'Make in India' clause in the tenders of Public Sector Undertakings (PSU) establishments stands to benefit the sector as it looks to promote local manufacturing, thus posing as a barrier to entry for players with imported offerings. The material handling industry is expected to gain from robust demand for steel, power, mineral and other infrastructure industries.

Demand for Engineered Products from the capital goods sector is projected to remain high as the industry is demanding for higher productivity, precision and accuracy and low-cost manufacturing solutions.

With the government's renewed focus on incentivizing the manufacturing sector, the logistics market will reap the benefits in the coming years. Growth in the e-commerce sector is also another significant demand driver for our products.

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

In these uncertain times of Covid-19, the company is battling an increasingly volatile and uncertain environment, through rapid changes in all domains potentially impacting the company. These changes bring in new opportunities for the company but they may also pose as multi-dimensional risks, which need to be judiciously managed.

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

## Annexure "D" to the Directors' Report (Contd...)

**Economic Risk:** A slump in economic growth may severely impact the infrastructure sectors, and similarly, the company's performance.

**Mitigation:** Josts has strategies in place to counter this: efficient cost management and tweaking marketing mix.

**Credit Risk:** Delayed payments from customers may hamper the company's cash flow. This could influence our finances, affecting several other capital-dependent activities.

**Mitigation:** Josts has put tremendous emphasis on controlling its working capital to overcome this by building strong processes to continuously track debtor's profile, cash inflow to minimize such risks.

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

**Mitigation:** To implement cost optimizing our company has built long-term relationships with our vendors over the years. In addition, we have created a team dedicated to tracking the pricing of various materials.

**HR Risk:** Josts operation may be affected if the company does not have skilled employees that are motivated to compete, innovate or grow under pressure.

**Mitigation:** We focus on creating a group of driven people who are passionate and zealous about working hard and excelling in the industry. We pay attention to each employee's needs and ensure a good working environment. Training and team-building exercises are carried out regularly to minimize fatigue and increase performance.

### D. Financial and operational performance

#### • Material Handling Division (MHD)

The MHD was on track to achieve its growth target. However, it took a serious hit in the first half of the financial year when a nationwide lockdown was implemented to contain the spread of COVID-19. However, we have seen tremendous growth in the second half of the year.

##### Operational Review:

During the year, revenue has increased by 7.5%.

Profit before tax has increased to 3% against -1% in FY20.

##### Financial Review:

Particulars	FY21	FY20
Revenue (Rs in lacs)	5,627	5,234
Profit/Loss before tax(Rs in lacs)	184	(45)
Profit before tax (%)	3%	-1%

#### • Engineering Products Division (EPD)

EPD's revenue declined by 42% in FY21 mainly due to lockdowns and restrictions implemented globally. Our expected orders were deferred due to restriction of movement. The delivery of imported materials was delayed because of the global supply chain disruption caused by the pandemic. Customer's budget constraints have resulted in a reduction of new orders.

##### Operational Review:

During the year, revenue declined by 42%.

Profit before tax marginally increased to 24% against 23% in FY20.

##### Financial Review:

Particulars	FY21	FY20
Revenue (Rs in lacs)	2,965	5,081
Profit before tax (Rs in lacs)	715	1,193
Profit before tax (%)	24%	23%

### E. Outlook

The year 2020-21 has been an unprecedented one; the Covid-19 pandemic, once completely unexpected, is now the worst global health crisis of this century, and has weakened the strongest of economies.

The Indian economy witnessed a recession in the year FY 2020-21, with gross domestic product (GDP) growth remaining in the negative territory for two consecutive quarters. Lockdowns and travel restrictions imposed significant supply-side constraints on the economy, drastically reducing output and employment.

The Government of India provided a massive boost to infrastructure and capital expenditure through the Union Budget 2021, aiming to speed up economic normalization. There has been a strong revival in investment-led growth supported by the 'Atmanirbhar Bharat Mission'.

Apart from economic reforms, the government also implemented various structural reforms in the country, covering the following sectors: Agriculture, MSMEs, Labour, Power and Industry. The agricultural sector remains the bright spot of the Indian economy.

Economic activities gained some momentum post-lockdown, and the rollout of coronavirus vaccines resulted in an uptick in economic sentiments, but the resurgent Covid-19 wave has put a dampener on India's growth trajectory.

Digital technologies have been gradually infused into the operational processes at Josts, multiple digital solutions

## Annexure "D" to the Directors' Report (Contd...)

have been seamlessly integrated into their day-to-day operations.

Josts' Engineering Product division has a good presence in both private and government sectors. Capacity creation in sectors such as infrastructure, power, mining, oil & gas, refinery, steel, automotive and consumer durables will certainly benefit this division.

### Internal control systems and their adequacy

Josts has an adequate system of internal controls that ensure the efficacy of all operations and assure timely preparation and delivery of accounting records in adherence to the company's policies. It plays a significant role in the process of risk identification and mitigation. During the year, such controls were tested, and no material weaknesses in the design or operation were reported.

External auditors appointed by Josts monitor the internal control system and report to the senior management to ensure that corrective actions can be taken in case of any deficiencies. Furthermore, a risk-based program of internal audits assures the adequacy and effectiveness of internal controls.

### **F. Material developments in Human Resources / Industrial**

Sustainable, profitable growth can only be achieved in an organization that focuses on the culture of performance; where employees are engaged and empowered to do their best.

We ensure that the work environment is conducive to the growth of employees. Significant HR initiatives were taken to ensure that the business operates without any impediments. Josts has 241 permanent employees as of 31<sup>st</sup> March, 2021.

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

Particulars	FY21	FY20	% change Y-o-Y
Debtors Turnover Ratio	2.90	3.13	-7%
Inventory Turnover Ratio	7.71	7.91	-2%
Interest Coverage Ratio	24.66	2.43	913%
Current Ratio	1.78	1.38	29%

Particulars	FY21	FY20	% change Y-o-Y
Debt Equity Ratio	0.05	0.55	-90%
Operating Profit Margin (%)	38.59	40.05	-4%
Net Profit Margin (%)	4.76	1.00	372%
Return on Networth (%)	13.34	3.90	242%

**Interest Coverage Ratio** - EBIT has increased from ₹ 267.59 lacs to ₹ 579.40 lacs. This increase is mainly due to payments under the Sabka Vishwas scheme of ₹ 383.76 lacs under exceptional items in the FY 2019-20.

**Current Ratio** - Current ratio has improved during the year as a result of the continuous effort of management to optimize the working capital. Inventory has reduced by 26% and debtors have reduced by 12% during the year.

**Debt Equity Ratio** - The ratio has improved due to decrease in total debt by ₹ 1,288.21 lacs in FY 2020-21.

**Net Profit Margin** - Net Profit after tax for the year has increased from ₹ 104.04 lacs in FY20 to ₹ 408.83 lacs. This increase is mainly due to payments under the Sabka Vishwas scheme of ₹ 383.76 lacs under exceptional items in the FY 2019-20.

**Return on Networth** - The RONW has increased from 3.9% to 13.34% due to increase in the profit during the year to ₹ 408.83 lacs from ₹ 104.04 lacs in FY 2019-20.

### **H. Cautionary Statement:**

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

The Company assumes no responsibilities for the predictive statements herein, which may undergo changes in the future based on subsequent developments, information or events.

On behalf of the Board of Directors

**Jai Prakash Agarwal**

Chairman

Place : Thane

Dated : 7<sup>th</sup> August, 2021

DIN: 00242232

## Annexure "E" to the Directors' Report

### CORPORATE GOVERNANCE REPORT

The Corporate Governance Report for Financial Year 2020-21, which forms part of Board's Report, is prepared pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR)").

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

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

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

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

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

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

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

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

The names and categories of Directors, the number of Directorships and Committee positions held by them in other Public Limited Companies and in the Company in terms of SEBI (LODR) as on 31st March, 2021 are given below:

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



## Annexure "E" to the Directors' Report (Contd...)

Name	Designation	Category	No of Directorship in listed entities including this listed entity	No of Independent Directorship in listed entities including this listed entity	Number of memberships in Audit/ Stakeholder Committee(s) including this listed entity	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity	No. of Equity Shares held
Mr. Marco Wadia	Director	Non- Executive Independent Director	6	6	10	5	61
Mr. Farokh Banatwalla	Director	Non- Executive Independent Director	3	3	3	3	-
Mrs. Shikha Jain	Director	Promoter, Non-Executive Director (Woman Director)	1	0	0	0	1,12,821

### Board Procedure

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

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

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

During the financial year ended March 31, 2021, Five Board Meetings were held. The gap between two Board Meetings did not exceed 120 days. The attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) is as under:

Name of the Director	No. of Board Meetings Attended	Attendance at last AGM held on 4 <sup>th</sup> September, 2020
Mr. Jai Prakash Agarwal	5	Yes
Mr. Vishal Jain	5	Yes
Mr. Shailesh Sheth	5	Yes
Mr. Farokh Banatwalla	5	Yes
Mr. Marco Wadia	5	Yes
Mrs. Shikha Jain	4	Yes

## Annexure "E" to the Directors' Report

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

### c. Directorship of Directors in other than this Company as on March 31, 2021:

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

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

During the financial year 2020-21, Five meetings of the Board were held on the following dates:

- 15<sup>th</sup> June, 2020;
- 11<sup>th</sup> August, 2020;
- 10<sup>th</sup> November, 2020;
- 11<sup>th</sup> December, 2020.
- 29<sup>th</sup> January, 2021

### e. Familiarisation Programme for Independent Directors:

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

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

#### Familiarization module for Independent Directors:

1. The Company shall facilitate an orientation programme for the Independent Directors to provide an overview of business, operations and business model of the Company.
2. The programme shall also familiarize with the role, responsibilities and rights of the Independent Directors.
3. The programme shall also provide an opportunity to interact with the senior leadership team of the Company and help them to understand the service and product offerings, markets, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.
4. The company has imparted the familiarization program to the Independent Directors. The Familiarization program was conducted on 15<sup>th</sup> June, 20, 11<sup>th</sup> August, 2020, 10<sup>th</sup> November, 2020 and 29<sup>th</sup> January, 2021 the Weblink to access is: [https://josts.com/wp-content/uploads/2021/02/Familiarisation-Programme\\_2020-21.pdf](https://josts.com/wp-content/uploads/2021/02/Familiarisation-Programme_2020-21.pdf)

## Annexure "E" to the Directors' Report (Contd...)

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

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

- i) Knowledge of Company's business policies, major risks/threats and potential opportunities, technical /professional skills and specialized knowledge of Company's business.
- ii) Business strategy & Analytics, Critical & Innovative thinking.
- iii) Corporate Management and Corporate Governance.
- iv) Financial including Accounting & Auditing, Management skills, administration.
- v) Leadership and decision making.
- vi) Behavioural skills -Attributes and competencies to use knowledge and skills for effective contribution to Company's growth.
- vii) Risk identification- Legal and Regulatory compliance.
- viii) Stakeholder Engagement & Market awareness.
- ix) Business Ethics as well as Corporate Ethics.

All the present Directors of the company namely, Mr. Jai Prakash Agarwal, Mr. Vishal Jain, Mr. F.K. Banatwalla, Mr. Shailesh Sheth, Mr. Marco Wadia, Mrs. Shikha Jain possess all the above skills

### g. In the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

- The Board of Directors has constituted Committees of Directors with adequate delegation of powers, to discharge their functions with respect to specific matters of the Company on behalf of the Board of Directors. The Committees are constituted by inclusion of either Non-Executive Promoter and Non-Executive Independent Directors as may be required to meet the prescribed requirements, which carry out its function as per their terms of reference. The brief particulars of Audit Committee, Nomination and Remuneration Committee and Share Transfer and Stakeholders Relationship Committee as required under SEBI (LODR) are given hereunder:

## 3. AUDIT COMMITTEE

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

### a. Terms of Reference

Terms of Reference will include inter alia the following:

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

### b. Composition of the Audit Committee

Presently, the Audit Committee comprises of Three Directors, i.e. One Executive Promoter Director and Two Non- Executive Independent Directors. The members of the Committee are financially literate and have accounting and financial management expertise in terms of regulation 18 of SEBI (LODR). The Chairman of the Audit Committee is a Non- Executive

## Annexure "E" to the Directors' Report

Independent Director. The meetings are held either at the Registered Office situated in Mumbai or at the Factory situated in Thane and are also attended by Senior Company Executives, Statutory Auditors and Internal Auditors. The quorum for the Audit Committee Meetings is Two members. During the Financial Year 2020-21, Four meetings of the Audit committee were held as follows:

- 15<sup>th</sup> June, 2020;
- 11<sup>th</sup> August, 2020;
- 10<sup>th</sup> November, 2020;
- 29<sup>th</sup> January, 2021

The Composition of the Audit Committee and the attendance of the Committee Members at the Meetings held during the Financial Year 2020-21 is as follows:

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

# Executive Director w.e.f 1<sup>st</sup> April, 2021

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

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

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

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

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

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

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

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

## Annexure "E" to the Directors' Report (Contd...)

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

During the Financial Year 2020-21, three meetings of the Nomination and Remuneration Committee were held on 15<sup>th</sup> June, 2020, 11<sup>th</sup> December, 2020 and 29<sup>th</sup> January, 2021.

Name of the Director	Designation	Category	Number of Meetings attended
Mr. Shailesh Sheth	Chairman	Non-Executive Independent Director	3
Mr. Farokh Banatwalla	Member	Non-Executive Independent Director	3
Mr. Marco Wadia	Member	Non-Executive Independent Director	3

### c. Performance evaluation criteria for independent Directors

The performance evaluation criteria of Independent Directors are as under:

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

## 5. REMUNERATION OF DIRECTORS

### a. Remuneration to Non-Executive Directors

- The Non-Executive Directors are paid sitting fees for attending Board Meeting and/or Committee Meetings.
- Pursuant to the resolution passed by the members at their Annual General Meeting held on 15<sup>th</sup> July, 2016 the Non - Executive Directors are entitled to commission for a period of 5 years from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2021 not exceeding: -
  - 1% of Net Profit of the Company, if there is a Managing Director or Whole -Time Director or Manager:
  - 3% of the Net Profit in any other case.

The details of the sitting fees and commission paid to Non-Executive Directors for the year ended 31<sup>st</sup> March, 2021 is as follows:

Name of the Director	Sitting Fees	Commission	Total
Mr. Jai Prakash Agarwal#	₹ 2,15,000/-	NIL	₹ 2,15,000/-
Mr. Shailesh Sheth	₹ 1,95,000/-	NIL	₹ 1,95,000/-
Mr. Farokh Banatwalla	₹ 2,15,000/-	NIL	₹ 2,15,000/-
Mr. Marco Wadia	₹ 1,50,000/-	NIL	₹ 1,50,000/-
Mrs. Shikha Jain	₹ 1,05,000/-	NIL	₹ 1,05,000/-

# Executive Director w.e.f. 1<sup>st</sup> April, 2021

### b. Remuneration to Executive Directors

Mr. Vishal Jain, was appointed as Vice Chairman and Managing Director for a period of 3 years w.e.f. 4<sup>th</sup> October, 2017 to 3<sup>rd</sup> October, 2020. He was then further re-appointed at the Board Meeting dated 15<sup>th</sup> June, 2020 for a further period of 3 years w.e.f. 4<sup>th</sup> October, 2020. The terms and conditions of appointment and remuneration are embodied in the agreement dated 26<sup>th</sup> December, 2017 and 15<sup>th</sup> June, 2020 respectively entered into between the Company and Mr. Vishal Jain. The salient terms and conditions are as under:

## Annexure "E" to the Directors' Report

### Remuneration

#### (i) Salary

Basic Salary:	₹ 1,30,000/- per month
House Rent allowance:	₹ 65,000/- per month
Special Allowance:	₹ 1,55,000/- per month
Total Monthly Salary:	₹ 3,50,000/- (Subject to tax)

#### (ii) Perquisites:

- Reimbursement of Petrol / diesel expenses As per the rules of the Company.
- Reimbursement of Entertainment and Travelling Expenses

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

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

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

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

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

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

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

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

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

## 6. SHARE TRANSFER AND STAKEHOLDERS RELATIONSHIP COMMITTEE

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

Name of the Director	Designation	Category	Number of Meetings attended
Mr. Shailesh Sheth	Chairman	Non-Executive Independent Director	2
Mr. Jai Prakash Agarwal#	Member	Promoter-Non-Executive Director	2
Mr. Farokh Banatwalla	Member	Non-Executive Independent Director	2

# Executive Director w.e.f. 01<sup>st</sup> April, 2021

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

Ms. Prajakta Patil, Company Secretary and Compliance officer was in the employment of the Company upto 26<sup>th</sup> April, 2021.

### c. Complaints from Investors

During the year under review, the Company has not received any complaints from the investors and there were no investor complaints pending as on 31st March 2021.



## Annexure "E" to the Directors' Report (Contd...)

- d. During the Financial Year 2020-21, two meetings of the Share Transfer and Stakeholders Relationship Committee were held i.e. on 10<sup>th</sup> November, 2020 and 29<sup>th</sup> January, 2021.

### 7. GENERAL BODY MEETINGS

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

Financial Year	Date	Location of the Meeting	Time	Particulars of Special Resolution
2017-18	30 <sup>th</sup> July, 2018	Great Social Building, 60 Sir Phirose Shah Mehta Road, Fort, Mumbai - 400001	11.30 A.M.	<ul style="list-style-type: none"> <li>Approval of the members pursuant to Section 186 of the Companies Act, 2013 authorising the Board               <ul style="list-style-type: none"> <li>(i) to give Loan(s) to any person or other Body Corporate including Subsidiary and/or</li> <li>(ii) give any guarantee/provide any security in connection with Loan to any person or other Body Corporate including Subsidiary and/or</li> <li>(iii) make investments by way of subscription, purchase or otherwise the securities of any other Body Corporate including Subsidiary.</li> </ul> </li> </ul>
2018-19	14 <sup>th</sup> August, 2019	Great Social Building, 60 Sir Phirose Shah Mehta Road, Fort, Mumbai - 400001	04.00 P.M.	<ul style="list-style-type: none"> <li>Re-appointment of Mr. Farokh Banatwalla as Non- Executive Independent Director for a second term of 5 years with effect 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024.</li> <li>Re-appointment of Mr. Shailesh Sheth as Non- Executive Independent Director for a second term of 5 years with effect 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024.</li> <li>Re-appointment of Mr. Marco Wadia as Non- Executive Independent Director for a second term of 5 years with effect 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024.</li> </ul>
2019-20	4 <sup>th</sup> September, 2020	Through - Video Conferencing ("VC")/ Other Audio- Visual Means ("OAVM)	04:00 P.M.	<ul style="list-style-type: none"> <li>Approval of the members pursuant to Section 185 of the Companies Act, 2013 authorizing the Board to give Loan(s) to any person or other Body Corporate including Subsidiary.</li> </ul>

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

The details of Extra Ordinary General Meetings held during the last three Financial Years :

Financial Year	Date	Location of the Meeting	Time	Particulars of Special Resolution
2017-18	No Extraordinary General Meetings were held			
2018-19	No Extraordinary General Meetings were held			
2019-20	24 <sup>th</sup> March, 2021	Through - Vedio Conferencing ("VC")/ Other Audio-Visual Means ("OAVM)	4:00 P.M.	Approval of the members pursuant to Section 185 of the Companies Act, 2013 authorizing the Board to give Additional Loan(s) to any person or other Body Corporate including Subsidiary. However, the Special resolution was not passed with requisite Majority.

- c. No special resolution was passed through Postal Ballot during the financial year 2020-21.
- d. No special resolution is proposed to be passed through Postal Ballot at the ensuing Annual General Meeting.

## Annexure "E" to the Directors' Report

### 8. MEANS OF COMMUNICATION

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

### 9. GENERAL SHAREHOLDERS' INFORMATION

a.	1.	<b>Company Registration details</b>	The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L28100MH1907PLC000252.
	2.	<b>Ensuing Annual General Meeting Date, Time and Venue</b>	Thursday, 9 <sup>th</sup> September, 2021 at 2:00 P.M. Through Video Conferencing or Other Audio-Visual Means.
	3.	<b>Financial Year</b>	1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021.
	4.	<b>Tentative Financial Calendar for 2021-2022.</b> (i) Financial reporting for the Quarter ending 30 <sup>th</sup> June, 2021. (ii) Financial reporting for the Quarter and half year ending 30 <sup>th</sup> September, 2021. (iii) Financial reporting for the Quarter and Nine Months ending 31 <sup>st</sup> December, 2021. (iv) Financial reporting for the year ending 31 <sup>st</sup> March, 2022.	Quarterly results will be declared as per the following tentative schedule:  by 14 <sup>th</sup> August, 2021  by 14 <sup>th</sup> November, 2021.  by 14 <sup>th</sup> February, 2022.  by 30 <sup>th</sup> May, 2022.
	5.	<b>Newspapers wherein results are published.</b>	Free Press Journal in English and Navshakti in Marathi.
	6.	<b>Website where the financial results, shareholding pattern, corporate governance report and annual report, etc. are uploaded.</b>	<a href="http://www.josts.com">www.josts.com</a> <a href="http://www.bseindia.com">www.bseindia.com</a>
	7.	<b>Dates of Book Closure</b>	6 <sup>th</sup> September, 2021 to 9 <sup>th</sup> September, 2021 (Both days Inclusive).
	8.	<b>Dividend</b>	A dividend of ₹ 3/- per Share (30%) is recommended for the year ended 31 <sup>st</sup> March, 2021. The Dividend (Subject to Tax), if approved by the Shareholders at the ensuing AGM, will be paid within the stipulated time.
	9.	<b>Listing on Stock Exchanges</b>	The Equity Shares of the Company are listed on: BSE Limited (BSE) Address: - Floor 25, P.J. Towers, Dalal Street, Fort, Mumbai-400 001
	10.	<b>Annual Listing Fees</b>	Annual Listing Fees for Financial year 2021-22 is paid.
	11.	<b>Stock Code</b>	505750
	12.	<b>ISIN</b>	INE636D01017

## Annexure "E" to the Directors' Report (Contd...)

13.	<b>Registrar and Share Transfer Agents</b>	<p><b>M/s Computech Sharecap Limited</b> Unit: Jost's Engineering Company Limited 147, Mahatma Gandhi Road, Fort Mumbai - 400023 Tel No: 022 2263 5000 Website: <a href="http://www.computechsharecap.com">www.computechsharecap.com</a> Email: <a href="mailto:helpdesk@computechsharecap.com">helpdesk@computechsharecap.com</a></p> <p><b>Changed w.e.f 2nd July, 2021</b> <b>M/s. Bigshare Services Private Limited</b> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400059, Maharashtra, India. Investor correspondence link : <a href="https://www.bigshareonline.com//InvestorLogin.aspx">https://www.bigshareonline.com//InvestorLogin.aspx</a> Website: <a href="https://www.bigshareonline.com">https://www.bigshareonline.com</a> Email: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> Tel: 022-62638200, 011-42425004</p>
14.	<b>Share Transfer System</b>	The company has appointed M/s Computech Sharecap Limited, Registrar and Share Transfer Agent of the Company for Share Registry work (Demat as well as Physical Shares). Changed w.e.f 2nd July, 2021 M/s. Big Share Services Pvt. Ltd.
15.	<b>Address for Correspondence</b>	<p>The Company Secretary, <b>Registered Office:</b> Great Social Building, 60 Sir Phirozeshah Mehta Road, Fort, Mumbai - 400001 <b>or</b> <b>Factory:</b> C-7, Road No. 12, Wagle Industrial Estate, Thane West - 400604.</p>
16.	<b>Dematerialization of Shares and liquidity</b>	As on 31st March, 2021, 9,10,118 Equity Shares of the Company constituting appx. 97.56% of the Equity Share Capital are held in Dematerialized form whereas 22,755 Equity Shares constituting 2.44% are still held physically. The equity shares of the Company are compulsorily dematerialized for trading by investors.
17.	<b>Electronic Clearing Services (ECS)</b>	Members who have furnished their bank account details to the Depository Participant/Share Transfer Agent will be used to pay the dividend by ECS.
18.	<b>Investor Complaints to be addressed to</b>	Registrar and Share Transfer Agent M/s Computech Sharecap Limited or to the Company Secretary of the Company at the address for correspondence given above. Changed w.e.f. 2nd July, 2021 M/s. Big Share Services Pvt. Ltd.
19.	<b>Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity.</b>	There are no Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, which are likely to have impact on equity as at 31st March, 2021.
20.	<b>Plant Locations</b>	C-7, Road No. 12, Wagle Industrial Estate, Thane West - 400604.

## Annexure "E" to the Directors' Report

### b. Distribution of Share Holding

Face value: ₹ 10/- each (as on 31st March 2021)

Range of Shares	Number of Shareholders	Percentage of Shareholders	Number of Shares held	Percentage of Total Capital
1-500	1751	95.16%	102691	11.01%
501-1000	41	2.23%	28422	3.05%
1001-2000	18	0.98%	25590	2.74%
2001-3000	4	0.22%	9908	1.06%
3001-4000	5	0.27%	17984	1.93%
4001-5000	1	0.05%	4071	0.44%
5001-10000	5	0.27%	42387	4.54%
10001 and above	15	0.82%	701820	75.23%
<b>Total</b>	<b>1751</b>	<b>95.16%</b>	<b>102691</b>	<b>11.01%</b>

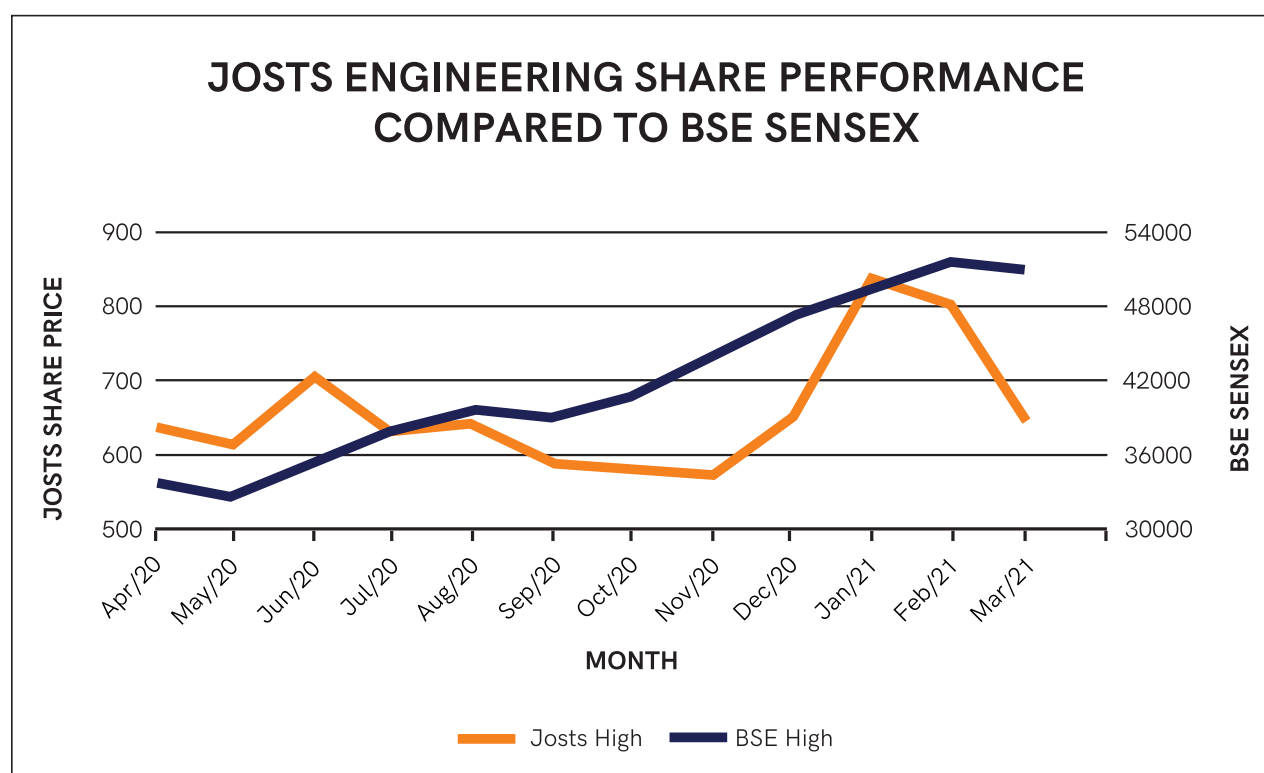
### c. Shareholding Pattern as on 31<sup>st</sup> March, 2021.

Sr. No.	Category of Shareholders	No of Shares held	Percentage of Share Holding
<b>A</b>	<b>Shareholding of Promoter and Promoter Group</b>	-	
<b>1.</b>	<b>Indian</b>		
a.	Individuals / Hindu Undivided Family	461,572	49.48
b.	Bodies Corporate	-	-
	Sub-Total (A) [1]	461,572	49.48
<b>2.</b>	<b>Foreign</b>	-	-
	Sub-Total (A)[2]	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)</b>	<b>461,572</b>	<b>49.48</b>
<b>B</b>	<b>Public Shareholding</b>		
<b>1.</b>	<b>Institutions</b>		
a.	Mutual Funds/UTI	-	-
b.	Financial Institutions/ Banks and Insurance Companies.	595	0.06
c.	Venture Capital Fund	-	-
d.	Insurance Companies	-	-
e.	Foreign Institutional Investors	-	-
f.	Central/State Government	-	-
	Sub Total (B) (1)	595	0.06
<b>2.</b>	<b>Non - Institutions</b>		
a.	Bodies Corporate	15560	1.67
b.	Resident Individuals		
i.	Individual shareholders holding nominal capital upto ₹ 2 lakh	256698	27.52
ii.	Individual shareholders holding nominal capital in excess of ₹ 2 lakh	198448	21.27
c.	NBFCs registered with RBI	-	-

## Annexure "E" to the Directors' Report (Contd...)

Sr. No.	Category of Shareholders	No of Shares held	Percentage of Share Holding
d.	Any Other (Specify)	-	-
i.	Trusts	-	-
ii.	Non-Residents (NRI)	-	-
iii.	Overseas Corporate Bodies	-	-
iv.	Clearing Members	-	-
v.	HUF	-	-
vi.	Foreign Nationals	-	-
	Sub- Total (B) (2)	4,70,706	50.46
B.	Total Public Shareholding (B)= (B)(1) + (B) (2)	4,71,301	50.52
	<b>Grand Total</b>	<b>9,32,873</b>	<b>100.00</b>

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



## Annexure "E" to the Directors' Report

### e. Market Price Data

Period	Open Price	High Price	Low Price	Close Price
April, 2020	535.05	638.00	535.00	598.00
May, 2020	615.60	615.60	475.00	478.45
June, 2020	500.00	707.00	485.05	605.25
July, 2020	605.25	631.10	477.10	536.95
August, 2020	500.00	642.15	461.00	591.35
September, 2020	562.00	589.95	491.05	545.00
October, 2020	506.20	578.95	463.10	486.25
November, 2020	520.00	575.00	488.00	534.95
December, 2020	529.95	650.00	477.00	578.30
January, 2021	629.00	836.80	544.00	765.35
February, 2021	702.20	798.70	581.00	628.85
March, 2021	644.00	644.50	511.05	538.15

### f. Reconciliation of Share Capital Audit

In keeping with the requirements of the SEBI and stock exchanges, a reconciliation of share capital audit by a practicing Company Secretary is carried out at the end of every quarter to reconcile the total admitted Equity capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The said audit confirms that the total issued/ paid-up Equity capital tallies with the total number of Equity shares in physical form and the total number of Dematerialised shares held with NSDL and CDSL. As on 31<sup>st</sup> March, 2021 Shares comprising 97.56% of the company's capital have been Dematerialisation and balance shares comprising 2.44% are held in physical form.

Bifurcation of the category of shares in physical and electronic mode as on March 31, 2021 is given below:

Held Through	No. of Shares	Percentage of Holding
NSDL	8,21,620	88.07
CDSL	88,498	09.49
Physical	22,755	2.44
<b>Total</b>	<b>9,32,873</b>	<b>100.00</b>

Under the Companies Act, 2013, dividends which remain unclaimed for a period of seven years are required to be transferred to the Investor Education & Protection Fund (IEPF) administered by the Central Government. Dates of declaration of dividends since financial year 2013- 14 and the corresponding dates when unclaimed dividends are due to be transferred to the IEPF are given in the table below:

### g. Details of Unpaid dividend as on 31<sup>st</sup> March, 2021 is as follows:

Financial Year	Date of Declaration	Unpaid Amount (₹)	Date of Transfer to Unpaid Dividend Account of the Company	Date on which the unclaimed dividend to be transferred to IEPF
2013-14	10 <sup>th</sup> July, 2014	1,87,162.50	16 <sup>th</sup> August, 2014	15 <sup>th</sup> September, 2021
2014-15	14 <sup>th</sup> August, 2015	90,805.00	20 <sup>th</sup> September, 2015	20 <sup>th</sup> October, 2022
2015-16	15 <sup>th</sup> July, 2016	20,165.00	21 <sup>st</sup> August, 2016	20 <sup>th</sup> September, 2023
2016-17	20 <sup>th</sup> July, 2017	19,077.00	26 <sup>th</sup> August, 2017	25 <sup>th</sup> September, 2024
2017-18	30 <sup>th</sup> July, 2018	31,152.00	5 <sup>th</sup> September, 2018	5 <sup>th</sup> October, 2025
2018-19	14 <sup>th</sup> August, 2019	49,038.00	20 <sup>th</sup> September, 2019	20 <sup>th</sup> October, 2026
2019-20	04 <sup>th</sup> Sept, 2020	45,340.00	10 <sup>th</sup> October, 2020	10 <sup>th</sup> October, 2027



## Annexure "E" to the Directors' Report (Contd...)

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

### 10. DISCLOSURES

- a. All related party transactions that were entered into during the financial year were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the SEBI (LODR). Details of related party transactions entered into by the Company are included in the Notes to Accounts. Material individual transactions with related parties are in the normal course of business and do not have potential conflict with the interests of the Company at large. Transactions with related parties entered into by the Company in the normal course of Business are placed before the Audit Committee periodically. The policy on related party transactions as approved by the Board is uploaded on the Company's website [www.josts.com](http://www.josts.com).
  - b. The BSE Ltd had pointed out non-compliance of Regulation 31(1) and 34 during the financial year 2017-18 for non-submission of Shareholding pattern and Annual Report online within the stipulated time. The Company has paid the penalty levied under protest. As a matter of fact, all these documents were submitted to BSE within the stipulated time (without any delay) physically which was duly acknowledged by BSE. The Company has made a representation to the BSE requesting them to waive the penalty. The matter is still pending with the BSE Limited. BSE Limited has not levied any penalty during the Financial Year 2018-19 However, For the Financial Year 2019-20 BSE Has levied Penalty for Non Compliance of Regulation 6 (1) and Regulation 34 of SEBI (LODR) Regulation 2015. The Company has paid the penalty levied under protest. The Company has complied with the Non-Compliance as on date and has made representation to the BSE requesting them to waive the penalty.
  - c. The Audit Committee and the Board have adopted a Whistle-Blower policy which provides an environment where every director / employee feels free and secure to report specific incidents of unethical behaviour, actual or suspected incidents of fraud or violation of the Company's Code, investigate such reported incidents in a fair manner, taking appropriate disciplinary action against the delinquent director(s) and employee(s), ensuring that no director or employee is victimised or harassed for bringing such incidents to the attention of the Company. The Company affirms that there was no incidence of reporting unethical behaviour, actual or suspected fraud or violation of Company's code of Conduct during the Financial Year 2020-21.
  - d.
    - i. The Company has complied with all the mandatory requirements of SEBI (LODR) except the following:
      - a. Regulation 6(1) for appointment of Company Secretary and Compliance Officer from 1<sup>st</sup> March, 2020 to 22<sup>nd</sup> November, 2020.
      - b. Regulation 34 Delay in submission of Annual report the financial 2019- 20 to the stock Exchange.
      - c. Sebi Circular SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 for default in placing the Fines levied by BSE at its Immediate Board Meeting.
    - ii. The Company has complied with non-mandatory requirements of Part E of Schedule II of SEBI (LODR) except sending significant events to each household of shareholders.
- 11.** The company has formulated Policy on Material Subsidiary pursuant to Regulation 16(1)(c) of SEBI (LODR) for the purpose of determining material Subsidiary to ensure Governance compliance by the Company. This policy is available on the website of the Company at [www.josts.com](http://www.josts.com).
- In terms of the above policy, the Company's Subsidiary, namely, MHE Rentals India Private Limited is considered as a Material Subsidiary.
- 12.** The Company has adopted the policy on Related Party Transactions. This policy is available on the website of the Company at [www.josts.com](http://www.josts.com).
- 13.** Disclosure of commodity price risks and commodity hedging activities Not Applicable

## Annexure "E" to the Directors' Report

14. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) – Not Applicable
15. where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof – Not Applicable
16. Details of fees paid to Statutory Auditors on Consolidated Basis: Statutory Auditors:  
Singhi and Company, Chartered Accountants
- Statutory audit and Limited Review fees – ₹ 13.69 Lakhs
  - Tax audit fee - ₹ 2.10 Lakhs
  - Other services – ₹ 3.09 Lakhs
  - Out of pocket expenses ₹ 0.13 Lakhs

### 17. Details of Sexual Harassment complaints received and redressed

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

18. Non-compliance of requirements of Corporate Governance Report as per Schedule V of SEBI (LODR)  
Nil
19. Disclosure of extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:
- The non-executive chairperson maintains a chairperson's office at the listed entity's expense and is allowed reimbursement of expenses incurred in performance of his duties.
  - The listed entity has moved towards a regime of financial statements with unmodified audit opinion.
  - The internal auditor submits his internal Audit Reports directly to the audit committee.

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

Sr. No.	Regulation	Particulars	Compliance observed for the following	Compliance Status Yes / No/N.A.
1.	17	Board of Directors	<ul style="list-style-type: none"> <li>- Composition</li> <li>- Meetings</li> <li>- Review of compliance reports</li> <li>- Plans for orderly succession for appointments</li> <li>- Code of Conduct</li> <li>- Fees/compensation to Non-Executive Directors</li> <li>- Minimum information to be placed before the Board</li> <li>- Compliance Certificate</li> <li>- Risk assessment and management</li> <li>- Performance evaluation of Independent Directors</li> </ul>	Yes
2.	18	Audit Committee	<ul style="list-style-type: none"> <li>- Composition</li> <li>- Meetings</li> <li>- Powers of the Committee</li> <li>- Role of the Committee and review of information by the Committee</li> </ul>	Yes
3.	19	Nomination and Remuneration Committee	<ul style="list-style-type: none"> <li>- Composition</li> <li>- Role of the Committee</li> </ul>	Yes

## Annexure "E" to the Directors' Report (Contd...)

Sr. No.	Regulation	Particulars	Compliance observed for the following	Compliance Status Yes / No/N.A.
4.	20	Share Transfer and Stakeholders' Relationship Committee	<ul style="list-style-type: none"> <li>- Composition</li> <li>- Role of the Committee</li> </ul>	Yes
5.	21	Risk Management Committee	Not Applicable	Not Applicable
6.	22	Vigil Mechanism	<ul style="list-style-type: none"> <li>- Formulation of Vigil Mechanism for Directors and employees</li> <li>- Direct access to Chairperson of Audit Committee</li> </ul>	Yes
7.	23	Related Party Transactions	<ul style="list-style-type: none"> <li>- Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions</li> <li>- Approval including omnibus approval of Audit Committee</li> <li>- Review of Related Party Transactions</li> </ul>	Yes
8.	24	Subsidiaries of the Company	<ul style="list-style-type: none"> <li>i) Appointment of Independent Director on the Board of the Subsidiary Company.</li> <li>ii) Review of financial statements of unlisted subsidiary by the Audit Committee</li> <li>iii) Significant transactions and arrangements of unlisted subsidiary</li> </ul>	Yes
9.	25	Obligations with respect to Independent Directors	<ol style="list-style-type: none"> <li>1. Maximum directorships and tenure</li> <li>2. Meetings of Independent Directors</li> <li>3. Familiarisation of Independent Directors</li> </ol>	Yes Yes Yes
10	26	Obligations with respect to Directors and Senior Management	<ol style="list-style-type: none"> <li>1. Memberships / Chairmanships in Committees</li> <li>2. Affirmation on compliance of Code of Conduct by Directors and Senior Management.</li> <li>3. Disclosure of shareholding by Non-Executive Directors.</li> <li>4. Disclosures by Senior Management about potential conflicts of interest.</li> </ol>	Yes
11	27	Other Corporate Governance requirements	<ol style="list-style-type: none"> <li>1. Compliance with discretionary requirements</li> <li>2. Filing of quarterly compliance report on Corporate Governance</li> </ol>	Yes, except sending significant events to each household of shareholders. Yes
12	46(2)(b) to (i)	Website	<ul style="list-style-type: none"> <li>i) Terms and conditions for appointment of Independent Directors</li> <li>ii) Composition of various Committees of the Board of Directors</li> <li>iii) Code of Conduct of Board of Directors and Senior Management Personnel</li> <li>iv) Details of establishment of Vigil Mechanism/ Whistle Blower policy - Policy on dealing with Related Party Transactions</li> <li>v) Policy for determining material subsidiaries</li> <li>vi) Details of familiarisation programmes imparted to Independent Directors</li> </ul>	Yes Yes Yes Yes Yes Yes

## Annexure "E" to the Directors' Report

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

The Board of Directors has adopted Code of Conduct for the Board of Directors and Senior Management Personnel of the Company in terms of Regulation 17 (5) of the SEBI (LODR). All Board members and Senior Management Personnel have affirmed their compliance with the said Code for the financial year ended March 31, 2021. A declaration to this effect signed by the Vice Chairman and Managing Director is appended as Annexure - 'I' to this report. The said Code of Conduct may be viewed on the Company's website at [www.josts.com](http://www.josts.com).

### CERTIFICATION FOR FINANCIAL REPORTING AND INTERNAL CONTROLS:

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

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

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

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

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

### ANNUAL SECRETARIAL COMPLIANCE REPORT:

The Company obtained Annual Secretarial Compliance Report from M/s Sandeep Dar and Company, Practising Company Secretaries for the Financial year 2020-21, pursuant to circular No: CIR/CFD/CMD1/27/201 dated 8<sup>th</sup> February, 2019 issued by SEBI the Company has filled with the Bombay Stock Exchange the said Annual Secretarial Compliance Report within the stipulated time.

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

1. Company has not appointed a Qualified Company Secretary as the Compliance Officer for the period 01.03.2020 to 22.11.2020.
2. Company has not submitted the Annual report within the period prescribed under this regulation.
3. Company has not placed before the Board the fines Levied by the stock exchange.

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

1. The Company Secretary and Compliance Officer of the Company had resigned and ceased in the employment of the Company w.e.f. 1st March, 2020. The Company had six months' time to fill up the vacancy caused by the resignation of Company Secretary and Compliance Officer. However, due to nationwide lockdown because of COVID-19 pandemic the company was not able to fill up the said vacancy. Further, the Company appointed the Asst. Company Secretary and Compliance Officer w.e.f. 23rd November, 2020.
2. The company submitted Annual Report for the year 2019-20 pursuant to Regulation 34 of SEBI (LODR) late by 3 days to the Stock exchange. The delay of 3 days was from 14th August, 2020 to 16th August, 2020. However, the company had sent Annual Report to the shareholders on 13th August, 2020 itself. The next three days i.e. Friday was a working day, Saturday was a National Holiday and Sunday was weekly off. We had submitted the Annual Report to the Stock Exchange on the next available working day i.e. Monday, 17th August, 2020. Thus, there was a delay of only one day i.e. Friday 14th August, 2020.
3. The said fines have been reflected in Company's accounts as approved by the board of directors in its meeting held on 6th May 2021. However, the matter relating to levy of fine tabled in the ensuing board meeting.

## Annexure "E" to the Directors' Report (Contd...)

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

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

On behalf of the Board of Directors

**Jai Prakash Agarwal**

Chairman

DIN: 00242232

Place : Thane

Dated : 7<sup>th</sup> August, 2021

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## Annexure "I" to the Corporate Governance Report

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

As provided under Regulation 34 (3) read with Para D of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of Board of Directors and the Senior Management Personnel have affirmed their compliance with Jost's Code of Conduct as applicable to them, for the Financial Year ended March 31, 2021.

For Jost's Engineering Company Limited

**Mr. Vishal Jain**

Vice Chairman and Managing Director

DIN: 00709250

Place : Thane

Date : 7<sup>th</sup> August, 2021

## Annexure "II" to the Corporate Governance Report

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

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

- (a) I have reviewed financial statements for the year ended 31st March, 2021 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year ended, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) I am responsible for establishing and maintaining internal controls for financial reporting in the Company and I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit Committee
  - (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Jost's Engineering Company Limited**

Place : Thane  
Date : 7<sup>th</sup> August, 2021

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



## Annexure "III" to the Corporate Governance Report

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

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

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

We, **Sandeep Dar & Co., Company Secretaries** have examined the relevant registers, records, forms, returns and disclosures received from Directors of Jost's Engineering Company Limited having CIN:L28100 MH1907PLC000252 and having registered office at Great Social Building, 60 Sir P. M. Road, Fort, Mumbai 400001 and (hereinafter referred to as 'the company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers,

We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

28<sup>th</sup> July, 2021  
Place: Navi Mumbai

**CS Sandeep Dar**  
Membership No:3159  
COP No: 1571  
UDIN: F003159C000700438

## Annexure "IV" to the Corporate Governance Report

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

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

We have examined the compliance of conditions of Corporate Governance by Jost's Engineering Company Limited (CIN: L28100MH1907PLC000252), for the year ended on March 31, 2021 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; ("SEBI Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has, subject to the following, complied with the conditions of Corporate Governance as stipulated in SEBI Regulations:

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

28<sup>th</sup> July, 2021  
Place: Navi Mumbai

**CS Sandeep Dar**  
Membership No: 3159  
COP No: 1571  
UDIN: F003159C000700438

## Annexure - F FORM NO. "AOC-2"

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

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Not Applicable								

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/arrangements/ transactions	Salient terms of the contracts or arrangements including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
No such Material contracts or Arrangements during the year						

On behalf of the Board of Directors

**Jai Prakash Agarwal**  
Chairman  
DIN: 00242232

Place : Thane  
Dated : 7<sup>th</sup> August, 2021

## Financial Section

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# Independent Auditors' Report

To the Members of Jost's Engineering Company Limited

Report on the Audit of the Standalone Financial Statements

## Opinion

We have audited the accompanying standalone financial statements of **Jost's Engineering Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity and for the year ended on that date.

## Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of

Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
<p><b>Revenue recognition - Refer Note 3.6 of the standalone financial statements</b></p> <p>The company deals in manufactured goods, traded goods, provide AMC services &amp; representing principal on a commission basis. It sells a number of equipment's and services to its customers, mainly in domestic market through its own sales &amp; distribution network. Sales contracts contain various performance obligations and other terms, including warranties and after sales services. The determination of when significant performance obligations have been met varies, can be the key consideration for revenue recognition, service and the warranty cost.</p> <p>The company has analysed its various sales contracts and concluded on the principles for deciding in which period or periods the company's sales transactions should be recognized</p>	<p>Our Audit procedure included the followings:</p> <ol style="list-style-type: none"> <li>Read the Company's revenue recognition accounting policies and assessed compliance of the policies with Ind AS 115</li> <li>Assessed the design and tested the operating effectiveness of internal controls relating to revenue recognition</li> <li>Assessed the appropriateness of Company'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</li> </ol>

## Independent Auditor's Report (Contd...)

as revenue. The accounting policies and the note to the standalone financial statement provide additional information on how the company accounts for its revenue.

- d. Scrutinized sales ledgers to verify completeness of sales transactions
- e. 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
- f. Assessed the revenue recognized with substantive analytical procedures including review of price and quantity
- g. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.

### Trade receivables (Refer Note 9 of Standalone Financial Statement)

Trade receivable balances are significant to the Company as they amounted to ₹ 2961.04 lakhs representing 59.68 % of the total current assets and 34.46% of the total revenue of the Company for the year ended 31st March 2021. During the current financial year, the Company has recognized bad debts Rs 96.62 lakhs. The collectability of trade receivables is a key element of the working capital management, which is managed on an ongoing basis by management. The determination as to whether a trade receivable is collectable involves management judgement. Specific factors management considers include the age of the balances, category of customers, existence of disputes, recent historical payments and any other available information concerning the creditworthiness of customers. Management uses the information to assist in their judgement to determine whether allowance for expected credit loss, bad debts is required.

Our procedures included the following:

- a. Obtained an understanding of the company's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers.
- b. On a sample basis, requesting trade receivable confirmations and evidence of receipts from the customers subsequent to balance sheet date.
- c. Analyses of ageing profile of the trade receivables to identify credit risks, reviewing historical Payment patterns and correspondence with customers on expected settlement dates.
- d. Also evaluated the assumptions and estimates used by management to determine the recoverability, provision for doubtful and trade receivables.
- e. Evaluated the provisions made for expected credit loss as per ECL model as specified by Ind AS 109.
- f. Review of documents and other records for trade receivables considered as doubtful and bad.

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to

be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also

## Independent Auditor's Report (Contd...)

includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2021 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



## Independent Auditor's Report (Contd...)

communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors and taken on record by the Board

of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 read with schedule V to the Act .
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 31 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For Singhi & Co.**

Chartered Accountants

Firm Registration Number: 302049E

**Sudesh Choraria**

Partner

Date: May 6, 2021

Place: Mumbai

Membership No:204936

UDIN: 21204936AAAAEV2828

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

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

We report that:

- i. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As explained to us, the fixed assets have been physically verified by management at reasonable interval under a phase programme of verification and no material discrepancies have been noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of company and nature of its assets.
  - c) According to the information and explanations given to us and on the basis of our examination, in respect of immovable properties taken on lease and disclosed as right of use assets are in name of the Company
- ii. As explained to us, the physical verification of inventories has been conducted by the management at reasonable intervals during the year (including verification done subsequently due to Covid lockdown) . The discrepancies noticed on physical verification of inventories as compared to books records were not material and have been properly dealt in the books of accounts.
- iii. The Company has granted loan to Companies covered in the register maintained under Section 189 of the Companies Act, 2013. According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that:
  - a) The terms and conditions of loans granted by the Company to the parties covered in the register maintained under section 189 of the Companies Act, 2013, are not prejudicial to the Company’s interest.
  - b) The schedule for repayment of loan and interest has been stipulated at the time of sanction and no repayment has fallen due for loan and interest amount respectively
  - c) There is no amount which are overdue for more than ninety days.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by Reserve Bank of India, provisions of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) rules 2014 (as amended).
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products for which maintenance of prescribed cost record is mandated by Government of India U/s 148 (1) of the Act. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us and the records of the Company examined by us:
  - a) The Company has been generally regular in depositing amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Investor Education and Protection Fund, Income tax, Custom Duty, cess, Goods & Service Tax and other statutory dues, as applicable, except for some minor delay in case of TDS.
  - b) No undisputed amount payable in respect of Provident Fund, Investor Education and Protection Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess, Goods & Service Tax and other material statutory dues is outstanding as at 31st March 2021, for a period of more than six months from the date they became payable.
  - c) There are no dues of Income tax, sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess, Goods & Service Tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

## Annexure – A to the Independent Auditor’s Report (Contd...)

Name of the Statute	Period to which the amount relates	Forum where dispute is pending	Amount in dispute (In Lakhs)
The Central Sales Tax Act, 1956	AY 2012-13	Joint Commissioner of State tax appeals, Mumbai	126.21
The Central Sales Tax Act, 1956	AY 2010-11	Assistant Commissioner of Commercial Tax, Bengaluru	3.09
The Central Sales Tax Act, 1956	AY 2012-13	Sales Tax Officer, VOTA, Delhi	1.26

viii. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government. The Company had neither any outstanding debenture at the beginning of the year nor has it issued any debenture during the year.

ix. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the

Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly paragraph 3 (xiv) of the Order is not applicable to the Company..

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

**For Singhi & Co.**

Chartered Accountants

Firm Registration Number: 302049E

**Sudesh Choria**

Partner

Date: May 6, 2021

Place: Mumbai

Membership No:204936

UDIN: 21204936AAAAEV2828

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

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

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

1. We have audited the internal financial controls over financial reporting of Jost's Engineering Company Limited ('the Company') as of 31<sup>st</sup> March 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with respect to

standalone financial statements included obtaining an understanding of internal financial controls over financial reporting with respect to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with respect to standalone financial statements

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

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to Standalone Financial Statements

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

## Annexure - B to the Independent Auditor's Report (Contd...)

financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting with reference to standalone financial statements criteria established by the Company

considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Singhi & Co.**

Chartered Accountants

Firm Registration Number: 302049E

**Sudesh Choraria**

Partner

Membership No:204936

UDIN: 21204936AAAAEV2828

Date: May 6, 2021

Place: Mumbai

# Standalone Balance Sheet

as at 31st March, 2021

(₹ in lakhs)

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4A	290.11	351.62
(b) Capital work-in-progress	4A	21.84	21.36
(c) Right of use assets	4B	10.23	69.57
(d) Intangible assets	4C	18.28	24.05
(e) Investment in subsidiary	5A	601.80	601.80
(f) Financial assets			
(i) Investments	5B	1.00	1.00
(ii) Other financial assets	6A	26.11	26.86
(g) Deferred tax assets (net)	6B	130.57	171.49
<b>Total Non-current assets</b>		<b>1,099.94</b>	<b>1,267.75</b>
<b>Current assets</b>			
(a) Inventories	7	1,114.03	1,508.78
(b) Financial assets			
(i) Investments	8	13.50	12.71
(ii) Trade receivables	9	2,790.31	3,162.90
(iii) Cash and cash equivalents	10A	227.55	91.60
(iv) Other balances with bank	10B	195.53	639.32
(v) Loans	11	101.37	-
(vi) Other financial assets	12	12.26	29.74
(c) Current tax assets (Net)	13	-	9.96
(d) Other current assets	14	506.69	757.87
<b>Total current assets</b>		<b>4,961.24</b>	<b>6,212.88</b>
<b>TOTAL ASSETS</b>		<b>6,061.18</b>	<b>7,480.63</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	15	93.29	93.29
Other equity	16	2,971.83	2,575.45
<b>Total Equity</b>		<b>3,065.12</b>	<b>2,668.74</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17A	-	11.69
(b) Provisions	18	168.02	229.20
(c) Other non-current liabilities	19	40.47	71.83
<b>Total non-current liabilities</b>		<b>208.49</b>	<b>312.72</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17B	163.05	1,437.02
(ii) Trade payables	20		
Total outstanding dues of micro and small enterprises		123.87	169.17
Total outstanding dues of Creditors other than micro and small enterprise		1,688.58	1,845.74
(iii) Other financial liabilities	21	149.64	192.34
(b) Other current liabilities	22	539.69	765.29
(c) Provisions	23A	100.42	89.61
(d) Current tax liabilities (Net)	23B	22.32	-
<b>Total Current Liabilities</b>		<b>2,787.57</b>	<b>4,499.17</b>
<b>Total liabilities</b>		<b>2,996.06</b>	<b>4,811.89</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,061.18</b>	<b>7,480.63</b>

Significant Accounting Policies

3

The accompanying notes are an integral part of standalone financial statements

As per our report of even date attached

For and on behalf of Board of Directors

For Singhi & Co.

Jai Prakash Agarwal

Vishal Jain

Chartered Accountants

Chairman

Vice Chairman & Managing Director

Firm Registration No. 302049E

DIN - 00242232

DIN - 00709250

Sudesh Choraria

Rohit Jain

Partner

Chief Financial Officer

Membership No.204936

Place: Mumbai

Place: Mumbai

Date: 6th May, 2021

Date: 6th May, 2021

# Standalone statement of profit and loss

for the year ended 31st March, 2021

(₹ in lakhs)

Particulars	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>INCOME</b>			
Revenue from operations	24	8,592.36	10,315.16
Other income	25	56.19	40.76
<b>I Total Income</b>		<b>8,648.55</b>	<b>10,355.92</b>
<b>EXPENSES</b>			
Cost of materials consumed	26A	3,081.32	3,191.99
Purchases of stock-in-trade	26B	1,949.91	3,279.67
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	280.01	(263.11)
Employee benefits expense	28	1,396.89	1,851.27
Finance costs	29	49.07	150.33
Depreciation and amortization expense	4A,4B, 4C	89.85	120.72
Other expenses	30	1,245.60	1,483.59
<b>II Total Expenses</b>		<b>8,092.65</b>	<b>9,814.46</b>
<b>III Profit before exceptional items and tax (I-II)</b>		<b>555.90</b>	<b>541.46</b>
<b>IV Exceptional items</b>		-	<b>383.77</b>
<b>V Profit before tax (III-IV)</b>		<b>555.90</b>	<b>157.69</b>
<b>Less: Tax expense</b>			
(1) Current tax		165.20	76.22
(2) Deferred tax		(2.17)	(10.68)
(3) Short/(Excess) provision for tax of earlier years		(15.96)	(11.89)
<b>VI Total tax expense</b>		<b>147.07</b>	<b>53.65</b>
<b>VII Profit for the year</b>		<b>408.83</b>	<b>104.04</b>
<b>VIII Other Comprehensive Income (OCI)</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Measurement of defined employee benefit plan		21.53	(16.75)
(b) Income tax relating to above items		(5.99)	4.66
<b>Total Other Comprehensive Income/(loss)</b>		<b>15.54</b>	<b>(12.09)</b>
<b>IX Total Comprehensive Income for the year (VII+VIII)</b>		<b>424.37</b>	<b>91.95</b>
<b>X Basic and Diluted Earning per equity share of ₹ 10 each (₹) (not on annualized basis)</b>		43.82	11.15

Significant Accounting Policies

3

The accompanying notes are an integral part of standalone financial statements

As per our report of even date attached

**For Singhi & Co.**

Chartered Accountants  
Firm Registration No. 302049E

**Sudesh Choraria**

Partner  
Membership No.204936

Place: Mumbai

Date: 6th May, 2021

For and on behalf of Board of Directors

**Jai Prakash Agarwal**

Chairman  
DIN - 00242232

**Rohit Jain**

Chief Financial Officer

Place: Mumbai

Date: 6th May, 2021

**Vishal Jain**

Vice Chairman & Managing Director  
DIN - 00709250



## Standalone of Change in Equity

### a. Equity Share Capital

(₹ in lakhs)

Particulars	Note No.	Amount
<b>As at 1st April 2019</b>	15	<b>93.29</b>
Changes in equity share capital	-	
<b>As at 31st March 2020</b>	15	<b>93.29</b>
Changes in equity share capital	-	
<b>As at 31st March 2021</b>	15	<b>93.29</b>

### b. Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus			Item of Other Comprehensive Income	Total
	Securities Premium Reserve	Retained Earnings	General reserve	Remeasurement of defined benefit plan	
<b>As at 1st April 2019</b>	<b>1,063.86</b>	<b>1,257.35</b>	<b>229.78</b>	<b>(33.76)</b>	<b>2,517.23</b>
Other Comprehensive Income for the year ended 31st March 2020 (net of taxes)	-	-	-	(12.08)	(12.08)
Dividends including Dividend Distribution Tax	-	(33.74)	-	-	(33.74)
<b>Addition during the year</b>	-	-	-	-	-
Issue of right shares (Net off share issue expenses)	-	-	-	-	-
Profit/(Loss) for the year	-	104.04	-	-	104.04
<b>Balance as at 31st March 2020</b>	<b>1,063.86</b>	<b>1,327.65</b>	<b>229.78</b>	<b>(45.84)</b>	<b>2,575.45</b>
Other Comprehensive Income for the year ended 31st March 2021 (net of taxes)	-	-	-	15.54	15.54
Dividends including Dividend Distribution Tax	-	(27.99)	-	-	(27.99)
<b>Addition during the year</b>	-	-	-	-	-
Profit/( Loss) for the year	-	408.83	-	-	408.83
<b>Balance as at 31st March 2021</b>	<b>1,063.86</b>	<b>1,708.49</b>	<b>229.78</b>	<b>(30.30)</b>	<b>2,971.83</b>

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

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

##### For Singhi & Co.

Chartered Accountants  
Firm Registration No. 302049E

##### Sudesh Choraria

Partner  
Membership No.204936

Place: Mumbai

Date: 6th May, 2021

#### For and on behalf of Board of Directors

##### Jai Prakash Agarwal

Chairman  
DIN - 00242232

##### Rohit Jain

Chief Financial Officer

Place: Mumbai

Date: 6th May, 2021

##### Vishal Jain

Vice Chairman & Managing Director  
DIN - 00709250

# Standalone statement of cash flow

for the year ended 31st March, 2021

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT/ (LOSS) BEFORE TAX &amp; AFTER EXCEPTIONAL ITEM</b>	555.90	157.69
<b>ADJUSTMENTS FOR:</b>		
Depreciation	89.85	120.72
(Profit) /Loss on sale of assets	1.98	(0.17)
Fair value gain on Mutual fund investment	(0.79)	(0.55)
Income on termination of lease	(8.49)	(2.98)
Dividend income	(0.79)	(0.69)
Interest expense	20.24	109.92
Interest income	(15.46)	(14.54)
Provision for doubtful debts	36.50	17.32
Bad debts & Deposits written off during the year	96.62	196.20
Unrealised gain(loss) during the year	(2.32)	-
Sundry balances Written off/back	(0.22)	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>773.02</b>	<b>582.92</b>
Adjustments for :		
Trade receivables	244.56	(152.03)
Inventories	394.76	(209.82)
Trade payables	(205.22)	(50.77)
Other current financial assets	17.48	(11.61)
Other current financial liabilities	(17.18)	(13.58)
Other current liabilities	(225.00)	87.84
Other current asset	251.17	(140.70)
Loans	(101.37)	0.37
Other non current liabilities	5.80	6.00
Other non-current assets	0.75	(9.96)
Change in provisions	(50.37)	13.56
Change in tax Asset/liability	12.35	(3.57)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>1,100.75</b>	<b>98.65</b>
Taxes paid (Net of refunds)	(61.05)	(24.77)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>1,039.70</b>	<b>73.88</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property,Plant and Equipment, Intangible assets and Capital WIP	(21.83)	(99.85)
Sale of Property,Plant and Equipment	7.30	1.59
Investment in deposits	-	2.27
Purchase of Investments	-	-
Interest received	15.46	14.54
Dividend received	0.79	0.69
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>1.72</b>	<b>(80.76)</b>

# Standalone statement of cash flow

for the year ended 31st March, 2021 (Contd...)

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	-	238.33
Repayment of borrowings	(393.99)	(137.16)
Dividend paid (including tax)	(27.99)	(33.74)
Repayment of lease liability	(12.80)	(33.30)
Interest paid	(20.24)	(109.90)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(455.02)</b>	<b>(75.77)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS A+B+C</b>	<b>586.40</b>	<b>(82.65)</b>
Add: Cash and cash equivalents at the beginning of the year	(169.71)	(87.06)
Cash and cash equivalents at the end of the year	<b>416.69</b>	<b>(169.71)</b>
<b>Cash and cash equivalents as per above comprises of the following :</b>		
Cash and cash equivalent	227.55	91.60
Other bank balances	195.53	639.32
	<b>423.08</b>	<b>730.92</b>
Bank Overdraft	(6.39)	(900.63)
<b>Balances as per Statement of Cash Flows</b>	<b>416.69</b>	<b>(169.71)</b>
Significant Accounting Policies	3	
Debt reconciliation statement in accordance with Ind AS 7		
<b>Borrowings</b>		
Opening Balances	554.28	691.44
Movement	(393.99)	(137.16)
<b>Closing Balance</b>	<b>160.29</b>	<b>554.28</b>

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

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

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

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

**For Singhi & Co.**

Chartered Accountants  
Firm Registration No. 302049E

**Sudesh Choraria**

Partner  
Membership No.204936

Place: Mumbai

Date: 6th May, 2021

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

**Jai Prakash Agarwal**

Chairman  
DIN - 00242232

**Rohit Jain**

Chief Financial Officer

Place: Mumbai

Date: 6th May, 2021

**Vishal Jain**

Vice Chairman & Managing Director  
DIN - 00709250

# Notes to the Standalone Financial Statement

for the year ended 31st March, 2021

## 1 Corporate Information

Jost's Engineering Company Limited (the 'Company') is domiciled in India. The Company's registered office is at Great Social Building, 60 Sir Phirozeshah Mehta Road, Mumbai- 400001. The Company's primary business areas are material handling and engineered products. The Company's equity shares are listed on Bombay Stock Exchange (BSE). These financials statements were approved and adopted by Board of Directors of the Company in their meetings held on May 06, 2021.

## 2 Basis for preparation of financial statements

### 2.1 Statement of Compliance:

The Financial Statements of the Company, are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under section 133 of the Companies Act, 2013, and the relevant provisions thereof.

### 2.2 Basis of Preparation:

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use. The Company has prepared these Financial Statements as per the format prescribed in Schedule III to the Companies Act, 2013.

### 2.3 Basis of measurement:

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

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

### 2.4 Current or Non-current classification:

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

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;

- iii. Expected to be realized within twelve months after the reporting period; or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

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

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

### 2.5 Use of estimates and judgements:

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

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

- a. Estimated useful life of PPE & intangible assets - Refer note no 4A & 4B
- b. Probable outcome of matters included under Contingent liabilities - Refer note no. 31
- c. Estimation of Defined benefit obligation - Refer note no. 36
- d. Estimation of Tax expense and tax payable - Refer note no. 45

# Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

- e. Measurement of Lease liabilities and Right of Use Asset (ROUA) - Refer Note 4B, 19 & 21

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

The COVID19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organization with an adverse impact on the economy and business. Global solutions are needed to overcome the challenges - businesses & business models have transformed to create a new work order. The swift transition to remote working was facilitated by the Company.

Supply Chain disruptions in India as a result of the outbreak started with restrictions on the movement of goods, closure of borders, etc. In light of these circumstances, the Company has considered the possible effects that may result from COVID19 on the carrying amounts of financial assets, inventory, receivables, property plant and equipment, Intangibles, etc. as well as liabilities accrued and has concluded that no material adjustments are required at this stage in the financial statements. However, due to uncertainties around COVID 19, the eventual impact of it may differ from that estimated as at the date of approval of these financial statements, and the Company will continue to closely monitor any material changes to future economic conditions.

The 2nd wave of the pandemic has again impacted the economy and once again the lockdown was imposed in the 3rd week of April 2021. The company was facing temporary disruption in its operations, due to lockdown enforced across different parts of the country.

The physical and emotional well-being of employees continues to be a top priority for the Company. The Company is making all efforts to ensure the safety of our employees. These new ways of working and managing businesses present a great opportunity to more than just 'recover' from the consequences of the crisis, but to accelerate transformation.

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

Determining whether property, plant and equipment is impaired requires an estimation of the value in use of the cash-generating unit. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate

in order to calculate present value. When the actual future cash flows are less than expected, a material impairment loss may arise.

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

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

### **2.5.3 Discount rate - defined benefit obligation**

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

### **2.5.4 Provision for litigations and contingencies**

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

### **2.5.5 Recognition of deferred tax assets**

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

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 3 Summary of Significant Accounting Policies:

#### 3.1 Property, plant and equipment:

##### (a) Recognition and measurement:

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

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

##### (b) Derecognition of Assets:

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

##### (c) Depreciation:

Depreciation is provided (other than on capital work-in-progress) on a Written Down Value (WDV) basis over the estimated useful lives of assets as prescribed under Schedule II of the Companies Act, 2013. Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement.

The economic useful lives of assets are assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end

of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

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

The estimated useful lives of PPE are as follows:

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

#### 3.2 Intangible assets:

##### (a) Recognition and measurement:

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

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

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

# Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

## (c) Amortisation:

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

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

## 3.3 Leases:

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

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

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

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

shorter of the lease term and useful life of the underlying asset. The lease liability is recognized at the date of initial application.

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

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

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

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

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

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



# Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

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

### 3.5 Inventories:

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

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

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

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

### 3.6 Revenue recognition:

The Company derives revenue from sale of material handling and engineered products. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of GST, returns, trade allowances, rebates and amounts collected on behalf of third parties.

#### (a) Sale of goods

Sales are recorded net of trade discounts, quantity discounts, rebates, indirect taxes. Revenue from sale of goods is recognised 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) Interest income

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

### 3.7 Foreign currencies:

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

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

### 3.8 Employee Benefits:

#### Short-term Employee Benefits:

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

#### Other long-term employee benefits

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

# Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

## Post-employment benefits

### (a) Defined contribution plans

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

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

### (b) Defined benefit plans

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

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

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

plans or reductions in future contributions to the plans.

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

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

## 3.9 Taxation:

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

### Current tax

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

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

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

### Deferred tax

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

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

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

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

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

### Current tax and deferred tax for the year

Current and deferred tax are recognized in the

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

### 3.10 Provisions:

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

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

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### Product warranty

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

### 3.11 Contingent liabilities and contingent assets:

Contingent liability is disclosed after careful evaluation of facts, uncertainties and possibility of

# Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

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

### 3.12 Financial instruments:

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

#### Financial assets

Classification and subsequent measurement

#### Loans and receivables

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

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

#### Impairment

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, other contractual right to receive cash or other financial assets not designated at fair value through profit or loss. The loss allowance for a financial instrument is equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit

losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if the default occurs within 12 months after the reporting date. For trade receivables or any contractual right to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. The Company has used a practical expedient permitted by Ind AS 109 and determines the expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

#### De-recognition

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

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

#### Financial liabilities

##### Classification

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

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received net of direct issue costs.

### Subsequent measurement

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

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

### Foreign exchange gains and losses

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

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

### De-recognition

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

Statement of Profit and Loss.

### 3.13 Cash and cash equivalents:

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

### 3.14 Earnings per share:

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

### 3.15 Segment Reporting:

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

### 3.16 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

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

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 Business Combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable

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



## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

	(₹ in lakhs)									
	Building	Computer & Peripheral	Furniture and Fixture	Office Equipment	Plant & Machinery	Vehicle	Total	Capital Work in Progress		
<b>Gross Carrying Amount</b>										
Balances as at 1st April, 2019	18.58	82.04	65.76	13.04	331.02	45.49	555.93			
Additions	-	6.85	7.57	1.31	69.63	-	85.36			
Sale/Disposals	-	2.93	1.29	-	7.27	-	11.49			
<b>Balances as at 31st March, 2020</b>	<b>18.58</b>	<b>85.96</b>	<b>72.04</b>	<b>14.35</b>	<b>393.38</b>	<b>45.49</b>	<b>629.80</b>			
Additions	-	0.55	-	-	21.28	-	21.83			
Sale/Disposals	-	-	-	-	9.68	19.03	28.71			
<b>Balances as at 31st March, 2021</b>	<b>18.58</b>	<b>86.51</b>	<b>72.04</b>	<b>14.35</b>	<b>404.98</b>	<b>26.46</b>	<b>622.92</b>			
<b>Accumulated Depreciation</b>										
Balances as at 1st April, 2019	5.47	54.91	32.00	7.88	89.18	9.41	198.85			
Changes for the year	1.48	15.09	9.19	2.31	46.53	10.39	84.99			
Sale/Disposals	-	1.64	1.16	-	2.86	-	5.66			
<b>Balances as at 31st March, 2020</b>	<b>6.95</b>	<b>68.36</b>	<b>40.03</b>	<b>10.19</b>	<b>132.85</b>	<b>19.80</b>	<b>278.18</b>			
Changes for the year	1.09	8.02	7.67	1.40	49.77	5.09	73.04			
Sale/Disposals	-	-	-	-	8.67	9.74	18.41			
<b>Balances as at 31st March, 2021</b>	<b>8.04</b>	<b>76.38</b>	<b>47.70</b>	<b>11.59</b>	<b>173.95</b>	<b>15.15</b>	<b>332.81</b>			
<b>Net Block</b>										
Balances as at 31st March, 2020	11.63	17.60	32.01	4.16	260.53	25.69	351.62			21.36
Balances as at 31st March, 2021	10.54	10.13	24.34	2.76	231.03	11.31	290.11			21.84

### Notes:

- As per Ind AS 16 assets in the course of development are reflected in capital work in progress. Costs associated with the development are capitalised when the asset is ready to use. Revenue generated from production during the trial period will be credited to capital work in progress.
- Capital work in progress as at 31st March 2021 primarily represents other expenses incurred in relation to purchase of land at Murbad, Thane.
- Borrowing cost adjusted in the carrying cost of Property, Plant & Equipments and Capital Work in Progress during the current year - NIL (March 31, 2020 - NIL)
- The Company has not incurred any pre-operative expenses for capitalisation during the current year (March 31, 2020 - NIL)



## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 4B. Right of Use Assets

	Right of use of Asset	Total
<b>Gross Block</b>		
<b>Balances as at 1st April, 2019</b>	-	-
Change in Accounting Policies	130.05	130.05
Addition	17.89	17.89
Deduction - Termination of Lease	50.16	50.16
<b>Balances as at 31st March, 2020</b>	<b>97.78</b>	<b>97.78</b>
Change in Accounting Policies	-	-
Addition	-	-
Deduction - Termination of Lease	52.14	52.14
<b>Balances as at 31st March, 2021</b>	<b>45.64</b>	<b>45.64</b>
<b>Accumulated Depreciation</b>		
<b>Balances as at 1st April, 2019</b>	-	-
Change in Accounting Policies	26.68	26.68
Addition	1.53	1.53
Deduction - Termination of Lease	-	-
<b>Balances as at 31st March, 2020</b>	<b>28.21</b>	<b>28.21</b>
Change in Accounting Policies	-	-
Addition	11.04	11.04
Deduction - Termination of Lease	3.84	3.84
<b>Balances as at 31st March, 2021</b>	<b>35.41</b>	<b>35.41</b>
<b>Net Block</b>		
Balances as at 31st March, 2020	69.57	69.57
Balances as at 31st March, 2021	10.23	10.23

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 4C Intangible Assets

	Computer Software & Licences	Total
<b>Gross Block</b>		
<b>Balances as at 1st April, 2019</b>	36.98	36.98
Additions	14.49	14.49
Sale/Disposals	-	-
<b>Balances as at 31st March, 2020</b>	<b>51.47</b>	<b>51.47</b>
Additions	-	-
Sale/Disposals	-	-
<b>Balances as at 31st March, 2021</b>	<b>51.47</b>	<b>51.47</b>
<b>Accumulated Depreciation</b>		
<b>Balances as at 1st April, 2019</b>	19.90	19.90
Changes for the year	7.52	7.52
Sale/Disposals	-	-
<b>Balances as at 31st March, 2020</b>	<b>27.42</b>	<b>27.42</b>
Changes for the year	5.77	5.77
Sale/Disposals	-	-
<b>Balances as at 31st March, 2021</b>	<b>33.19</b>	<b>33.19</b>
<b>Net Block</b>		
Balances as at 31st March, 2020	24.05	24.05
Balances as at 31st March, 2021	18.28	18.28

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 5A Investment in Subsidiary

(₹ in lakhs)

Particulars	As at 31st March, 2021			As at 31st March, 2020	
	Number	Face Value	Amount	Number	Amount
<b>Equity shares fully paid in subsidiary company at cost</b>					
MHE Rentals India Pvt Ltd	6,018,000	10	601.80	6,018,000	601.80
<b>Total</b>			<b>601.80</b>		<b>601.80</b>

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

### 5B Non-Current Investments

(₹ in lakhs)

Particulars	As at 31st March, 2021			As at 31st March, 2020	
	Number	Face Value	Amount	Number	Amount
<b>Investments at Cost</b>					
(a) Investment in Equity shares (Unquoted) (Fully Paid up)					
Zoroastrian Co-Operative Bank Ltd.	4000	25	1.00	4,000	1.00
<b>Total</b>			<b>1.00</b>		<b>1.00</b>

### Aggregate Book Value of Non-Current Investments

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unquoted - At Cost	602.80	602.80

### 6A. Other Non-Current financial assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
1. Security Deposit		
Unsecured, considered good unless otherwise stated	25.69	25.50
2. Fixed Deposits as Margin Money against LC & BG *	-	0.94
3. Prepaid lease hold land	0.42	0.42
<b>Total</b>	<b>26.11</b>	<b>26.86</b>

(\*) Original maturity of more than twelve months

### 6B. Deferred Tax (Liability)/ Asset

(₹ in lakhs)

Deferred Tax Asset	As at 31st March, 2021	As at 31st March, 2020
Deferred tax assets	130.57	171.49
Deferred tax liabilities	-	-
<b>Deferred tax asset(net)</b>	<b>130.57</b>	<b>171.49</b>

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 6B. Deferred Tax (Liability)/ Asset (Contd...)

(₹ in lakhs)

Particulars	As at 31st March, 2020	(Charged)/ credited to Profit & Loss	(Charged)/ credited to Other Comprehensive Income	As at 30th March, 2021
<b>Nature of timing difference:</b>				
Deferred tax asset				
On depreciable assets	6.80	3.27	-	10.07
On provision for gratuity	54.44	(3.96)	(5.99)	44.49
On provision for doubtful debts	37.35	10.15	-	47.50
On provision for leave encashment	19.24	(5.64)	-	13.60
On provision for bonus	5.72	(1.46)	-	4.26
On provision for warranty	9.69	2.38	-	12.07
On account MAT credit entitlement	37.11	(37.11)	-	(0.00)
On account of timing difference on leased asset	1.14	(2.56)	-	(1.42)
On expenses allowable on payment/ actual basis U/s 43B	-	-	-	-
<b>Deferred tax asset</b>	<b>171.49</b>	<b>(34.93)</b>	<b>(5.99)</b>	<b>130.57</b>

- (a) The Company has recognised Deferred tax asset amounting to ₹ 3.81 lakhs (Previous year ₹ 15.34 Lakhs) in the Financial Year 2020-21 as the Company is estimating future taxable profits against which the Deferred tax asset can be set off.
- (b) The Company has utilised MAT credit amounting to ₹ 37.11 lakhs for the year ended 31st March 2021 and for the previous year ₹ 41.19 lakhs and the same is relected under Deferred Tax asset.

### 7 Inventories

Valued at lower of cost and net realisable value

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
a. Raw Materials	482.07	595.65
b. Work-in-progress	91.09	285.74
c. Finished goods	148.84	233.05
d. Stock-in-trade	390.66	391.80
e. Stores and spares	1.37	2.54
<b>Total</b>	<b>1,114.03</b>	<b>1,508.78</b>

### 8 Current Investments

(₹ in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2021	As at 31st March, 2020
	Unit value	Number of units		
(a) Investments in Mutual Funds units valued at fair value through P & L account				
Nippon India Low Duration Fund - Direct Plan Daily IDCW Plan Reinvestment	1008.88 (Previous year 1007.5)	918.60 (Previous year 865.53)	9.28	8.72
Nippon India Low Duration Fund - Daily IDCW Plan Reinvestment	1010.55 (Previous year 1007.5)	417.37 (Previous year 395.74)	4.22	3.99
<b>Total</b>			<b>13.50</b>	<b>12.71</b>

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 9 Trade Receivables

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Trade Receivables</b>		
Secured, considered good	12.25	10.25
Unsecured, considered good	2,778.06	3,152.64
Considered doubtful	170.73	134.23
	2,961.04	3,297.12
Less: Provision for credit loss	(170.73)	(134.22)
	2,790.31	3,162.90
<b>Total</b>	<b>2,790.31</b>	<b>3,162.90</b>

### 10A Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash on hand	1.26	2.86
<b>Balances with Banks</b>		
In current account	225.87	85.10
In EEFC account	0.42	3.64
<b>Total</b>	<b>227.55</b>	<b>91.60</b>

### 10B Other Bank Balances

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Earmarked balances with banks (unclaimed dividend account)	4.42	5.96
Bank Deposits as Margin Money against LC & BG *	191.11	633.36
<b>Total</b>	<b>195.53</b>	<b>639.32</b>

(\*) With original maturity of more than three months but less than twelve months

### 11 Current loans

Unsecured, considered good unless otherwise stated

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Loan to subsidiary	101.37	-
<b>Total</b>	<b>101.37</b>	<b>-</b>

Short term Loan to subsidiary MHE Rentals India Pvt Ltd given on 10th February, 2021 for a tenure of 270 days at interest rate of 11% p.a.

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 12 Other current financial assets

Unsecured, considered good unless otherwise stated

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Duty recoverable	3.81	3.81
Security deposit	0.68	1.06
Interest receivables	7.77	12.43
Accrued commission	-	12.44
<b>Total</b>	<b>12.26</b>	<b>29.74</b>

### 13 Current Tax Assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance tax and tax deducted at source less provision	-	9.96
<b>Total</b>	<b>-</b>	<b>9.96</b>

### 14 Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Balances with government authorities</b>		
a) VAT deposit *	72.28	144.00
b) Others - GST	-	174.54
Prepaid Expense	11.11	40.79
Tender Deposits	65.54	69.68
Other advances	-	0.23
Advance to Employees	3.14	-
Advance to Creditors	86.30	126.63
Capital advances (Refer Note no. 32)	268.32	202.00
<b>Total</b>	<b>506.69</b>	<b>757.87</b>

\* The Company has paid on account of demand raised and will be adjusted against 'C' forms to be received from Customers

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 15 Equity share capital

(₹ in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of ₹ 10/- each	1,000,000	100.00	1,000,000	100.00
<b>Issued</b>				
Equity Shares of ₹ 10/- each	932,873	93.29	932,873	93.29
<b>Subscribed &amp; Fully Paid up</b>				
Equity Shares of ₹ 10/- each	932,873	93.29	932,873	93.29

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

(₹ in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	932873	93.29	932,873	93.29
Issue of right shares during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	932873	93.29	932,873	93.29

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

c. The Company has no Holding Company.

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

Name of Shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Mr. Jai Prakash Agarwal	132,991	14.26	132,991	14.26
Mrs. Krishna Agarwal	48,800	5.23	48,800	5.23
Mrs. Shikha Jain	112,821	12.09	112,821	12.09
Mr. Vishal Jain	118,215	12.67	118,215	12.67
Mr. Sharad K. Shah	77,765	8.34	71,794	7.70

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

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

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



## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 16 Other Equity

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>a. Securities Premium Account</b>		
Balance at the beginning of the year	1,063.86	1,063.86
Add:		
Issue of right shares during the year	-	-
Unpaid calls received during the year	-	-
Less:		
Right issue expense	-	-
<b>Closing Balance</b>	<b>1,063.86</b>	<b>1,063.86</b>
<b>b. General Reserve</b>		
Balance at the beginning of the year	229.78	229.78
Add:		
Current year transfer	-	-
<b>Closing Balance</b>	<b>229.78</b>	<b>229.78</b>
<b>c. Retained Earnings</b>		
Balance at the beginning of the year	1,327.65	1,257.35
Add:		
Profit/ (loss) for the year	408.83	104.04
Less:		
Dividend paid for the previous year (including Dividend Distribution Tax)	(27.99)	(33.74)
<b>Closing Balance</b>	<b>1,708.49</b>	<b>1,327.65</b>
<b>d. Other comprehensive income (OCI)</b>		
Balance at the beginning of the year	(45.84)	(33.76)
Add:		
Remeasurement of defined benefit plan (net of taxes)	15.54	(12.08)
<b>Closing Balance</b>	<b>(30.30)</b>	<b>(45.84)</b>
<b>Total</b>	<b>2,971.83</b>	<b>2,575.45</b>

### 17A Non-Current Borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Secured:</b>		
Vehicle loan from bank (*)	-	11.69
<b>Total</b>	<b>-</b>	<b>11.69</b>

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

Total Vehicle Loan from ICICI Bank Ltd of ₹ 9.99 lacs Repayable in 30 monthly installments of ₹ 31,845/- starting from April 19. Last installment due in March 2022. Rate of interest 9.20% p.a

Vehicle loan current portion reflected under other current financial liabilities (refer Note no 21)

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 17B Current Borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Secured:</b>		
From Banks (Repayable on demand):-		
(a) Cash Credit	156.66	483.45
(b) Bank overdraft	6.39	900.62
<b>Unsecured</b>		
Letter of credit discounted with Bank	-	52.95
<b>Total</b>	<b>163.05</b>	<b>1,437.02</b>

#### Details of terms & condition

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

### 18 Non-current provisions

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Provision for employee benefits</b>		
Superannuation	16.23	19.13
Gratuity	118.38	160.89
Leave Encashment	33.41	49.18
<b>Total</b>	<b>168.02</b>	<b>229.20</b>

Total provision for Gratuity amount to ₹ 159.94 lakhs (PY ₹ 195.70 lakhs). Non current portion for ₹ 118.38 lakhs (PY ₹ 160.89 lakhs) and Current portion ₹ 41.56 lakhs (PY ₹ 34.81 lakhs). Refer Note no 23 A for current portion.

Total provision for Leave Encashment amount to ₹ 48.89 lakhs (PY ₹ 69.16 lakhs). Non current portion for ₹ 33.41 lakhs (PY ₹ 49.18 lakhs) and Current portion ₹ 15.48 lakhs (PY ₹ 19.98 lakhs). Refer Note no 23 A for current portion.

### 19 Other Non-Current financial Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Dealer deposits	35.85	30.05
Lease liability	4.62	41.78
<b>Total</b>	<b>40.47</b>	<b>71.83</b>

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 20 Trade Payables

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Dues of Micro and Small Enterprises (Note a)	123.87	169.17
Dues to other creditors	1,688.58	1,845.74
<b>Total</b>	<b>1,812.45</b>	<b>2,014.91</b>

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

(i) (a) Principal amount and the interest due thereon remaining unpaid to any supplier	123.87	169.17
(b) Interest on (i)(a) above	-	-
(ii) The amount of interest paid along with the principal payment made to the supplier	-	-
(iii) Amount of interest due and payable on delayed payments	-	0.55
(iv) Amount of further interest remaining due and payable for the earlier years	-	-
(v) Total outstanding dues of Micro and Small Enterprises		
- Principal	<b>123.87</b>	<b>169.17</b>
- Interest	-	<b>0.55</b>

### 21 Other Current Financial Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Current maturity of term loan(*)</b>		
Vehicle	3.64	6.19
Unpaid Dividend	4.42	5.96
Employee Security deposit	-	2.59
Lease Liability	6.37	31.89
Salary and Reimbursements	135.21	145.71
<b>Total</b>	<b>149.64</b>	<b>192.34</b>

### 22 Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>1) Statutory dues payable</b>		
(a) Tax Deducted at Source	17.95	19.89
(b) Provident Fund and other employee deductions	13.01	11.64
(c) GST	17.12	91.42
(d) Others	-	2.47
<b>2) Revenue received in advance</b>	99.57	81.93
<b>3) Provision for expense</b>	121.85	121.10
<b>4) Other current liability</b>	0.03	0.31
<b>5) Advance to Employees</b>	-	8.40
<b>6) Advances from customers</b>	213.56	292.40
<b>7) Creditors for other liabilities</b>	56.60	135.73
<b>Total</b>	<b>539.69</b>	<b>765.29</b>

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 23A Current provisions

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for warranty claims	43.38	34.82
<b>Provision for employee benefits</b>		
Gratuity	41.56	34.81
Leave Encashment	15.48	19.98
<b>Total</b>	<b>100.42</b>	<b>89.61</b>

Total provision for Gratuity amount to ₹ 159.94 lakhs (PY ₹ 195.70 lakhs). Current portion ₹ 41.56 lakhs (PY ₹ 34.81 lakhs) & Non current portion for ₹ 118.38 lakhs (PY ₹ 160.89 lakhs). Refer Note no 18 for non current portion.

Total provision for Leave Encashment amount to ₹ 48.89 lakhs (PY ₹ 69.16 lakhs). Current portion ₹ 15.48 lakhs (PY ₹ 19.98 lakhs) and Non current portion for ₹ 33.41 lakhs (PY ₹ 49.18 lakhs). Refer Note no 18 for non current portion.

### 23B Current tax liability

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current Tax Liability (net of tax paid / refund)	22.32	-
<b>Total</b>	<b>22.32</b>	<b>-</b>

### 24 Revenue from Operations

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>(a) Sale of Products</b>		
Sale of manufactured goods	4,736.38	4,447.62
Sale of traded goods	2,538.14	4,334.76
<b>Total (A)</b>	<b>7,274.52</b>	<b>8,782.38</b>
<b>(b) Sale of Services</b>		
Sale of services	652.79	704.94
<b>Total (B)</b>	<b>652.79</b>	<b>704.94</b>
<b>(c) Other Operating Revenues</b>		
Commission Income	660.21	821.90
Scrap & sundry sales	3.71	5.92
Other operating income	1.13	0.02
<b>Total (C)</b>	<b>665.05</b>	<b>827.84</b>
<b>Total (A+ B+ C)</b>	<b>8,592.36</b>	<b>10,315.16</b>

The Company do not have any customers where total value of trade during the year is more than 10% of the Turnover.

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 25 Other Income

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest Income	15.46	14.54
Dividend Income	0.79	0.68
Net gain from foreign currency transactions and translation	-	0.03
Net gain on sale of fixed assets	-	0.17
VAT interest received	6.90	-
Other income	-	0.06
Interest on IT Refund	1.62	-
Commission Income	22.93	22.30
Gain on termination of lease liabilities	8.49	2.98
<b>Total</b>	<b>56.19</b>	<b>40.76</b>

### 26A Cost of Materials Consumed

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Raw material consumed</b>		
Opening stock	595.65	644.37
Purchases	2,967.74	3,143.27
Closing stock	482.07	595.65
<b>Cost of material consumed</b>	<b>3081.32</b>	<b>3,191.99</b>

#### Breakup of cost of material consumed

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Cost of material consumed</b>		
Steel	111.39	132.70
Batteries	747.06	732.11
Others (Tyres, Controller, motor, battery charger etc.)	2,222.87	2,327.18
<b>Total</b>	<b>3,081.32</b>	<b>3,191.99</b>

### 26B Purchase of stock in trade

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Purchase of traded goods</b>		
Engineered Equipments	1,309.33	2,786.92
Other Components, accessories, spares, etc.	640.58	492.75
<b>Total</b>	<b>1,949.91</b>	<b>3,279.67</b>

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 27 Changes in Inventories

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade</b>		
<b>Opening Stocks :</b>		
Finished Goods - Manufactured	233.05	267.12
Finished Goods - Stock-in-trade	391.80	360.59
Work-in-Progress	285.74	19.77
	<b>910.59</b>	<b>647.48</b>
<b>Less: Closing Stocks :</b>		
Finished Goods - Manufactured	148.84	233.05
Finished Goods - Stock-in-trade	390.66	391.80
Work-in-Progress	91.08	285.74
	<b>630.58</b>	<b>910.59</b>
<b>Total</b>	<b>280.01</b>	<b>(263.11)</b>

### 28 Employee Benefit Expense

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salaries, wages & bonus	1,318.18	1,728.88
Contributions to provident fund, gratuity and other funds	54.16	65.58
Staff welfare expenses	24.55	56.81
<b>Total</b>	<b>1,396.89</b>	<b>1,851.27</b>

### 29 Finance Costs

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest expense on term loan, cash credit & bank overdraft	15.47	96.20
Interest expense on other loans	4.77	1.52
Bank charges	25.57	40.43
Interest on Lease Liabilities	3.26	12.18
<b>Total</b>	<b>49.07</b>	<b>150.33</b>

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 30 Other expenses

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Sub contract and labour charges	154.77	162.08
Stores and spare parts consumed	16.45	17.40
Fuel and power	29.59	37.68
Repairs & maintenance (factory and office)	23.87	34.71
Repairs to machinery	2.47	18.33
Rent	31.41	30.83
Rates and taxes	10.57	13.39
Sales tax of earlier year write off (incl interest and tax amt)	4.31	71.67
Insurances	11.68	8.96
Travelling expenses	45.18	113.06
Postage, telephone and internet	35.44	36.40
Commission Expense	17.52	25.08
Testing and calibration	43.83	61.04
Printing and stationery	8.95	12.43
Legal and professional charges	141.02	125.16
Audit fees (Refer note (a) below)	17.01	26.83
Conveyance expenses	125.22	156.04
Provision for doubtful debts	36.50	17.32
Bad Debts written off	96.62	196.21
Loss on assets discarded	1.98	-
Freight on sales	167.37	160.58
Motor vehicle expenses	3.64	4.80
Directors' fees	8.80	6.40
Net loss on foreign currency transactions and translation	4.66	-
Stock Write-off	26.53	-
Miscellaneous expenses	180.21	147.19
<b>Total</b>	<b>1,245.60</b>	<b>1,483.59</b>

#### Note (a) :

##### Auditor's Remuneration

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a) Audit Fees	11.69	18.25
(b) Tax audit fees	2.1	3.05
(c) Other Services	3.09	4.50
(c) Reimbursement of out of pocket expenses	0.13	1.03
<b>Total</b>	<b>17.01</b>	<b>26.83</b>



## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 31 Contingent liabilities

(₹ in lakhs)

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
a)	Claims against company not acknowledged as debts		
i)	Sales Tax demands (Net)	130.56	130.56
ii)	Other Matters	6.25	6.25
b)	Bank Guarantees for performance of contracts	766.71	851.75
c)	On account of corporate guarantee to bankers on behalf of subsidiary for facilities availed by them (amount outstanding at close of the year)	1,848.49	1,717.49
	<b>Total</b>	<b>2,752.01</b>	<b>2,706.05</b>

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The Company will update its provision, on receiving further clarity on the subject.

### 32 Capital commitments

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

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Capital Commitment</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for.	302.00	352.00
<b>Other Commitment</b>		
Letter of Credit (LC) issued to Vendors	56.15	127.38
<b>Total</b>	<b>358.15</b>	<b>479.38</b>

#### Note:

- The Company is in the process of acquiring leasehold land including building at a price of ₹ 554.00 lakhs and has entered into an agreement on April 12, 2018. During the year the company has made an advance of ₹ 50 lakhs towards the agreement (Refer note no 14) and the balance is estimated capital commitment for the year. The land is located at MIDC Murbad, District Thane. The rationale behind investment is for expansion of Company's manufacturing activities.

### 33 Capital Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Company consists of debt and total equity of the Company. The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, 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 Company is not subject to any externally imposed capital requirements. Total debt includes all long and short-term debts as disclosed in notes 17A, 17B and 21 to the financial statements. The gearing ratio at the end of the reporting period was as follows:

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total Debt	166.69	1,454.90
Total Equity	3,065.12	2,668.74
<b>Debt to Equity Ratio</b>	<b>0.05</b>	<b>0.55</b>

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 34 Disclosure of Financial Instruments

#### Fair Value Measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values: Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other financial liabilities, short term loans from banks approximate their carrying amounts largely due to short term maturities of these instruments. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The company 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

(₹ in lakhs)

Particulars	Note No.	31st March 2021			Fair Value		
		Fair Value routed through Profit & Loss	Carried at Amortized cost	Total	Level 1	Level 2	Level 3
<b>FINANCIAL ASSETS</b>							
<b>Non-Current Assets</b>							
(i) Investments	5B	-	1.00	1.00	-	-	-
(ii) Others	6A	-	26.11	26.11	-	-	-
<b>Investments in subsidiary</b>	5A	601.80	601.80				
<b>Current Assets</b>							
(i) Investments	8	13.50	-	13.50	13.50	-	-
(ii) Trade receivables	9	-	2,790.31	2,790.31	-	-	-
(iii) Cash and cash equivalents	10A	-	227.55	227.55	-	-	-
(iv) Other bank balances	10B	-	195.53	195.53	-	-	-
(v) Loans	11	-	101.37	101.37	-	-	-
(vi) Other Financial Assets	12	-	12.26	12.26	-	-	-
<b>Total Financial Assets</b>		13.50	3,955.93	3,969.43	13.50	-	-
<b>FINANCIAL LIABILITIES</b>							
<b>Non-Current Liabilities</b>							
(i) Borrowings	17A	-	-	-	-	-	-
<b>Current liabilities</b>							
(i) Borrowings	17B	-	163.05	163.05	-	-	-
(ii) Trade payables	20	-	1,812.45	1,812.45	-	-	-
(iii) Other financial liabilities *	21	-	149.64	149.64	-	-	-
<b>Total Financial Liabilities</b>		-	2,125.14	2,125.14	-	-	-

\* Note 21 includes current maturity of term loan for ₹ 3.64 lakhs

The Company 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.

# Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

## Financial Instrument by category

(₹ in lakhs)

Particulars	Note No.	31st March 2020			Fair Value		
		Fair Value routed through Profit & Loss	Carried at Amortized cost	Total	Level 1	Level 2	Level 3
<b>FINANCIAL ASSETS</b>							
<b>Non-Current Assets</b>							
(i) Investments	5B	-	1.00	1.00	-	-	-
(ii) Others	6A	-	26.86	26.86	-	-	-
<b>Investments in subsidiary</b>	5A	-	601.80	601.80	-	-	-
<b>Current Assets</b>							
(i) Investments	8	12.71	-	12.71	12.71	-	-
(ii) Trade receivables	9	-	3,162.90	3,162.90	-	-	-
(iii) Cash and cash equivalents	10A	-	91.60	91.60	-	-	-
(iv) Other bank balances	10B	-	639.32	639.32	-	-	-
(v) Loans	11	-	-	-	-	-	-
(vi) Other Financial Assets	12	-	29.74	29.74	-	-	-
<b>Total Financial Assets</b>		<b>12.71</b>	<b>4,553.22</b>	<b>4,565.93</b>	<b>12.71</b>	-	-
<b>FINANCIAL LIABILITIES</b>							
<b>Non-Current Liabilities</b>							
(i) Borrowings	17A	-	11.69	11.69	-	-	-
<b>Current liabilities</b>							
(i) Borrowings	17B	-	1,437.02	1,437.02	-	-	-
(ii) Trade payables	20	-	2,014.91	2,014.91	-	-	-
(iii) Other financial liabilities *	21	-	192.34	192.34	-	-	-
<b>Total Financial Liabilities</b>		-	<b>3,655.96</b>	<b>3,655.96</b>	-	-	-

\* Note 21 includes current maturity of term loan for ₹ 6.19 lakhs

The Company 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.

### 35 Financial Risk management framework:

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

#### Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates and other market changes. The Company's exposure to market risk relates to foreign currency exchange rate risk.

#### Foreign currency risk management:

The Company undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arise. Exposure to currency risk relates to the company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following tables demonstrate the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to other foreign currencies is not material.

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### Trade Receivables

(₹ in lakhs)

	Effect on profit before tax		Effect on pre tax equity	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2021</b>				
USD (Movement by 10%)	5.08	(5.08)	5.08	(5.08)
Euro (Movement by 10%)	14.47	(14.47)	14.47	(14.47)
<b>March 31, 2020</b>				
USD (Movement by 10%)	7.12	(7.12)	7.12	(7.12)
Euro (Movement by 10%)	36.02	(36.02)	36.02	(36.02)

### Trade Payable

(₹ in lakhs)

	Effect on profit before tax		Effect on pre tax equity	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2021</b>				
USD (Movement by 10%)	7.61	(7.61)	7.61	(7.61)
Euro (Movement by 10%)	22.38	(22.38)	22.38	(22.38)
<b>March 31, 2020</b>				
USD (Movement by 10%)	2.02	(2.02)	2.02	(2.02)
Euro (Movement by 10%)	14.06	(14.06)	14.06	(14.06)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year. The carrying amount of company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(₹ in lakhs)

	31st March 2021		31st March 2020	
	USD	EUR	USD	EUR
Trade payables	76.07	223.82	20.20	140.58
Trade receivables	50.75	144.73	71.20	360.20

### Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest expenses and to manage the interest rate risk, management performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and variable rate financial instruments.

### Exposure to interest rate risk:

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Fixed Rate Instruments:</b>		
Financial Liabilities	3.64	17.88
<b>Variable Rate Instruments:</b>		
Financial Liabilities	163.05	1,350.43

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 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)

(₹ in lakhs)

	31st March 2021		31st March 2020	
	Sensitivity Analysis	Impact on Profit and Loss	Sensitivity Analysis	Impact on Profit and Loss
<b>Variable Rate Borrowings</b>				
Interest Rate Increase by	1.00%	1.63	1.00%	13.50
Interest Rate Decrease by	1.00%	1.63	1.00%	13.50

### Credit Risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Outstanding customer receivables are regularly monitored. The Company maintains its cash and cash equivalents and deposits with banks having good reputation and high quality credit ratings.

### Liquidity Risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### Maturity Analysis for financial liabilities:

The following are the remaining contractual maturities of financial liabilities as at 31st March 2021:

(₹ in lakhs)

Particulars	Note No.	31st March 2021		
		0 to 1 Year	More than 1 year	Total
<b>FINANCIAL LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
(i) Borrowings	17A	-	-	-
<b>Current liabilities</b>				
(i) Borrowings	17B	163.05		163.05
(ii) Trade payables	20	1,812.45		1,812.45
(iii) Other financial liabilities *	21	149.64		149.64
<b>Total Financial Liabilities</b>		<b>2,125.14</b>	<b>-</b>	<b>2,125.14</b>

\* Note 21 includes current maturity of term loan for ₹ 3.64 lakhs

The following are the remaining contractual maturities of financial liabilities as at 31st March 2020:

(₹ in lakhs)

Particulars	Note No.	31st March 2020		
		0 to 1 Year	More than 1 year	Total
<b>FINANCIAL LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
(i) Borrowings	17A	-	11.69	11.69
<b>Current liabilities</b>				
(i) Borrowings	17B	1,437.02		1,437.02
(ii) Trade payables	20	2,014.91		2,014.91
(iii) Other financial liabilities *	21	192.34		192.34
<b>Total Financial Liabilities</b>		<b>3,644.27</b>	<b>11.69</b>	<b>3,655.96</b>

\* Note 21 includes current maturity of term loan for ₹ 6.19 lakhs

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 36 Employee Benefits:

#### A. Defined Contribution Plan

The Company has recognized ₹ 12.94 lakh for provident fund contribution in the Statement of Profit and Loss for the year ended March 31, 2021 (March 31, 2020 - ₹ 19.13 lakh).

#### B. Defined Benefit Plan

Amount recognised in the balance sheet and movement in the net defined benefit obligation for the year are as follows:

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>i) Reconciliation of defined benefit obligation</b>		
Liability at the beginning of the year	237.04	231.97
Current Service Cost	15.46	13.96
Interest cost	10.94	12.91
Actuarial losses/(gains) arising from:		
Demographic assumption	-	-
Financial assumption	(8.59)	8.08
Experience Gain/(Loss) on Plan Assets	(16.40)	2.19
Benefits Paid	(32.86)	(32.07)
Projected benefit obligation at the end of the year	205.59	237.04
<b>ii) Reconciliation of Fair Value of Plan Asset</b>		
Fair value of the Plan assets at the beginning of the year	41.34	19.09
Expected return on plan Assets	(3.47)	(6.47)
Contribution	34.96	55.50
Benefits Paid	(32.86)	(32.07)
Actuarial Gain/ (Loss) on plan assets	5.68	5.29
Fair value of plan asset at the end of the year	45.65	41.34
<b>iii) Expenses recognized in statement of profit or loss under the head employee benefit expenses</b>		
Current Service Cost	15.46	13.96
Interest Expense on DBO	5.26	7.62
Expenses recognized in Statement of Profit or Loss	20.72	21.58
<b>iv) Re-measurement for the period</b>		
Experience Gain/(Loss) on Plan Liabilities	16.40	(2.19)
Demographic Gain/(Loss) on Plan Liabilities	0.01	-
Financial Gain/(Loss) on Plan Liabilities	8.59	(8.08)
Actuarial Gain/ (Loss) on plan assets	(3.47)	(6.48)
Total Actuarial Gain/(Loss) included in OCI	21.53	(16.75)
<b>v) Amount recognized in Other Comprehensive Income (OCI)</b>		
Opening Amount recognized in OCI	64.91	48.17
Re-measurement for the period - Plan Assets (gain)/loss	3.45	6.48
Experience adjustments	(16.40)	2.18
Changes in financial assumptions	(8.58)	8.08
Changes in demographic assumptions	-	-
Total re-measurement cost/(credit) for the period recognized in OCI	-	-
Closing Amount recognized in OCI	43.38	64.91
<b>vi) Principal Actuarial Assumptions</b>		
Financial Assumptions		
Discount Rate	5.35%	5.50%
Salary Escalation	0.00%	5.00%
<b>Demographic Assumptions</b>		
<b>Mortality Rate</b>	<b>IALM (2006-08) Ultimate</b>	<b>IALM (2006-08) Ultimate</b>
Withdrawal Rate	0.00965	0.00965
Retirement age	58	58

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Amount recognised in Balance Sheet</b>		
Present value of defined benefit obligation	205.59	237.04
Fair value of plan assets	45.65	41.34
Net (Liability)/ Asset recognised in the Balance Sheet	159.94	195.70

- (a) The discount rate is based on the prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated terms of the obligations.
- (b) Expected Return on Plan Assets (as certified by the actuary): This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.
- (c) Salary Escalation Rate: The estimates of future salary increase considered taking into the account the inflation.
- (d) Category of Plan Assets:

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unquoted	11.46	10.31
Insurer Managed Funds *	34.20	31.02

\*The Company maintains gratuity fund, which is being administered by Life Insurance corporation. Fund Value confirmed by Life Insurance Corporation as at March 31, 2021 is considered to be the fair value.

A quantitative sensitivity analysis for significant assumption as at 31 March 2021 is as shown below:

	31st March 2021		31st March 2020	
	Increase	Decrease	Increase	Decrease
<b>Sensitivity Analysis</b>				
Discount rate (0.5% movement)	1.37%	1.41%	1.40%	1.44%
Defined benefit obligation (₹ in Lakhs)	202.84	208.49	233.73	240.45
Future salary growth (0.5% movement)	1.43%	1.40%	1.44%	1.41%
Defined benefit obligation (₹ in Lakhs)	208.49	202.77	240.45	233.70

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

### 37 Segment Reporting:

For management purpose, the Company is organized into business units based on its products and services.

Primary Segment information (by Business segment):

#### I. Material Handling Division

#### II. Engineered Products

The Company has disclosed Business Segments as the Primary Segments. The segments have been identified taking into account the nature of the products, the differing risks & returns, the organizational structure and internal reporting system. There are no reportable geographical segments as the export turnover is not significant. Segment results include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.



## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

(₹ in lakhs)

Particulars	For the Year Ended 31st March 2021			For the Year Ended 31st March 2020		
	Material Handling	Engineered Products	Total	Material Handling	Engineered Products	Total
<b>Segment Revenue</b>						
Sale of Products	4,736.38	2,538.14	7,274.52	4,447.62	4,334.76	8,782.38
Sale of Services	226.05	426.74	652.79	220.81	484.13	704.94
Commission Income	660.21		660.21	559.95	261.95	821.90
Other Income	4.84	-	4.84	5.94	-	5.94
	<b>5,627.48</b>	<b>2,964.88</b>	<b>8,592.36</b>	<b>5,234.32</b>	<b>5,080.84</b>	<b>10,315.16</b>
Unallocated Income			56.19			40.76
<b>Total</b>			<b>8,648.55</b>			<b>10,355.92</b>
<b>Segment Results</b>						
Segment results/ operating Profit /(Loss)	183.70	714.83	898.53	(44.82)	1,193.29	1,148.47
Unallocated income (including income from interest/dividend)			56.19			40.76
Unallocated expenses			349.75			497.44
Interest Expenses			49.07			150.33
Exceptional Item			-			383.77
Profit/ (Loss) before tax			555.90			157.69
Provision for taxation - current tax			165.20			76.22
Excess Provisions for Income Tax in respect of earlier years			(15.96)			(11.89)
Deferred Tax			(2.17)			(10.68)
<b>Profit after Tax</b>			<b>408.83</b>			<b>104.04</b>
Other Information						
Segment Assets	2,888.42	1,636.50	4,524.92	3,152.07	2,417.14	5,569.21
Unallocated Assets			1,536.26			1,911.42
<b>Total Assets</b>			<b>6,061.18</b>			<b>7,480.63</b>
Segment Liabilities	1,638.22	1,272.18	2,910.40	1,764.28	1,547.94	3,312.23
Unallocated liabilities (Including share capital and reserves)			3,150.78			4,168.40
<b>Total liabilities</b>			<b>6,061.18</b>			<b>7,480.63</b>
Cost incurred during the financial year to acquire segment fixed assets	8.10	13.73	21.83	54.05	44.03	98.08
Cost incurred during the financial year to acquire segment fixed assets (Unallocated)			-			1.77
Depreciation	45.22	26.57	71.79	54.35	25.99	80.34
Depreciation (Unallocated)			18.06			40.38

### Note:

The Company has disclosed Business Segments as the Primary Segments. The segments have been identified taking into account the nature of the products, the differing risks & returns, the organisational structure and internal reporting system. The Company's operations predominantly relate to manufacturing of Material Handling Equipment.

The other Business Segment reported is Engineered Products

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

There are no reportable geographical segments as the export turnover is not significant. Segment results include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 38 Related party disclosure, as required by Indian Accounting Standard-24, is as below:

#### A. Names of related parties and description of relationship:

Sr. No	Name of related party	Relationship
1	Mr. Vishal Jain, Vice Chairman & Managing Director	Key Management Personnel
2	Mr. Rohit Jain, Chief Financial Officer (CFO) (from 11.12.20)	
3	Ms. Prajakta Patil, Company Secretary (from 23.11.20)	
4	MHE Rentals India Private Limited	Subsidiary
5	Mr. Jai Prakash Agarwal, Chairman and Director	Shareholder
6	Mrs. Shikha Jain, Woman Director	Wife of Managing Director
7	Ms Anshu Agarwal	Daughter of Chairman/Shareholder
8	Mr. Farokh Kekhushroo Banatwalla, Independent Director	Independent Directors
9	Mr. Shailesh Rajnikant Sheth, Independent Director	
10	Mr. Marco Philippos Ardeshir Wadia, Independent Director	
11	Amphenol Interconnect India Private Limited	Private company having common director
12	KNF Pumps + Systems (India) Pvt. Ltd	
13	Amphenol Omniconnert India Private Limited	
14	Chambal Fertilizer and Chemicals Limited	Public Company having common Director
15	Stovec Industries Limited	
16	Simmonds Marshall Limited	

#### B. Transactions with Related parties:

Following transactions have been carried out with related party during the year

(₹ in lakhs)

Sr. No.	Related Party	Nature of transactions	For the Year ended 31st March 2021	For the Year ended 31st March 2020
1	Stovec Industries Ltd.	Sale of Goods	7.59	4.63
2	Chambal Fertilizer and Chemicals Limited	Sale of Goods	6.77	4.94
3	MHE Rentals India Private Limited	Sale of Goods	73.31	56.43
4	MHE Rentals India Private Limited	Commission Received	27.05	26.31
5	MHE Rentals India Private Limited	Corporate Guarantee Given	1848.49	2,106.57
6	MHE Rentals India Private Limited	Corporate Guarantee Withdrawn	-	389.08
7	MHE Rentals India Private Limited	Loan Given	100.00	0.23
8	MHE Rentals India Private Limited	Interest on Loan Given	1.37	0.55
9	MHE Rentals India Private Limited	Purchase of Goods	37.47	-
10	Simmonds Marshall Limited	Receipt against sales	2.31	7.79
11	KNF Pumps + Systems (India) Pvt. Ltd	Purchase of Goods	2.48	-
12	Amphenol Interconnect India Private Limited	Sale of Goods	3.75	0.47
13	Amphenol Omniconnect India Pvt.Ltd.	Sale of Goods	-	15.37
14	Mr. Jai Prakash Agarwal	Dividend payment	3.99	3.98
15	Mr. Vishal Jain	Dividend payment	3.55	3.55
16	Mrs. Shikha Jain	Dividend payment	3.38	3.38
17	Mr. Marco Philippos Ardeshir Wadia	Dividend payment	0.01	0.01
18	Ms Anshu Agarwal	Salary Payment	10.29	3.47

(Note: The above amounts are inclusive of GST)

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### C. Sitting fees:

(₹ in lakhs)

Name of the Directors	For the Year ended 31st March 2021	For the Year ended 31st March 2020
1) Mr. J. P. Agarwal	2.15	1.80
2) Mr. Marco Wadia	1.30	0.75
3) Mr. F. K. Banatwalla	2.15	1.80
4) Mr. Shailesh Sheth	2.15	1.80
5) Mrs. Shikha Jain	1.05	0.25
	<b>8.80</b>	<b>6.40</b>

### D. Compensation of Key Managerial Personnel:

(₹ in lakhs)

Name of KMP	Designation	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Ms. Prajakta Patil	Company Secretary (from 11.12.20)	1.88	-
Mr. Rohit Jain	CFO (from 11.12.20)	5.71	-
Mrs. Babita Kumari	Company Secretary (Upto 29/02/2020)	-	6.13
Mr. Kshitiz Bilala	CFO (Upto 16/12/2019)	-	27.74
Mr. Vishal Jain	Vice Chairman and Managing Director		
a.	Short Term benefits	19.48	28.40
b.	Post Employments benefits	0.91	7.60

### E. Outstanding balances with related party as at balance sheet date:

(₹ in lakhs)

Name of the Directors	For the Year ended 31st March 2021	For the Year ended 31st March 2020
<b>Receivable</b>		
MHE Rentals India Pvt Ltd	153.79	66.39
Simmonds Marshall Limited	-	2.31
Stovec Industries Ltd.	0.06	0.40
Chambal Fertiliser and Chemicals Limited	0.28	0.83

### 39 Leases:

#### Lease Liability- Maturity Analysis

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Not later than one year	6.36	31.90
Between one to five years	4.62	41.78
Later than five years	-	-

### 40 Earnings per share:

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
a. Net Profit attributable to shareholders (₹ in lakhs)	408.83	104.04
b. Weighted average number of Equity Shares (₹ in lakhs)	9.33	9.33
Basic	43.82	11.15
c. Weighted average number of Equity Shares (₹ in lakhs)	9.33	9.33
Diluted	43.82	11.15

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

### 41 Events Occuring after Balance Sheet date

The Board in its meeting held on May 6, 2021 has recommended a dividend of ₹ 3 per share on a share of ₹ 10 each to the shareholders of the company. This amount is to be paid after approval from shareholders in the ensuing annual general meeting.

### 42 Income Tax

Impact of tax rate change: The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The full impact of this change has been recognised in the statement of Profit & Loss for the year.

#### (a) Amount recognised in Statement of Profit & Loss

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Current tax</b>		
Current tax on profits for the year	165.20	76.22
Income Tax for Earlier Years	(15.96)	(11.89)
<b>Total current tax expense (A)</b>	<b>149.24</b>	<b>64.33</b>
<b>Deferred tax</b>		
(Increase) in deferred tax assets	(2.17)	(10.68)
<b>Total deferred tax expense/ (credit) (B)</b>	<b>(2.17)</b>	<b>(10.68)</b>
<b>Income tax expense reported in the Statement of Profit &amp; Loss (A+B)</b>	<b>147.07</b>	<b>53.65</b>

#### (b) Reconciliation of effective tax rate

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit before income tax expense	555.90	157.69
Statutory income tax rate	27.82%	27.82%
<b>Amount of tax at statutory income tax rate (I)</b>	<b>154.65</b>	<b>43.87</b>
<b>Adjustments:</b>		
Income Tax for Earlier Years	(15.96)	(11.89)
Difference in property, plant and equipment as per books and Income tax Act, 1961	1.78	(0.20)
Mat Credit Entitlement	-	(0.51)
Tax impact of brought Forward Losses	-	-
Deferred tax	(2.17)	(10.68)
Various allowance/ disallowance of expenses	31.09	56.51
Others	(22.32)	(23.45)
<b>Adjustments (II)</b>	<b>(7.58)</b>	<b>9.78</b>
<b>Total Adjustment (I+II)</b>	<b>147.07</b>	<b>53.65</b>

## Notes to the Standalone Financial Statement

for the year ended 31st March, 2021 (Contd...)

- 43** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 44** Balances of Certain Debtors/ Creditors 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.
- 45** The Company Secretary appointed by the Company had resigned prior to the Board Meeting and her replacement was appointed post the Board meeting. Hence the financials could not be signed by the Company Secretary.
- 46** Previous year figures have been regrouped/ re-arranged wherever necessary.

### As per our report of even date attached

#### For Singhi & Co.

Chartered Accountants  
Firm Registration No. 302049E

#### Sudesh Choraria

Partner  
Membership No.204936

Place: Mumbai

Date: 6th May, 2021

### For and on behalf of Board of Directors

#### Jai Prakash Agarwal

Chairman  
DIN - 00242232

#### Rohit Jain

Chief Financial Officer

Place: Mumbai

Date: 6th May, 2021

#### Vishal Jain

Vice Chairman & Managing Director  
DIN - 00709250

# 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 financial statements of **Jost's Engineering Company Limited** ("the Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31 2021, the Consolidated Statement of Profit and Loss, including the statement of other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the subsidiary, 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, its consolidated profit including other comprehensive income, its consolidated cash flows and the consolidated changes in equity and 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 (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the

'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the report of other auditor on separate financial statements and on other financial information of the subsidiary, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. 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 our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

## Independent Auditor's Report (Contd...)

Key audit matters	How our audit addressed the key audit matter
<b>Revenue recognition - Refer Note 3.6 of the consolidated financial statements</b>	
<p>The Group Company deals in manufactured goods, traded goods, provide AMC services &amp; 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 &amp; distribution network. Sales contracts contain various performance obligations and other terms, including warranties and after sales services. The determination of when significant performance obligations have been met varies, can be the key consideration for revenue recognition, service and the warranty cost.</p> <p>The 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. The accounting policies and the note to the consolidated Ind AS financial statement provide additional information on how the Group accounts for its revenue.</p>	<p>Our Audit procedure included the followings:</p> <ol style="list-style-type: none"> <li>Read the Group revenue recognition accounting policies and assessed compliance of the policies with Ind AS 115</li> <li>Assessed the design and tested the operating effectiveness of internal controls relating to revenue recognition</li> <li>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</li> <li>Scrutinized sales ledgers to verify completeness of sales transactions</li> <li>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</li> <li>Assessed the revenue recognized with substantive analytical procedures including review of price and quantity</li> <li>Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> </ol>
<b>Trade receivables (Refer Note 9 of Consolidated Financial Statement)</b>	
<p>Trade receivable balances are significant to the Group as they amounted to Rs 3185.52-lakhs representing 61.59% of the total current assets and 33.14 % of the total revenue of the Group for the year ended 31st March 2021. During the current financial year, the group Company has recognized bad debts Rs 96.87 lakhs. The collectability of trade receivables is a key element of the working capital management, which is managed on an ongoing basis by management. The determination as to whether a trade receivable is collectable involves management judgement. Specific factors management considers include the age of the balances, category of customers, existence of disputes, recent historical payments and any other available information concerning the creditworthiness of customers. Management uses the information to assist in their judgement to determine whether allowance for expected credit loss, bad debts is required.</p>	<p>Our procedures included the following:</p> <ol style="list-style-type: none"> <li>Obtained an understanding of the Group's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers.</li> <li>On a sample basis, requesting trade receivable confirmations and evidence of receipts from the customers subsequent to balance sheet date.</li> <li>Analyses of ageing profile of the trade receivables to identify credit risks, reviewing historical Payment patterns and correspondence with customers on expected settlement dates.</li> <li>Also evaluated the assumptions and estimates used by management to determine the recoverability, provision for doubtful and trade receivables.</li> <li>Evaluated the provisions made for expected credit loss as per ECL model as specified by Ind AS 109.</li> <li>Review of documents and other records for trade receivables considered as doubtful and bad.</li> </ol>



## Independent Auditor's Report (Contd...)

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

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

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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the consolidated 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 cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of consolidated Ind AS financial statements by the Directors of Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls systems with reference to the financial statements and the operating effectiveness of such controls based on our audit.

## Independent Auditor's Report (Contd...)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity within the Group to express an opinion on the Consolidated Ind AS financial Statement. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company included in the Consolidated Ind AS financial Statement of which we are the independent auditor. For the Subsidiary Company included in the Consolidated Ind AS financial Statement, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion

We communicate with those charged with governance of Holding Company and regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

1. Due to COVID-19 related lock-down restrictions, the management of the Holding Company was able to perform year end physical verification of Inventories, subsequent to the year end. Also, we were not able to physically observe the stock verification, where carried out by management. Consequently, we have performed alternate procedure to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Consideration for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these consolidated Ind AS Financial Statement.
2. We did not audit the financial statement of one subsidiary Company whose financial statements reflect total assets of ₹ 2215.84 lakhs as at March 31, 2021, total revenues of ₹ 1084.14 lakhs and net cash inflow of ₹ 6.01 lakhs for the year ended March 31, 2021 as considered in consolidated Ind AS financial statement. These financial statements have been audited, by the other auditor whose report has been furnished to us by the management and our opinion on the consolidated Ind AS financial statement, in so far as it relates to the amounts and disclosures included in respect of subsidiary is based solely on the report of other auditor.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below are not modified in respect of above matters with respect to our reliance on the work done and the reports of other auditor and the financial statements conclusion on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the report of other auditor and financial statements certified by management.

## Independent Auditor's Report (Contd...)

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, , based on our audit and on the consideration of report of other auditor on separate financial statements and other financial information of a subsidiary, as noted in "Other Matters" paragraph, We report to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated 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 it appears from our examination of those books;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained by Holding Company and its subsidiary including relevant records 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 Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditor of its Subsidiary Company, none of the directors of the Group Companies is disqualified as on March 31, 2021 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 Holding

Company and its subsidiary Company with reference to these consolidated Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;

(g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to its directors during the current year is in accordance with the provisions of Section 197 read with schedule V to the Act .

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated Ind AS financial statements – Refer Note 31 to the consolidated Ind AS financial statements;

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary Company.

**For Singhi & Co.**

Chartered Accountants

Firm Registration Number: 302049E

**Sudesh Choraria**

Partner

Date: May 6, 2021

Place: Mumbai

Membership No:204936

UDIN: 21204936AAAEW7304

## Annexure - A to the Independent Auditor's Report

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

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

1. In conjunction with our audit of the consolidated financial statements of the Jost's Engineering Company Limited ('the Holding Company') as of and for the year ended 31<sup>st</sup> March 2021, we have audited the internal financial controls over financial reporting of Jost's Engineering Company Limited ('the Holding Company') and its Subsidiary Company, as of that date, which are companies incorporated in India, as of that date.

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

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

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Internal Financial Controls over Financial Reporting of the Holding Company and its Subsidiary Company with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to consolidated Ind AS financial statements were

established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor 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 over financial reporting with reference to these consolidated financial statements.

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

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

## Annexure – A to the Independent Auditor’s Report (Contd...)

### Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Consolidated Financial Statements

6. 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 with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

7. In our opinion, the Holding Company and its Subsidiary Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the

internal control over financial reporting with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

8. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the Subsidiary Company, a company incorporated in India, is based on the corresponding report of the auditor of such company, incorporated in India.

**For Singhi & Co.**

Chartered Accountants

Firm Registration Number: 302049E

**Sudesh Choraria**

Partner

Membership No:204936

UDIN: 21204936AAAEW7304

Date: May 6, 2021

Place: Mumbai

# Consolidated Balance Sheet

as at 31st March, 2021

(₹ in lakhs)

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4A	2,099.86	2,296.18
(b) Capital work-in-progress	4A	21.84	21.36
(c) Right of use asset	4B	10.23	69.57
(d) Intangible assets	4C	19.35	26.30
(e) Financial assets			
(i) Investments	5	1.03	1.03
(ii) Other financial assets	6A	30.42	30.30
(f) Deferred tax assets (net)	6B	130.57	171.49
<b>Total Non-current assets</b>		<b>2,313.30</b>	<b>2,616.23</b>
<b>Current assets</b>			
(a) Inventories	7	1,118.96	1,511.92
(b) Financial assets			
(i) Investments	8	13.50	12.71
(ii) Trade receivables	9	3,004.79	3,371.82
(iii) Cash and cash equivalents	10A	239.81	103.80
(iv) Other balances with bank	10B	201.82	639.32
(v) Loans	11	0.60	9.67
(vi) Other financial assets	12	12.26	29.74
(c) Current tax assets	13	35.60	46.56
(d) Other current assets	14	544.69	879.45
<b>Total current assets</b>		<b>5,172.03</b>	<b>6,604.99</b>
<b>TOTAL ASSETS</b>		<b>7,485.33</b>	<b>9,221.22</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	15	93.29	93.29
Other equity	16	2,785.09	2,412.71
<b>Equity attributable to owners of the Company</b>		<b>2,878.38</b>	<b>2,506.00</b>
Non-controlling Interest		298.33	314.11
<b>Total equity</b>		<b>3,176.71</b>	<b>2,820.11</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17A	469.92	803.48
(b) Provisions	18	187.44	250.62
(c) Other non-current liabilities	19	40.47	71.83
<b>Total non-current liabilities</b>		<b>697.83</b>	<b>1,125.93</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17B	341.30	1,453.54
(ii) Trade payables	20		
Due to micro and small enterprises		123.87	169.17
Due to others		1,734.34	1,897.03
(iii) Other financial liabilities	21	697.36	734.63
(b) Other current liabilities	22	591.13	931.20
(c) Provisions	23A	100.47	89.61
(d) Current tax liabilities	23B	22.32	-
<b>Total Current Liabilities</b>		<b>3,610.79</b>	<b>5,275.18</b>
<b>Total liabilities</b>		<b>4,308.62</b>	<b>6,401.11</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,485.33</b>	<b>9,221.22</b>

Significant Accounting Policies

3

The accompanying notes are an integral part of consolidated financial statements

As per our report of even date attached

For and on behalf of Board of Directors

For Singh & Co.

Jai Prakash Agarwal

Vishal Jain

Chartered Accountants  
Firm Registration No. 302049E

Chairman  
DIN - 00242232

Vice Chairman & Managing Director  
DIN - 00709250

Sudesh Choraria

Rohit Jain

Partner  
Membership No.204936  
Place: Mumbai  
Date: 6th May, 2021

Chief Financial Officer

Place: Mumbai  
Date: 6th May, 2021



# Consolidated statement of profit and loss

for the year ended 31st March, 2021

(₹ in lakhs)

Particulars	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>INCOME</b>			
Revenue from operations	24	9,611.84	11,494.91
Other income	25	35.57	19.27
<b>I Total Income</b>		<b>9,647.41</b>	<b>11,514.18</b>
<b>EXPENSES</b>			
Cost of materials consumed	26A	3,034.46	3,162.59
Purchases of stock-in-trade	26B	1,963.62	3,290.27
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	280.01	(263.11)
Employee benefits expense	28	2,003.78	2,571.76
Finance costs	29	182.29	328.32
Depreciation and amortization expense	4A,4B,4C	276.71	300.68
Other expenses	30	1,410.70	1,662.92
<b>II Total Expenses</b>		<b>9,151.57</b>	<b>11,053.43</b>
<b>III Profit before exceptional items and tax (I-II)</b>		<b>495.84</b>	<b>460.75</b>
<b>IV Exceptional items</b>		-	383.77
<b>V Profit before tax (III-IV)</b>		<b>495.84</b>	<b>76.98</b>
<b>Less: Tax expense</b>			
(1) Current tax		165.20	76.22
(2) Deferred tax		(2.17)	(10.68)
(3) Short/(Excess) provision for tax of earlier years		(15.96)	(11.89)
<b>VI Total tax expense</b>		<b>147.07</b>	<b>53.65</b>
<b>VII Profit for the year</b>		<b>348.77</b>	<b>23.33</b>
<b>VIII Other Comprehensive Income (OCI)</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Measurement of defined employee benefit plan		40.61	(17.77)
(b) Income tax relating to above items		(5.99)	4.66
<b>Total Other Comprehensive Income</b>		<b>34.62</b>	<b>(13.11)</b>
<b>IX Total Comprehensive Income for the year (VII+VIII)</b>		<b>383.39</b>	<b>10.22</b>
<b>X Profit for the period attributable to :</b>			
Share holders of the Company		372.24	54.46
Non-controlling interests		(23.47)	(31.13)
<b>Profit for the year</b>		<b>348.77</b>	<b>23.33</b>
<b>XI Other comprehensive income attributable to:</b>			
Share holders of the Company		27.02	(12.71)
Non controlling interest		7.60	(0.40)
<b>Other comprehensive income for the year</b>		<b>34.62</b>	<b>(13.11)</b>
<b>XII Total comprehensive income attributable to :</b>			
Share holders of the Company		399.26	41.75
Non-controlling interests		(15.87)	(31.53)
<b>Total comprehensive income for the year</b>		<b>383.39</b>	<b>10.22</b>
<b>XIII Basic and Diluted Earning per equity share of ₹10 each (₹) (not on annualized basis)</b>		<b>39.90</b>	<b>2.50</b>

Significant Accounting Policies

3

The accompanying notes are an integral part of standalone financial statements

As per our report of even date attached

**For Singhi & Co.**

Chartered Accountants  
Firm Registration No. 302049E

**Sudesh Choraria**

Partner  
Membership No.204936

Place: Mumbai  
Date: 6th May, 2021

For and on behalf of Board of Directors

**Jai Prakash Agarwal**

Chairman  
DIN - 00242232

**Rohit Jain**

Chief Financial Officer

Place: Mumbai  
Date: 6th May, 2021

**Vishal Jain**

Vice Chairman & Managing Director  
DIN - 00709250



# Consolidated of Change in Equity

## a. Equity Share Capital

(₹ in lakhs)

Particulars	Note No.	Amount
<b>As at 1st April 2019</b>	15	<b>93.29</b>
Changes in Equity Share Capital	-	-
<b>As at 31st March 2020</b>	15	<b>93.29</b>
Changes in Equity Share Capital	-	-
<b>As at 31st March 2021</b>	15	<b>93.29</b>

## b. Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus			Item of Other Comprehensive Income	Total other equity	Non controlling interest	Total
	Securities Premium Reserve	Retained Earnings	General reserve	Remeasurement of defined benefit plan			
<b>As at 1st April 2019</b>	<b>1,063.86</b>	<b>1,144.82</b>	<b>229.78</b>	<b>(33.76)</b>	<b>2,404.70</b>	<b>345.64</b>	<b>2,750.34</b>
Other Comprehensive Income for the year ended 31st March 2020 (net of taxes)	-	-	-	(12.71)	(12.71)	-	(12.71)
Dividends including Dividend Distribution Tax	-	(33.74)	-	-	(33.74)	-	(33.74)
Transfer to retained earnings	-	-	-	-	-	(31.13)	(31.13)
Movement of OCI on Non Controlling Interest	-	-	-	-	-	(0.40)	(0.40)
<b>Addition during the year</b>	-	-	-	-	-	-	-
Issue of right shares (Net off share issue expenses)	-	-	-	-	-	-	-
Profit/( Loss) for the year	-	54.46	-	-	54.46	-	54.46
<b>Balance as at 31st March 2020</b>	<b>1,063.86</b>	<b>1,165.54</b>	<b>229.78</b>	<b>(46.47)</b>	<b>2,412.71</b>	<b>314.11</b>	<b>2,726.82</b>
Other Comprehensive Income for the year ended 31st March 2021 (net of taxes)	-	-	-	27.02	27.02	-	27.02
Dividends including Dividend Distribution Tax	-	(27.99)	-	-	(27.99)	-	(27.99)
Transfer to retained earnings	-	-	-	-	-	(23.47)	(23.47)
Movement of OCI on Non Controlling Interest	-	-	-	-	-	7.60	7.60
Others	-	1.11	-	-	1.11	0.09	1.20
<b>Addition during the year</b>	-	-	-	-	-	-	-
Issue of right shares (Net off share issue expenses)	-	-	-	-	-	-	-
Profit/( Loss) for the year	-	372.24	-	-	372.24	-	372.24
<b>Balance as at 31st March 2021</b>	<b>1,063.86</b>	<b>1,510.90</b>	<b>229.78</b>	<b>(19.45)</b>	<b>2,785.09</b>	<b>298.33</b>	<b>3,083.42</b>

The accompanying notes are an integral part of standalone financial statements

### As per our report of even date attached

#### For Singhi & Co.

Chartered Accountants  
Firm Registration No. 302049E

#### Sudesh Choraria

Partner  
Membership No.204936

Place: Mumbai  
Date: 6th May, 2021

### For and on behalf of Board of Directors

#### Jai Prakash Agarwal

Chairman  
DIN - 00242232

#### Rohit Jain

Chief Financial Officer

Place: Mumbai  
Date: 6th May, 2021

#### Vishal Jain

Vice Chairman & Managing Director  
DIN - 00709250

# Consolidated statement of cash flow

for the year ended 31st March, 2021

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX &amp; AFTER EXCEPTIONAL ITEM</b>	495.84	76.98
<b>ADJUSTMENTS FOR:</b>		
Depreciation	276.71	300.68
(Profit) /Loss on sale of assets	9.92	(0.17)
Fair value gain on Mutual fund investment	(0.79)	(0.55)
Income on termination of lease	(8.49)	(2.98)
Dividend income	(0.79)	(0.69)
Subsidy income	-	-
Advances in Subsidiary written off	-	-
Interest expense	154.68	287.89
Interest income	(19.13)	(15.35)
Provision for doubtful debts	46.50	17.32
Bad debts & Deposits written off during the year	96.88	204.61
Exchange gain/(loss) during the year	(2.00)	
Sundry balances Written off/back	(0.22)	
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,049.11</b>	<b>867.74</b>
Adjustments for :		
Trade receivables	242.87	(175.15)
Inventories	392.97	(208.25)
Trade payables	(224.87)	18.32
Other current financial assets	25.68	(19.52)
Other current financial liabilities	(126.57)	(43.93)
Other current liabilities	(169.20)	240.26
Other current asset	334.73	(26.77)
Loans	(101.37)	0.37
Other non-current liabilities	5.80	6.00
Other non-current assets	0.75	(9.96)
Change in provisions	(52.34)	25.68
Change in Current tax liability	12.35	(3.57)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>1,389.93</b>	<b>671.22</b>
Taxes paid (Net of refunds)	(60.05)	(52.25)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>1,329.88</b>	<b>618.97</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property,Plant and Equipment, Intangible assets and Capital WIP	(111.81)	(220.06)
Sale of Property,Plant and Equipment	40.72	1.59
Investment in deposits	(0.34)	1.88
Purchase of Investments	-	-
Interest received	19.13	15.35
Dividend received	0.79	0.69
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(51.51)</b>	<b>(200.55)</b>

# Consolidated statement of cash flow

for the year ended 31st March, 2021 (Contd...)

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from minority shareholders	-	-
Proceeds from borrowings	368.53	875.25
Repayment of borrowings	(842.18)	(1,064.46)
Dividend paid (including tax)	(27.99)	(33.74)
Repayment of lease liability	(12.80)	(33.30)
Interest paid	(154.68)	(287.89)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(669.12)</b>	<b>(544.14)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>609.25</b>	<b>(125.72)</b>
Add: Cash and cash equivalents at the beginning of the year	(174.01)	(48.29)
Cash and cash equivalents at the end of the year	<b>435.24</b>	<b>(174.01)</b>
<b>Cash and cash equivalents as per above comprises of the following :</b>		
Cash and cash equivalent	239.81	103.80
Other bank balances	201.82	639.32
	<b>441.63</b>	<b>743.12</b>
Bank Overdraft	(6.39)	(917.13)
<b>Balances as per statement of Cash Flows</b>	<b>435.24</b>	<b>(174.01)</b>
Significant Accounting Policies	3	
Debt reconciliation statement in accordance with Ind AS 7		
<b>Borrowings</b>		
Opening Balances	2,100.83	3,165.29
Movement	(842.18)	(1,064.46)
<b>Closing Balance</b>	<b>1,258.65</b>	<b>2,100.83</b>

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

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

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

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

**For Singhi & Co.**

Chartered Accountants  
Firm Registration No. 302049E

**Sudesh Choraria**

Partner  
Membership No.204936

Place: Mumbai

Date: 6th May, 2021

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

**Jai Prakash Agarwal**

Chairman  
DIN - 00242232

**Rohit Jain**

Chief Financial Officer

Place: Mumbai

Date: 6th May, 2021

**Vishal Jain**

Vice Chairman & Managing Director  
DIN - 00709250

# Notes to the Consolidated financial statement

for the year ended 31st March, 2021

## 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, industrial finishing and engineered products. The Holding Company's equity shares are listed on Bombay Stock Exchange (BSE). The Group has one subsidiary i.e. MHE Rentals India Private Limited which has been considered in these consolidated financial statements and its primary business area is material handling rental business.

The consolidated financial statements of the Group for the year ended March 31, 2021 were approved for issue in accordance with the resolution of the Board of Directors on May 6, 2021.

## 2 Basis for preparation of financial statements

### 2.1 Statement of Compliance:

The Consolidated Financial Statements ("the financial statements") relate to the Company and its subsidiary (collectively "the group"). These Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

### 2.2 Basis of Preparation:

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

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

### 2.3 Basis of measurement:

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative financial instruments) that are measured at fair value

at the end of each reporting period. Historical cost is generally based on the fair value of the considerations given in exchange for goods and services.

### 2.4 Principles of Consolidation:

- I. The Consolidated Financial Statements incorporates the Financial Statements of the Holding Company and its 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.

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

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

All the other assets are classified as non-current.

A liability is current when:

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

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

### 2.6 Key Accounting Estimates and Judgements:

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

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

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

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

The COVID19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organization with an adverse impact on the economy and business. Global solutions are needed to overcome the challenges – businesses & business models have transformed to create a new work order. The swift transition to remote working was facilitated by the Company.

Supply Chain disruptions in India as a result of the outbreak started with restrictions on the movement of goods, closure of borders, etc. In light of these circumstances, the Company has considered the possible effects that may result from COVID19 on the carrying amounts of financial assets, inventory, receivables, property plant and equipment, Intangibles, etc. as well as liabilities accrued.

The 2nd wave of the pandemic has again impacted the economy and once again the lockdown was imposed in the 3rd week of April 2021. The company was facing temporary disruption in its operations, due to lockdown enforced across different parts of the country.

The physical and emotional well-being of employees continues to be a top priority for the Company. The Group is making all efforts to ensure the safety of our employees. These new ways of working and managing businesses present a great opportunity to more than just 'recover' from the consequences of the crisis, but to accelerate transformation.

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

Determining whether property, plant and equipment is impaired requires an estimation of the value in use of the cash-generating unit. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-

# Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

generating unit and a suitable discount rate in order to calculate present value. When the actual future cash flows are less than expected, a material impairment loss may arise.

## 2.6.2 Useful lives of property, plant and equipment

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

## 2.6.3 Provision for litigations and contingencies

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

## 2.6.4 Recognition of deferred tax assets

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

## 3 Summary of Significant Accounting Policies:

### 3.1 Property, plant and equipment:

#### (a) Recognition and measurement:

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

ready for its intended use, and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

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

#### (b) Derecognition of Assets:

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

#### (c) Depreciation:

The Group has provided depreciation on a Written Down Value (WDV) basis over the estimated useful lives of assets as prescribed under Schedule II of the Companies Act, 2013.

The economic useful lives of assets are assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

The estimated useful lives of PPE are as follows:

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



## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

The subsidiary MHE Rentals India Private Limited has provided depreciation on a Straight-Line Method (SLM) basis over the estimated useful lives of assets as prescribed under Schedule II of the Companies Act, 2013, the estimated useful lives of PPE are as follows :

Particulars	Useful Life (in years)
Plant and Machinery	10 years for Refurbished Machines.
Plant and Machinery	15 years for new Machines.
Spares	5 Years
Tools & Tackles	3 Years

Depreciation on assets acquired/ purchased, sold/ discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement.

The economic useful lives of assets are assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

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

### 3.2 Intangible assets:

#### (a) Recognition and measurement:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization. The estimated useful life, the amortization method and the amortization period are reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

#### (b) Derecognition of Assets:

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured

as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the profit or loss when the asset is derecognized.

#### (c) Amortisation:

The Group recognises amortization on a Written Down Value (WDV) basis over their estimated useful lives, which reflects the pattern in which the asset's economic benefits are consumed. Intangible assets that are not available for use are amortized from the date they are available for use.

#### The estimated useful life are as follows:

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

The subsidiary MHE Rentals India Private Limited has provided depreciation on a Straight-Line Method (SLM) basis over the estimated useful lives which reflects the pattern in which the asset's economic benefits are consumed

Sr. No.	Particulars	Useful Life
1	Intangible Asset - Software Licenses	3 Years

### 3.3 Leases:

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

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

The Group recognises a right-of-use asset ("ROU") at the commencement date of the lease and a corresponding lease liability for all lease arrangements



## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

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

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

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

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

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing, value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time

value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

### 3.5 Inventories:

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

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

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

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

### 3.6 Revenue recognition:

The Group derives revenue from sale of material handling, industrial finishing and engineered products. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of GST, returns, trade allowances, rebates and amounts collected on behalf of third parties.

#### (a) Sale of goods

Sales are recorded net of trade discounts, quantity discounts, rebates, indirect taxes. Revenue from

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

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

### (b) Interest income

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

### 3.7 Foreign currencies:

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

### 3.8 Employee Benefits:

#### Short-term Employee Benefits:

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

#### Other long-term employee benefits

The liability for earned leave is not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in

respect of services provided by employees up to the end of the reporting period using the projected unit credit method with actuarial valuations being carried out at each balance sheet date. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

#### Post-employment benefits

##### (a) Defined contribution plans

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

##### Provident fund:

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

##### (b) Defined benefit plans

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

# Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

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

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

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

#### **Gratuity:**

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

### **3.9 Income Tax:**

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

#### **Current tax**

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

Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax

paying units intends to settle the asset and liability on net basis.

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

#### **Deferred tax**

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

### Current tax and deferred tax for the year

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

### 3.10 Provisions:

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

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

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### Product warranty

Provision for product warranty is recognized for the best estimates of the average cost involved for replacement/repair etc. of the product sold before the balance sheet date. These estimates are

determined using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on corrective actions on product failures. The estimates for accounting of warranties are reviewed and revisions are made as required.

### 3.11 Contingent liabilities and contingent assets:

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

### 3.12 Financial instruments:

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

### Financial assets

Classification and subsequent measurement

### Loans and receivables:

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

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

### Impairment

The Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, other contractual right

# Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

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

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

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

## Financial liabilities

### Classification

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

### Equity instruments

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

### Subsequent measurement

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

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

### Foreign exchange gains and losses

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

### Derecognition

Financial liabilities are derecognized when, and only when, the obligations are discharged, cancelled or have expired. An exchange with a lender of a debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted



## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability derecognized and the consideration paid or payable is recognized in the Statement of Profit and Loss.

### 3.13 Cash and cash equivalents:

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

### 3.14 Earnings per share:

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

### 3.15 Segment Reporting:

The Group business activity falls within two segments viz. Material Handling and Engineering Products. Segments are organized based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods. These segments are reported in a manner consistent with the internal reporting. The Group has identified its Managing Director as CODM which assesses the operational performance and position of the Group and makes strategic decisions

### 3.16 Borrowing Cost:

Borrowings costs that are attributable to the acquisition or construction of qualifying assets up to the date when they are ready for their intended use and other borrowing costs are charged to profit and loss account. 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 Dividend to Equity Shareholders :

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

### 3.18 Business Combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss. There is no financial impact on consolidated financial statements of the Group

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 4A Property, Plant and Equipment

	Building	Computer & Peripheral	Furniture and Fixture	Office Equipment	Plant & Machinery	Vehicle	Total	Capital Work in Progress
<b>Gross Carrying Amount</b>								
<b>Balances as at 1st April, 2019</b>	18.58	82.00	65.76	13.04	2,465.40	45.49	2,690.27	
Additions	-	6.85	7.57	1.31	189.85	-	205.58	
Sale/Disposals	-	2.93	1.29	-	7.27	-	11.49	
<b>Balances as at 31st March, 2020</b>	<b>18.58</b>	<b>85.92</b>	<b>72.04</b>	<b>14.35</b>	<b>2,647.98</b>	<b>45.49</b>	<b>2,884.36</b>	
Additions	-	0.99	-	-	110.82	-	111.81	
Sale/Disposals	-	-	-	-	59.16	19.03	78.19	
<b>Balances as at 31st March, 2021</b>	<b>18.58</b>	<b>86.91</b>	<b>72.04</b>	<b>14.35</b>	<b>2,699.64</b>	<b>26.46</b>	<b>2,917.98</b>	
<b>Accumulated Depreciation</b>								
<b>Balances as at 1st April, 2019</b>	5.47	54.91	32.00	7.88	220.57	9.41	330.24	
Changes for the year	1.48	15.09	9.19	2.31	225.14	10.39	263.60	
Sale/Disposals	-	1.64	1.16	-	2.86	-	5.66	
<b>Balances as at 31st March, 2020</b>	<b>6.95</b>	<b>68.36</b>	<b>40.03</b>	<b>10.19</b>	<b>442.85</b>	<b>19.80</b>	<b>588.18</b>	
Changes for the year	1.09	8.07	7.67	1.40	235.40	5.09	258.72	
Sale/Disposals	-	-	-	-	19.04	9.74	28.78	
<b>Balances as at 31st March, 2021</b>	<b>8.04</b>	<b>76.43</b>	<b>47.70</b>	<b>11.59</b>	<b>659.21</b>	<b>15.15</b>	<b>818.12</b>	
<b>Net Block</b>								
Balances as at 31st March, 2020	11.63	17.56	32.01	4.16	2,205.13	25.69	2,296.18	23.45
Balances as at 31st March, 2021	10.54	10.48	24.34	2.76	2,040.43	11.31	2,099.86	21.84

#### Notes:

- As per Ind AS 16 assets in the course of development are reflected in capital work in progress. Costs associated with the development are capitalised when the asset is ready to use. Revenue generated from production during the trial period will be credited to capital work in progress.
- Capital work in progress as at 31st March 2021 primarily represents other expenses incurred in relation to purchase of land at Murbad, Thane.
- Borrowing cost adjusted in the carrying cost of Propert, Plant & Equipments and Capital Work in Progress during the current year - NIL (March 31, 2020 - NIL)
- The Group has not incurred any pre-operative expenses for capitalisation during the current year (March 31, 2020 - NIL)



## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 4B. Right of Use Assets

	Right of use of Asset	Total
<b>Gross Block</b>		
<b>Balances as at 1st April, 2019</b>	-	-
Change in Accounting Policies	130.05	130.05
Addition	17.89	17.89
Deduction - Termination of Lease	50.16	50.16
<b>Balances as at 31st March, 2020</b>	<b>97.78</b>	<b>97.78</b>
<b>Change in Accounting Policies</b>	-	-
Addition	-	-
Deduction - Termination of Lease	52.14	52.14
<b>Balances as at 31st March, 2021</b>	<b>45.64</b>	<b>45.64</b>
<b>Accumulated Depreciation</b>		
<b>Balances as at 1st April, 2019</b>	-	-
Change in Accounting Policies	26.68	26.68
Addition	1.53	1.53
Deduction - Termination of Lease	-	-
<b>Balances as at 31st March, 2020</b>	<b>28.21</b>	<b>28.21</b>
Change in Accounting Policies	-	-
Addition	11.04	11.04
Deduction - Termination of Lease	3.84	3.84
<b>Balances as at 31st March, 2021</b>	<b>35.41</b>	<b>35.41</b>
<b>Net Block</b>		
Balances as at 31st March, 2020	69.57	69.57
Balances as at 31st March, 2021	10.23	10.23

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 4C Intangible Assets

	Computer Software & Licences	Total
<b>Gross Block</b>		
<b>Balances as at 1st April, 2019</b>	39.69	39.69
Additions	16.58	16.58
Sale/Disposals	-	-
<b>Balances as at 31st March, 2020</b>	<b>56.27</b>	<b>56.27</b>
Additions	-	-
Sale/Disposals	-	-
<b>Balances as at 31st March, 2021</b>	<b>56.27</b>	<b>56.27</b>
<b>Accumulated Depreciation</b>		
<b>Balances as at 1st April, 2019</b>	21.09	21.09
Changes for the year	8.88	8.88
Sale/Disposals	-	-
<b>Balances as at 31st March, 2020</b>	<b>29.97</b>	<b>29.97</b>
Changes for the year	6.95	6.95
Sale/Disposals	-	-
<b>Balances as at 31st March, 2021</b>	<b>36.92</b>	<b>36.92</b>
<b>Net Block</b>		
Balances as at 31st March, 2020	26.30	26.30
Balances as at 31st March, 2021	19.35	19.35

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 5 Non-Current Investments

(₹ in lakhs)

Particulars	As at 31st March, 2021			As at 31st March, 2020	
	Number	Face Value	Amount	Number	Amount
<b>Investments at Cost</b>					
(a) Investment in Equity shares (Unquoted) (Fully Paid up) Zoroastrian Co-Operative Bank Ltd.	4000	25	1.03	4,000	1.03
<b>Total</b>			<b>1.03</b>		<b>1.03</b>

### Aggregate Book Value of Non-Current Investments

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unquoted - At Cost	1.03	1.03

### 6A. Other Non-Current financial assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
1. Security Deposit Unsecured, considered good unless otherwise stated	30.00	28.94
2. Fixed Deposits as Margin Money against LC & BG *	-	0.94
3. Prepaid lease hold land	0.42	0.42
<b>Total</b>	<b>30.42</b>	<b>30.30</b>

(\*) Original maturity of more than twelve months

### 6B. Deferred Tax (Liability)/ Asset

(₹ in lakhs)

Deferred Tax Asset	As at 31st March, 2021	As at 31st March, 2020
Deferred tax assets	130.57	171.49
Deferred tax liabilities	-	-
<b>Deferred tax asset(net)</b>	<b>130.57</b>	<b>171.49</b>

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 6B. Deferred Tax (Liability)/ Asset (Contd...)

(₹ in lakhs)

Particulars	As at 31st March, 2020	(Charged)/ credited to Profit & Loss	(Charged)/ credited to Other Comprehensive Income	As at 30th March, 2021
<b>Nature of timing difference:</b>				
Deferred tax asset				
On depreciable assets	6.80	3.26	-	10.06
On provision for gratuity	54.44	(9.94)	-	44.50
On provision for doubtful debts	37.35	10.15	-	47.50
On provision for leave encashment	19.24	(5.64)	-	13.60
On provision for bonus	5.72	(1.46)	-	4.26
On provision for warranty	9.69	2.38	-	12.07
On account MAT credit entitlement	37.11	(37.11)	-	-
On account of timing difference on leased asset	1.14	(2.56)	-	(1.42)
On expenses allowable on payment/ actual basis U/s 43B	-	-	-	-
<b>Deferred tax asset</b>	<b>171.49</b>	<b>(40.92)</b>	<b>-</b>	<b>130.57</b>

- (a) The Company has recognised Deferred tax asset amounting to ₹ 3.81 lakhs (Previous year ₹ 15.34 Lakhs) in the Financial Year 2020-21 as the Company is estimating future taxable profits against which the Deferred tax asset can be set off.
- (b) The Company has utilised MAT credit amounting to ₹ 37.11 lakhs for the year ended 31st March 2021 and for the previous year ₹ 41.19 lakhs and the same is relected under Deferred Tax asset.

### 7 Inventories

Valued at lower of cost and net realisable value

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
a. Raw Materials	482.07	595.65
b. Work-in-progress	91.09	285.74
c. Finished goods	148.84	233.05
d. Stock-in-trade	390.66	391.80
e. Stores and spares	6.30	5.68
<b>Total</b>	<b>1,118.96</b>	<b>1,511.92</b>

### 8 Current Investments

(₹ in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2021	As at 31st March, 2020
	Unit value	Number of units		
(a) Investments in Mutual Funds units valued at fair value through P & L account				
Nippon India Low Duration Fund - Direct Plan Daily IDCW Plan Reinvestment	1008.88 (Previous year 1007.5)	918.60 (Previous year 865.53)	9.28	8.72
Nippon India Low Duration Fund - Daily IDCW Plan Reinvestment	1010.55 (Previous year 1007.5)	417.37 (Previous year 395.74)	4.22	3.99
<b>Total</b>			<b>13.50</b>	<b>12.71</b>

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 9 Trade Receivables

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Trade Receivables</b>		
Secured, considered good	12.25	10.25
Unsecured, considered good	2,992.54	3,361.57
Considered doubtful	180.73	134.23
	3,185.52	3,506.05
Less: Provision for credit loss	(180.73)	(134.23)
	3,004.79	3,371.82
<b>Total</b>	<b>3,004.79</b>	<b>3,371.82</b>

### 10A Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash on hand	1.26	2.86
<b>Balances with Banks</b>		
In current account	238.13	91.35
In EEFC account	0.42	3.64
Fixed deposit with maturity less than three months	-	5.95
<b>Total</b>	<b>239.81</b>	<b>103.80</b>

### 10B Other Bank Balances

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Earmarked balances with banks (unclaimed dividend account)	4.42	5.96
Bank Deposits as Margin Money against LC & BG *	197.40	633.36
<b>Total</b>	<b>201.82</b>	<b>639.32</b>

(\*) With original maturity of more than three months but less than twelve months

### 11 Current loans

Unsecured, considered good unless otherwise stated

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Loan to subsidiary	0.60	9.67
<b>Total</b>	<b>0.60</b>	<b>9.67</b>

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 12 Other current financial assets

Unsecured, considered good unless otherwise stated

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Duty recoverable	3.81	3.81
Security deposit	0.68	1.06
Interest receivables	7.77	12.43
Accrued commission	-	12.44
<b>Total</b>	<b>12.26</b>	<b>29.74</b>

### 13 Current Tax Assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance tax and tax deducted at source less provision	35.60	46.56
<b>Total</b>	<b>35.60</b>	<b>46.56</b>

### 14 Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Balances with government authorities</b>		
a) VAT deposit *	72.27	144.00
b) Others - GST	24.82	273.76
Advance to employees	7.37	4.66
Prepaid Expense	14.02	43.70
Tender Deposits	65.54	69.67
Other advances	-	0.23
Advance to Creditors	90.00	130.30
Capital advances (Refer Note no. 32)	268.32	202.00
Other Receivables	2.35	11.13
<b>Total</b>	<b>544.69</b>	<b>879.45</b>

\* The Group has paid on account of demand raised and will be adjusted against 'C' forms to be received from Customers.

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 15 Equity share capital

(₹ in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2021	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of ₹ 10/- each	1,000,000	100.00	1,000,000	100.00
<b>Issued</b>				
Equity Shares of ₹ 10/- each	932,873	93.29	932,873	93.29
<b>Subscribed &amp; Fully Paid up</b>				
Equity Shares of ₹ 10/- each	932,873	93.29	932,873	93.29

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

(₹ in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2021	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	932,873	93.29	932,873	93.29
Issue of right shares during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	932,873	93.29	932,873	93.29

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

c. The Group has no Holding Company.

#### d. Details of shareholders holding more than 5% shares in the Holding Company.

Name of Shareholder	As at 31st March, 2021		As at 31st March, 2021	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Mr. Jai Prakash Agarwal	132,991	14.26	132,991	14.26
Mrs. Krishna Agarwal	48,800	5.23	48,800	5.23
Mrs. Shikha Jain	112,821	12.09	112,821	12.09
Mr. Vishal Jain	118,215	12.67	118,215	12.67
Mr. Sharad K. Shah	77,765	8.34	71,794	7.70

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

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

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



## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 16 Other Equity

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>a. Securities Premium Account</b>		
Balance at the beginning of the year	1,063.86	1,063.86
Add:		
Issue of right shares during the year	-	-
Unpaid calls received during the year	-	-
Less:		
Right issue expense	-	-
<b>Closing Balance</b>	<b>1,063.86</b>	<b>1,063.86</b>
<b>b. General Reserve</b>		
Balance at the beginning of the year	229.78	229.78
Add:		
Current year transfer	-	-
<b>Closing Balance</b>	<b>229.78</b>	<b>229.78</b>
<b>c. Retained Earnings</b>		
Balance at the beginning of the year	1,165.54	1,144.82
Add:		
Profit/ (loss) for the year	372.24	54.46
Less:		
Dividend paid for the previous year (including Dividend Distribution Tax)	(27.99)	(33.74)
Others	1.11	-
<b>Closing Balance</b>	<b>1,510.90</b>	<b>1,165.54</b>
<b>d. Other comprehensive income (OCI)</b>		
Balance at the beginning of the year	(46.47)	(33.76)
Add:		
Remeasurement of defined benefit plan (net of taxes)	27.02	(12.71)
<b>Closing Balance</b>	<b>(19.45)</b>	<b>(46.47)</b>
<b>Total</b>	<b>2,785.09</b>	<b>2,412.71</b>

### 17A Non-Current Borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Secured:</b>		
Vehicle loan from bank (*)	-	11.69
Loan from banks & Financial Institutions	469.92	791.79
<b>Total</b>	<b>469.92</b>	<b>803.48</b>

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

Total Vehicle Loan from ICICI Bank Ltd of ₹ 9.99 lakhs Repayable in 30 monthly installments of ₹ 31,845/- starting from April 19. Last installment due in March 2022. Rate of interest 9.20% p.a

Loan from Banks & financial institution by MHE Rentals India Pvt Ltd from ICICI Bank Limited and Zoroastrian Co-operative Bank Limited is secured by hypothecation of specific underlying fixed assets payable within 5 Years These loans carries a rate of interest at 9.5% to 12% repayable in monthly instalments which varies from 48 to 60 months)

Vehicle loan and machinery current portion reflected under other current financial liabilities (refer Note no 21)

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 17B Current Borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Secured:</b>		
From Banks (Repayable on demand):-		
(a) Cash Credit	205.39	499.96
(b) Bank overdraft	35.20	900.63
<b>Unsecured</b>		
Loan from Director	100.71	-
Letter of credit discounted with Bank	-	52.95
<b>Total</b>	<b>341.30</b>	<b>1,453.54</b>

#### Details of terms of repayments

Cash credit and Bank overdraft facilities are secured by hypothecation of stocks and book debts and an equitable mortgage on the company's properties at Plot no C-7 Wagle Industrial Estate, Road No. 12, Thane on pari passu basis. Interest rates at 11% p.a. Cash credit facility by MHE Rentals India Pvt Ltd from HDFC Bank Limited is secured by hypothecation of stocks and book debts. Interest Rate at 8.45%

Loan from Mr. Vishal Jain (Director) at 9% interest rate on demand payable.

### 18 Non-current provisions

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Provision for employee benefits</b>		
Superannuation	16.23	19.13
Gratuity	137.80	182.32
Leave Encashment	33.41	49.17
<b>Total</b>	<b>187.44</b>	<b>250.62</b>

Total provision for Gratuity amount to ₹ 179.41 lakhs (PY Rs 217.13 lakhs). Non current portion for ₹ 137.80 lakhs (PY ₹ 182.32 lakhs) and Current portion ₹ 41.61 lakhs (PY ₹ 34.81 lakhs). Refer Note no 23 A for current portion.

Total provision for Leave Encashment amount to ₹ 48.89 lakhs (PY ₹ 69.16 lakhs). Non current portion for ₹ 33.41 lakhs (PY ₹ 49.17 lakhs) and Current portion ₹ 15.48 lakhs (PY ₹ 19.98 lakhs). Refer Note no 23 A for current portion.

### 19 Other Non-Current financial Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Dealer deposits	35.85	30.05
Lease liability	4.62	41.78
<b>Total</b>	<b>40.47</b>	<b>71.83</b>

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 20 Trade Payables

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Dues of Micro and Small Enterprises (Note a)	123.87	169.17
Dues to other creditors	1,734.34	1,897.03
<b>Total</b>	<b>1,858.21</b>	<b>2,066.20</b>

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

(i) (a) Principal amount and the interest due thereon remaining unpaid to any supplier	123.87	169.17
(b) Interest on (i)(a) above	-	-
(ii) The amount of interest paid along with the principal payment made to the supplier	-	-
(iii) Amount of interest due and payable on delayed payments	-	-
(iv) Amount of further interest remaining due and payable for the earlier years	-	0.55
(v) Total outstanding dues of Micro and Small Enterprises		
- Principal	<b>123.87</b>	<b>169.17</b>
- Interest	-	<b>0.55</b>

### 21 Other Current Financial Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Current maturity of term loan (*)</b>		
Vehicle	3.64	6.19
Machinery	450.18	458.77
Unpaid Dividend	4.42	5.96
Employee Security deposit	-	2.59
Lease Liability	6.36	31.89
Creditors for Capital Purchase	29.45	18.86
Salary and Reimbursements	203.31	210.37
<b>Total</b>	<b>697.36</b>	<b>734.63</b>

### 22 Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>1) Statutory dues payable</b>		
(a) Tax Deducted at Source	17.95	19.89
(b) Provident Fund and other employee deductions	22.82	20.25
(c) GST	17.12	91.42
(d) Others	35.71	5.28
<b>2) Revenue received in advance</b>	99.57	81.93
<b>3) Provision for expense</b>	127.77	133.09
<b>4) Other current liability</b>	0.03	8.71
<b>5) Advances from customers</b>	213.56	434.90
<b>6) Creditors for other liabilities</b>	56.60	135.73
<b>Total</b>	<b>591.13</b>	<b>931.20</b>

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 23A Current provisions

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for warranty claims	43.38	34.82
<b>Provision for employee benefits</b>		
Gratuity 41.61	34.81	
Leave Encashment	15.48	19.98
<b>Total</b>	<b>100.47</b>	<b>89.61</b>

Total provision for Gratuity amount to ₹ 179.41 lakhs (PY ₹ 217.13 lakhs). Current portion ₹ 41.61 lakhs (PY ₹ 34.81 lakhs) and Non current portion for ₹ 137.80 lakhs (PY ₹ 182.32 lakhs). Refer Note no 18 for non current portion.

Total provision for Leave Encashment amount to ₹ 48.89 lakhs (PY ₹ 69.16 lakhs). Current portion ₹ 15.48 lakhs (PY ₹ 19.98 lakhs) and Non current portion for ₹ 33.41 lakhs (PY ₹ 49.17 lakhs). Refer Note no 18 for non current portion.

### 23B Current tax liability

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current Tax Liability (net of tax paid / refund)	22.32	-
<b>Total</b>	<b>22.32</b>	<b>-</b>

### 24 Revenue from Operations

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>(a) Sale of Products</b>		
Sale		
Sale of manufactured goods	4,675.39	4,399.79
Sale of traded goods	2,546.28	4,348.63
<b>Total (A)</b>	<b>7,221.67</b>	<b>8,748.42</b>
<b>(b) Sale of Services</b>		
Sale of services	1,725.12	1,918.65
<b>Total (B)</b>	<b>1,725.12</b>	<b>1,918.65</b>
<b>(c) Other Operating Revenues</b>		
Commission Income	660.21	821.90
Scrap & sundry sales	3.71	5.92
Other operating income	1.13	0.02
<b>Total (C)</b>	<b>665.05</b>	<b>827.84</b>
<b>Total (A+ B+ C)</b>	<b>9,611.84</b>	<b>11,494.91</b>

The Group do not have any customers where total value of trade during the year is more than 10% of the Turnover.

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 25 Other Income

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest Income	17.77	15.35
Dividend Income	0.79	0.69
Net gain from foreign currency transactions and translation	-	0.03
Net gain on sale of fixed assets	-	0.17
Subsidy receivable	6.90	-
Other income	-	0.06
Interest on IT Refund	1.62	-
Gain on termination of lease liabilities	8.49	2.97
<b>Total</b>	<b>35.57</b>	<b>19.27</b>

### 26A Cost of Materials Consumed

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Raw material consumed</b>		
Opening stock	595.65	644.37
Purchases	2,920.88	3,113.87
Closing stock	482.07	595.65
<b>Cost of material consumed</b>	<b>3,034.46</b>	<b>3,162.59</b>

#### Breakup of cost of material consumed

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Cost of material consumed</b>		
Steel	111.39	132.70
Batteries 747.06	732.12	
Others (Tyres, Controller, motor, battery charger etc.)	2,176.01	2,297.77
<b>Total</b>	<b>3,034.46</b>	<b>3,162.59</b>

### 26B Purchase of stock in trade

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Purchase of traded goods</b>		
Engineered Equipments	1,309.33	2,786.92
Other Components, accessories, spares, etc.	654.29	503.35
<b>Total</b>	<b>1,963.62</b>	<b>3,290.27</b>

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 27 Changes in Inventories

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade</b>		
<b>Opening Stocks :</b>		
Finished Goods - Manufactured	233.05	267.12
Finished Goods - Stock-in-trade	391.80	360.59
Work-in-Progress	285.74	19.77
	<b>910.59</b>	<b>647.48</b>
<b>Less: Closing Stocks :</b>		
Finished Goods - Manufactured	148.84	233.05
Finished Goods - Stock-in-trade	390.66	391.80
Work-in-Progress	91.08	285.74
	<b>630.58</b>	<b>910.59</b>
<b>Total</b>	<b>280.01</b>	<b>(263.11)</b>

### 28 Employee Benefit Expense

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salaries, wages & bonus	1,849.24	2,366.35
Contributions to provident fund, gratuity and other funds	122.80	137.09
Staff welfare expenses	31.74	68.32
<b>Total</b>	<b>2,003.78</b>	<b>2,571.76</b>

### 29 Finance Costs

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest expense on term loan, cash credit & bank overdraft	143.41	263.73
Interest expense on other loans	7.00	9.56
Bank charges	28.62	42.85
Interest on Lease Liabilities	3.26	12.18
<b>Total</b>	<b>182.29</b>	<b>328.32</b>

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 30 Other expenses

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Sub contract and labour charges	154.77	162.08
Stores and spare parts consumed	28.00	31.79
Equipment Hiring Charges	9.56	4.35
Fuel and power	31.29	37.91
Repairs & maintenance (factory and office)	23.87	34.71
Repairs to machinery	69.97	97.32
Rent	47.79	47.44
Rates and taxes	11.61	14.01
Sales tax of earlier year write off (incl interest and tax amt)	7.23	71.67
Insurances	15.65	11.51
Travelling expenses	53.35	126.46
Postage, telephone and internet	38.59	38.71
Commission Expense	17.52	25.08
Testing and calibration	43.83	61.04
Printing and stationery	9.87	13.35
Legal and professional charges	143.94	135.91
Audit fees (Refer note (a) below)	19.01	28.83
Conveyance expenses	132.50	161.31
Provision for doubtful debts	46.50	17.32
Bad Debts written off	96.87	204.62
Loss on assets discarded	1.98	-
Freight on sales	181.79	184.92
Motor vehicle expenses	3.64	4.80
Directors' fees	9.50	6.70
Net loss on foreign currency transactions and translation	4.67	0.71
Stock write off	26.53	-
Miscellaneous expenses	180.87	140.37
<b>Total</b>	<b>1,410.70</b>	<b>1,662.92</b>

#### Note (a) :

#### Auditor's Remuneration

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a) Audit Fees	13.69	20.25
(b) Tax audit fees	2.10	3.05
(c) Other Services	3.09	4.50
(d) Reimbursement of out of pocket expenses	0.13	1.03
<b>Total</b>	<b>19.01</b>	<b>28.83</b>



## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 31 Contingent liabilities

(₹ in lakhs)

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
a)	Claims against company not acknowledged as debts		
	i) Sales Tax demands (Net)	130.56	130.56
	ii) Other Matters	6.25	6.25
b)	Bank Guarantees for performance of contracts	771.71	856.75
c)	On account of corporate guarantee to bankers on behalf of subsidiary for facilities availed by them (amount outstanding at close of the year)	1,848.49	1,717.49
	<b>Total</b>	<b>2757.01</b>	<b>2711.05</b>

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The Group will update its provision, on receiving further clarity on the subject.

### 32 Capital commitments

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

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Capital Commitment</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	302.00	352.00
<b>Other Commitment</b>		
Letter of Credit (LC) issued to Vendors	56.15	127.38
<b>Total</b>	<b>358.15</b>	<b>479.38</b>

#### Note:

- The Holding Company is in the process of acquiring leasehold land including building at a price of ₹ 554.00 lacs and has entered into an agreement on April 12, 2018. During the year the Holding Company has made an advance of ₹ 50 lacs towards the agreement (Refer note no 14) and the balance is estimated capital commitment for the year. The land is located at MIDC Murbad, District Thane. The rationale behind investment is for expansion of Holding Company's manufacturing activities.

### 33 Capital Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Group consists of debt and total equity of the Group. The Group determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, 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 notes 17A, 17B & 21 to the consolidated financial statements. The gearing ratio at the end of the reporting period was as follows:

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total Debt	1,265.04	2,721.98
Total Equity *	3,176.71	2,820.11
<b>Debt to Equity Ratio</b>	<b>0.40</b>	<b>0.97</b>

\* Total Equity consist of Equity attributables to owners of Company and Non Controlling Interest

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 34 Disclosure of Financial Instruments

#### Fair Value Measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values: Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other financial liabilities, short term loans from banks approximate their carrying amounts largely due to short term maturities of these instruments. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The company 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

(₹ in lakhs)

Particulars	Note No.	31st March 2021			Fair Value		
		Fair Value routed through Profit & Loss	Carried at Amortized cost	Total	Level 1	Level 2	Level 3
<b>FINANCIAL ASSETS</b>							
<b>Non-Current Assets</b>							
(i) Investments	5	-	1.03	1.03	-	-	-
(ii) Others	6A	-	30.42	30.42	-	-	-
<b>Current Assets</b>							
(i) Investments	8	13.50	-	13.50	13.50	-	-
(ii) Trade receivables	9	-	3,004.79	3,004.79	-	-	-
(iii) Cash and cash equivalents	10A	-	239.81	239.81	-	-	-
(iv) Other bank balances	10B	-	201.82	201.82	-	-	-
(v) Loans	11	-	0.60	0.60	-	-	-
(vi) Other Financial Assets	12	-	12.26	12.26	-	-	-
<b>Total Financial Assets</b>		<b>13.50</b>	<b>3,490.73</b>	<b>3,504.23</b>	<b>13.50</b>	-	-
<b>FINANCIAL LIABILITIES</b>							
<b>Non-Current Liabilities</b>							
(i) Borrowings	17A	-	469.92	469.92	-	-	-
<b>Current liabilities</b>							
(i) Borrowings	17B	-	341.30	341.30	-	-	-
(ii) Trade payables	20	-	1,858.21	1,858.21	-	-	-
(iii) Other financial liabilities *	21	-	697.36	697.36	-	-	-
<b>Total Financial Liabilities</b>		-	<b>3,366.79</b>	<b>3,366.79</b>	-	-	-

\* Note 21 includes current maturity of term loan for ₹ 453.82 lakhs

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.

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### Financial Instrument by category

(₹ in lakhs)

Particulars	Note No.	31st March 2020			Fair Value		
		Fair Value routed through Profit & Loss	Carried at Amortized cost	Total	Level 1	Level 2	Level 3
<b>FINANCIAL ASSETS</b>							
<b>Non-Current Assets</b>							
(i) Investments	5	-	1.03	1.03	-	-	-
(ii) Others	6A	-	30.30	30.30	-	-	-
<b>Current Assets</b>							
(i) Investments	8	12.71	-	12.71	12.71	-	-
(ii) Trade receivables	9	-	3,371.82	3,371.82	-	-	-
(iii) Cash and cash equivalents	10A	-	103.80	103.80	-	-	-
(iv) Other bank balances	10B	-	639.32	639.32	-	-	-
(v) Loans	11	-	9.67	9.67	-	-	-
(vi) Other Financial Assets	12	-	29.74	29.74	-	-	-
<b>Total Financial Assets</b>		<b>12.71</b>	<b>4,185.68</b>	<b>4,198.39</b>	<b>12.71</b>	-	-
<b>FINANCIAL LIABILITIES</b>							
<b>Non-Current Liabilities</b>							
(i) Borrowings	17A	-	803.48	803.48	-	-	-
<b>Current liabilities</b>							
(i) Borrowings	17B	-	1,453.54	1,453.54	-	-	-
(ii) Trade payables	20	-	2,066.20	2,066.20	-	-	-
(iii) Other financial liabilities *	21	-	734.63	734.63	-	-	-
<b>Total Financial Liabilities</b>		-	<b>5,057.85</b>	<b>5,057.85</b>	-	-	-

\* Note 21 includes current maturity of term loan for ₹ 464.96 lakhs

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.

### 35 Financial Risk management framework:

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

#### Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates and other market changes. The Group's exposure to market risk relates to foreign currency exchange rate risk

#### Foreign currency risk management:

The Group undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arise. Exposure to currency risk relates to the Group's operating activities when transactions are denominated in a different currency from the Group's functional currency. The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Group.

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### Trade Receivables

(₹ in lakhs)

	Effect on profit before tax		Effect on pre tax equity	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31,2021</b>				
USD (Movement by 10%)	5.08	(5.08)	5.08	(5.08)
Euro (Movement by 10%)	14.47	(14.47)	14.47	(14.47)
<b>March 31,2020</b>				
USD (Movement by 10%)	7.12	(7.12)	7.12	(7.12)
Euro (Movement by 10%)	36.02	(36.02)	36.02	(36.02)

### Trade Receivables

(₹ in lakhs)

	Effect on profit before tax		Effect on pre tax equity	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31,2021</b>				
USD (Movement by 10%)	7.61	(7.61)	7.61	(7.61)
Euro (Movement by 10%)	22.38	(22.38)	22.38	(22.38)
<b>March 31,2020</b>				
USD (Movement by 10%)	2.02	(2.02)	2.02	(2.02)
Euro (Movement by 10%)	14.06	(14.06)	14.06	(14.06)

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:

(₹ in lakhs)

	31st March 2021		31st March 2020	
	USD	EUR	USD	EUR
Trade payables	76.07	223.82	20.20	140.58
Trade receivables	50.75	144.73	71.20	360.20

### 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:

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Fixed Rate Instruments:</b>		
Financial Liabilities	1,024.45	1,268.44
<b>Variable Rate Instruments:</b>		
Financial Liabilities	240.59	1,366.93

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 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)

(₹ in lakhs)

	31st March 2021		31st March 2020	
	Sensitivity Analysis	Impact on Profit and Loss	Sensitivity Analysis	Impact on Profit and Loss
<b>Variable Rate Borrowings</b>				
Interest Rate Increase by	1.00%	2.41	1.00%	13.67
Interest Rate Decrease by	1.00%	2.41	1.00%	13.67

### Credit Risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Outstanding customer receivables are regularly monitored. The Group maintains its cash and cash equivalents and deposits with banks having good reputation and high quality credit ratings.

### Liquidity Risk:

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### Maturity Analysis for financial liabilities:

The following are the remaining contractual maturities of financial liabilities as at 31st March 2021:

(₹ in lakhs)

Particulars	Note No.	31st March 2021		
		0 to 1 Year	More than 1 year	Total
<b>FINANCIAL LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
(i) Borrowings	17A	-	469.92	469.92
<b>Current liabilities</b>				
(i) Borrowings	17B	341.30	-	341.30
(ii) Trade payables	20	1,858.21	-	1,858.21
(iii) Other financial liabilities *	21	697.36	-	697.36
<b>Total Financial Liabilities</b>		<b>2896.87</b>	<b>469.92</b>	<b>3366.79</b>

\* Note 21 includes current maturity of term loan for ₹ 453.82 lakhs

The following are the remaining contractual maturities of financial liabilities as at 31st March 2020:

(₹ in lakhs)

Particulars	Note No.	31st March 2020		
		0 to 1 Year	More than 1 year	Total
<b>FINANCIAL LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
(i) Borrowings	17A	-	803.48	803.48
<b>Current liabilities</b>				
(i) Borrowings	17B	1,453.54	-	1,453.54
(ii) Trade payables	20	2,066.20	-	2,066.20
(iii) Other financial liabilities *	21	734.63	-	734.63
<b>Total Financial Liabilities</b>		<b>4,254.37</b>	<b>803.48</b>	<b>5,057.85</b>

\* Note 21 includes current maturity of term loan for ₹ 464.96 lakhs

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 36 Employee Benefits:

#### A. Defined Contribution Plan

The Group has recognized ₹ 51.40 lakh for provident fund contribution in the Statement of Profit and Loss for the year ended March 31, 2021 (March 31, 2020 - ₹ 63.12 lakh).

#### B. Defined Benefit Plan

Amount recognised in the balance sheet and movement in the net defined benefit obligation for the year are as follows:

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>i) Reconciliation of defined benefit obligation</b>		
Liability at the beginning of the year	258.47	241.28
Current Service Cost	31.41	24.40
Interest cost	12.11	13.57
Actuarial losses/(gains) arising from:		
Demographic assumption	-	-
Financial assumption	(8.53)	10.24
Experience Gain/(Loss) on Plan Assets	(35.54)	1.05
Benefits Paid	(32.86)	(32.07)
Projected benefit obligation at the end of the year	225.06	258.47
<b>ii) Reconciliation of Fair Value of Plan Asset</b>		
Fair value of the Plan assets at the beginning of the year	41.34	19.09
Expected return on plan Assets	(3.47)	(6.47)
Contribution	34.96	55.50
Benefits Paid	(32.86)	(32.07)
Actuarial Gain/ (Loss) on plan assets	5.68	5.29
Fair value of plan asset at the end of the year	45.65	41.34
<b>iii) Expenses recognized in statement of profit or loss under the head employee benefit expenses</b>		
Current Service Cost	31.41	24.40
Interest Expense on DBO	6.43	8.28
Expenses recognized in Statement of Profit or Loss	37.84	32.68
<b>iv) Re-measurement for the period</b>		
Experience Gain/(Loss) on Plan Liabilities	35.54	(3.21)
Demographic Gain/(Loss) on Plan Liabilities	0.01	-
Financial Gain/(Loss) on Plan Liabilities	8.53	(8.08)
Actuarial Gain/ (Loss) on plan assets	(3.47)	(6.48)
Total Actuarial Gain/(Loss) included in OCI	40.61	(17.77)
<b>v) Amount recognized in Other Comprehensive Income (OCI)</b>		
Opening Amount recognized in OCI	65.93	48.17
Re-measurement for the period - Plan Assets (gain)/loss	(15.63)	7.50
Experience adjustments	(16.40)	2.18
Changes in financial assumptions	(8.58)	8.08
Changes in demographic assumptions	-	-
Total re-measurement cost/(credit) for the period recognized in OCI	-	-
Closing Amount recognized in OCI	25.32	65.93
<b>vi) Principal Actuarial Assumptions</b>		
Financial Assumptions		
Discount Rate	5.35%	5.50%
Salary Escalation	0.00%	5.00%
<b>Demographic Assumptions</b>		
<b>Mortality Rate</b>	<b>IALM (2006-08)</b>	<b>IALM (2006-08)</b>
Withdrawal Rate	0.00965	0.00965
Retirement age	58.00	58.00

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Amount recognised in Balance Sheet</b>		
Present value of defined benefit obligation	225.06	258.47
Fair value of plan assets	45.65	41.34
Net (Liability)/ Asset recognised in the Balance Sheet	179.41	217.13

- (a) The discount rate is based on the prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated terms of the obligations.
- (b) Expected Return on Plan Assets (as certified by the actuary): This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.
- (c) Salary Escalation Rate: The estimates of future salary increase considered taking into the account the inflation.
- (d) Category of Plan Assets:

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unquoted	11.46	10.31
Insurer Managed Funds *	34.20	31.02

The Group maintains gratuity fund, which is being administered by Life insurance corporation. Fund Value confirmed by Life Insurance corporation as at March 31, 2021 is considered to be the fair value.

A quantitative sensitivity analysis for significant assumption as at March 31, 2021 is as shown below:

	31st March 2021		31st March 2020	
	Increase	Decrease	Increase	Decrease
<b>Sensitivity Analysis</b>				
Discount rate (0.5% movement)	1.37%	1.41%	1.40%	1.44%
Defined benefit obligation (₹ in Lakhs)	202.84	208.49	233.73	240.45
Future salary growth (0.5% movement)	1.43%	1.40%	1.44%	1.41%
Defined benefit obligation (₹ in Lakhs)	208.49	202.77	240.45	233.70

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

### 37 Segment Reporting:

For management purpose, the Group is organized into business units based on its products and services.

Primary Segment information (by Business segment):

- I. Material Handling Division
- II. Engineered Products
- III. MHE Rentals India Pvt. Ltd. (Equipment Rental)



# Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

(₹ in lakhs)

Particulars	For the Year Ended 31st March 2021				For the Year Ended 31st March 2020			
	Material Handling	Engineered Products	MHE Rentals India Pvt. Ltd. (Equipment Rental)	Total	Material Handling	Engineered Products	MHE Rentals India Pvt. Ltd. (Equipment Rental)	Total
<b>Segment Revenue</b>								
Sale of Products	4,651.40	2,538.14	32.13	7,221.67	4,384.26	4,334.76	29.40	8,748.42
Sale of Services	226.05	426.73	1,072.34	1,725.12	220.81	484.13	1,213.71	1,918.65
Commission Income	660.21	-	-	660.21	559.95	261.95	-	821.90
Other Income	4.84	-	-	4.84	5.94	-	-	5.94
	<b>5,542.50</b>	<b>2,964.87</b>	<b>1,104.47</b>	<b>9,611.84</b>	<b>5,170.96</b>	<b>5,080.84</b>	<b>1,243.11</b>	<b>11,494.91</b>
Unallocated Income				35.57				19.27
<b>Total</b>				<b>9,647.41</b>				<b>11,514.18</b>
<b>Segment Results</b>								
Segment results/ operating Profit /(Loss)	183.99	714.82	72.51	971.32	(44.82)	1,193.29	(78.28)	1,070.19
Unallocated income (including income from interest/dividend)				35.57				19.27
Unallocated expenses				328.76				300.39
Interest Expenses				182.29				328.32
Exceptional Item				-				383.77
Profit/ (Loss) before tax				495.84				76.98
Provision for taxation - current tax				165.20				76.22
Excess Provisions for Income Tax in respect of earlier years				(15.96)				(11.89)
Deferred Tax				(2.17)				(10.68)
<b>Profit/(Loss) after Tax</b>				<b>348.77</b>				<b>23.33</b>
<b>Other Information</b>								
Segment Assets	2,888.42	1,636.50	2,215.84	6,740.76	3,152.07	2,417.14	2,445.16	8,014.37
Unallocated Assets				744.57				1,206.85
<b>Total Assets</b>				<b>7,485.33</b>				<b>9,221.22</b>
Segment Liabilities	1,638.22	1,272.18	1,312.56	4,222.96	1,764.28	1,547.94	1,655.36	4,967.58
Unallocated liabilities (Including share capital and reserves)				3,262.37				4,253.64
<b>Total liabilities</b>				<b>7,485.33</b>				<b>9,221.22</b>
Cost incurred during the financial year to acquire segment fixed assets	8.10	13.73	89.98	111.81	54.06	44.03	119.87	220.06
Cost incurred during the financial year to acquire segment fixed assets (Unallocated)				-				2.10
Depreciation	45.22	26.57	186.86	258.65	54.35	25.99	179.96	260.30
Depreciation (Unallocated)				18.06				40.38

## 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 and engineered products.

The subsidiary operates in the business of renting of material handling equipment.

The Group has identified its Managing Director as CODM which assesses the operational performance and position of the Group and makes strategic decisions.

There are no reportable geographical segments as the export turnover is not significant. Segment results include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 38 Related party disclosure, as required by Indian Accounting Standard-24, is as below:

#### A. Names of related parties and description of relationship:

Sr. No	Name of related party	Relationship
1	Mr. Vishal Jain, Vice Chairman & Managing Director	Key Management Personnel
2	Mr. Rohit Jain, Chief Financial Officer(CFO) (from 11.12.20)	
3	Ms. Prajakta Patil, Company Secretary (from 23.11.20)	
4	Mr. Jai Prakash Agarwal, Chairman and Director	Shareholder
5	Mrs. Shikha Jain, Woman Director	Wife of Managing Director
6	Ms Anshu Agarwal	Daughter of Chairman/Shareholder
7	Mr. Farokh Kekhushroo Banatwalla, Independent Director	Independent Directors
8	Mr. Shailesh Rajnikant Sheth, Independent Director	
9	Mr. Marco Philippus Ardeshir Wadia, Independent Director	
10	Mr. Kailash C Somani, Director of MHE Rentals India Private Limited	
11	Vishidhara Investment Advisors LLP	Directors as Partner
12	Amphenol Interconnect India Private Limited	Private company having common director
13	KNF Pumps + Systems (India) Pvt. Ltd	
14	Amphenol Omniconnert India Private Limited	
15	Chambal Fertilizer and Chemicals Limited	Public Company having common Director
16	Stovec Industries Limited	
17	Simmonds Marshall Limited	

#### B. Transactions with Related parties:

Following transactions have been carried out with related party during the year

(₹ in lakhs)

Sr. No	Related Party	Nature of transactions	For the Year ended 31st March 2021	For the Year ended 31st March 2020
1	Stovec Industries Ltd.	Sale of Goods	7.59	4.63
2	Chambal Fertilizer and Chemicals Limited	Sale of Goods	6.77	4.94
3	Simmonds Marshall Limited	Receipt against sales	2.31	7.79
4	Mr. Shailesh Sheth	Registration fees	-	0.17
5	Mr. Shailesh Sheth	Registration fees repaid	-	0.17
6	Mr. Vishal Jain	Loan taken	100.00	102.50
7	Mr. Vishal Jain	Loan repaid	-	162.50
8	Mr. Vishal Jain	Interest paid on Loan	1.11	8.04
9	Vishidhara Investment Advisors LLP	Advance against PO	-	142.50
10	Amphenol Interconnnect India Private Limited	Sale of Goods	3.75	0.47
11	Amphenol Omniconnect India Pvt.Ltd.	Sale of Goods	-	15.37
12	KNF Pumps + Systems (India) Pvt. Ltd	Purchase of Goods	2.48	-
13	Mr. Jai Prakash Agarwal	Dividend payment	3.99	3.98
14	Ms Anshu Agarwal	Salary payment	10.29	3.47
15	Mr. Vishal Jain	Dividend payment	3.55	3.55
16	Mrs. Shikha Jain	Dividend payment	3.38	3.38
17	Mr. Marco Philippus Ardeshir Wadia	Dividend payment	0.01	0.01

(Note: The above amounts are inclusive of GST)

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### C. Sitting fees:

(₹ in lakhs)

Name of the Directors	For the Year ended 31st March 2021	For the Year ended 31st March 2020
1) Mr. J. P. Agarwal	2.15	1.80
2) Mr. Marco Wadia	1.30	0.75
3) Mr. F. K. Banatwalla	2.15	1.80
4) Mr. Shailesh Sheth	2.40	1.90
5) Mr. Vishal Jain	0.20	0.10
6) Mr. K. C Somani	0.25	0.10
7) Mrs. Shikha Jain	1.05	0.25
	<b>9.50</b>	<b>7.85</b>

### D. Compensation of Key Managerial Personnel:

(₹ in lakhs)

Name of KMP	Designation	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Mr. Rohit Jain	CFO (from 11.12.20)	5.71	-
Ms. Prajakta Patil	Company Secretary (from 11.12.20)	1.88	-
Mr. Kshitiz Bilal	CFO (Upto 16/12/2019)	-	27.74
Mrs. Babita Kumari	Company Secretary (Upto 29/02/2020)	-	6.13
Mr. Vishal Jain	Vice Chairman and Managing Director		
	a. Short Term benefits	19.48	28.40
	b. Post Employments benefits	0.91	7.60

### E. Outstanding balances with related party as at balance sheet date:

(₹ in lakhs)

Name of the Directors	For the Year ended 31st March 2021	For the Year ended 31st March 2020
<b>Receivable</b>		
Simmonds Marshall Limited	-	2.31
Stovec Industries Ltd.	0.06	0.40
Chambal Fertiliser and Chemicals Limited	0.28	0.83

### 39 Leases:

#### Lease Liability- Maturity Analysis

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Not later than one year	6.36	31.90
Between one to five years	4.62	41.78
Later than five years	-	-

### 40 Earnings per share:

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
a. Net Profit attributable to shareholders (₹ in lakhs)	372.24	23.33
b. Weighted average number of Equity Shares (₹ in lakhs)	9.33	9.33
Basic	39.90	2.50
c. Weighted average number of Equity Shares (₹ in lakhs)	9.33	9.33
Diluted	39.90	2.50

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

### 41 Events Occuring after Balance Sheet date

The Board in its meeting held on May 6, 2021 has recommended a dividend of ₹ 3 per share on a share of ₹ 10 each to the shareholders of the company. This amount is to be paid after approval from shareholders in the ensuing annual general meeting.

### 42 Income Tax

#### (a) Amount recognised in Statement of Profit & Loss

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Current tax</b>		
Current tax on profits for the year	165.20	76.22
Income Tax for Earlier Years	(15.96)	(11.89)
<b>Total current tax expense (A)</b>	<b>149.24</b>	<b>64.33</b>
<b>Deferred tax</b>		
(Increase) in deferred tax assets	(2.17)	(10.68)
<b>Total deferred tax expense/ (credit) (B)</b>	<b>(2.17)</b>	<b>(10.68)</b>
<b>Income tax expense reported in the Statement of Profit &amp; Loss (A+B)</b>	<b>147.07</b>	<b>53.65</b>

#### (b) Reconciliation of effective tax rate

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit before income tax expense	495.84	76.98
Statutory income tax rate	27.82%	27.82%
<b>Amount of tax at statutory income tax rate (I)</b>	<b>137.94</b>	<b>21.42</b>
<b>Adjustments:</b>		
Income Tax for Earlier Years	(15.96)	(11.89)
Difference in property, plant and equipment & employee benefit Provision as per books and Income tax Act, 1961	1.78	(0.20)
Mat Credit Entitlement	-	(0.51)
Tax Difference	-	-
Tax impact of brought forward losses	-	-
Deferred tax	(2.17)	(10.68)
Various allowance/ disallowance of expenses	31.09	56.51
Loss of Subsidiary on which Deferred tax asset not recognized	16.71	22.45
Others	(22.32)	(23.45)
<b>Adjustments (II)</b>	<b>9.13</b>	<b>32.23</b>
<b>Total Adjustment (I+II)</b>	<b>147.07</b>	<b>53.65</b>

## Notes to the Consolidated financial statement

for the year ended 31st March, 2021 (Contd...)

- 43** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 45** The Company Secretary appointed by the Holding Company had resigned prior to the Board Meeting and her replacement was appointed post the Board meeting. Hence the financials could not be signed by the Company Secretary.
- 46** Previous year figures have been regrouped/ re-arranged wherever necessary.

### As per our report of even date attached

#### **For Singhi & Co.**

Chartered Accountants  
Firm Registration No. 302049E

#### **Sudesh Choraria**

Partner  
Membership No.204936

Place: Mumbai

Date: 6th May, 2021

### For and on behalf of Board of Directors

#### **Jai Prakash Agarwal**

Chairman  
DIN - 00242232

#### **Rohit Jain**

Chief Financial Officer

#### **Vishal Jain**

Vice Chairman & Managing Director  
DIN - 00709250

Place: Mumbai

Date: 6th May, 2021

# FORM NO. "AOC-1"

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014  
**Statement containing salient features of the Financial Statement of Subsidiaries or Associate Companies or Joint Ventures as on 31st March, 2021**

## Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amount in lakhs)

Sl. No.	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on last date of the relevant Financial year in the case of foreign subsidiaries.	Share capital	Reserves and Surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation (Deferred Tax)	Profit after taxation	Proposed dividend	Extent of shareholding (in %)
1	MHE Rentals India Private Limited	20/04/2017	Not Applicable	Not Applicable	999.18	(249.31)	2,215.84	1,465.97	0.03	1,084.14	(59.01)	0.00	(59.01)	-	60.23

Notes :

- Names of subsidiaries which are yet to commence operations- Not Applicable

## Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates or Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date			
2. Date on which the Associate or joint Venture was associated or acquired			
3. Shares of Associates or Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates or Joint Venture			
Extent of Holding (in percentage)			
4. Description of how there is significant influence			
5. Reason why the associate/Joint venture is not consolidated			
6. Networth attributable to shareholding as per latest audited Balance Sheet			
7. Profit or Loss for the year			
i. Considered in Consolidation			
ii. Not considered in Consolidation			
1. Names of associates or Joint Ventures which are yet to commence operations.			
2. Names of associates or joint ventures which have been liquidated or sold during the year.			

- Names of associates or Joint Ventures which are yet to commence operations. Not applicable
- Names of associates or joint ventures which have been liquidated or sold during the year. Not applicable

### For and on behalf of Board of Directors

**Jai Prakash Agarwal**  
 Chairman  
 DIN - 00242232

**Vishal Jain**  
 Vice Chairman & Managing Director  
 DIN - 00709250

**Rohit Jain**  
 Chief Financial Officer

Place: Mumbai  
 Date: 6th May, 2021

# Notice

Notice is hereby given that the Hundred and Fourteenth Annual General Meeting of the members of Jost's Engineering Company Limited will be held on Thursday, the 9<sup>th</sup> September, 2021 at 2:00 P.M. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") ("hereinafter referred to as "electronic mode"), to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2021 together with the reports of the Auditors and Board of Directors thereon.
2. To declare a dividend on Equity Shares for the financial year ended March 31, 2021.
3. To appoint a Director in place of Mrs. Shikha Jain (DIN 06778623), who retires by rotation and being eligible offers herself for re-appointment.
4. To ratify the appointment of M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) as the Statutory Auditors of the Company and to fix their remuneration and in this connection, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment (s) thereof for the time being in force), the appointment of M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) as the Statutory Auditors of the Company to hold office from the conclusion of 114<sup>th</sup> Annual General Meeting until the conclusion of the 115<sup>th</sup> Annual General Meeting of the Company be and is hereby ratified at such remuneration as may be mutually agreed upon between the Auditors and the Board of Directors of the Company based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company."

## SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:  
"**RESOLVED THAT** pursuant to the provisions of Section 94 and all other applicable provisions, if any of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded to keep the Register of members along with the indices of members and/ or any other related documents required to be kept at the Registered office of the Company at the office of Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400059, Maharashtra, India." (hereinafter referred to as the Registrar & Share Transfer Agent) or any other office of the said Registrar & Share Transfer Agent.  
**RESOLVED FURTHER THAT** the Board of Directors and KMP of the Company be and is hereby authorized to do all such acts, deeds and things as may be considered necessary, incidental and ancillary in order to give effect to this resolution."
6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
"**RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations), consent of the members be and is hereby accorded to the Board of Directors of the Company to enter into Contracts / arrangements / transactions with M/s. MHE Rentals India Private Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1) (zb) of listing regulations, during the financial year 2021-22, on such terms and conditions as the Board of directors may deem fit upto maximum aggregate value of ₹ 1,350 Lakhs as set out in the explanatory statement annexed to the notice convening this meeting.  
**RESOLVED FURTHER THAT** the Board of Directors or committee thereof, be and is hereby, authorized to do all such acts, matters, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Date: 7<sup>th</sup> August, 2021

By order of the board of directors

### Registered Office:

Great Social Building,  
60 Sir Phirozeshah Mehta Road,  
Mumbai-400 001.

**Mr. Qamar Ali**  
Company Secretary  
Membership No. A39406

## Notice (Contd...)

### Notes:

1. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under item no. 5 and 6 of the Notice set out above, is annexed hereto as 'Annexure-I'. The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard - 2 on "General Meetings" issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment / re-appointment at this Annual General Meeting ("AGM") are annexed as 'Annexure II' to this Notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 3<sup>rd</sup> September, 2021 to 9<sup>th</sup> September, 2021 (both days inclusive) for the purpose of payment of dividend, if declared at the Meeting.
4. (i) The Dividend, after declaration, will be paid to those shareholders whose names appear on the Register of Members on 2<sup>nd</sup> September, 2021. The dividend in respect of shares held in the electronic form will be paid to the beneficial owners of shares whose names appear in the list furnished by the Depositories as at the end of business hours on 3<sup>rd</sup> September, 2021.  
(ii) The payment of dividend will be made through National Electronic Clearing System (NECS). Members holding shares in demat/electronic form are hereby informed that bank particulars registered with their respective depository accounts will be used by the Company for payment of dividend through NECS. Members are requested to notify immediately any change in their address, bank account details and email id to their respective Depository Participants (DPs) in respect of shares held in electronic (demat) mode and in respect of physical mode, to the Registrar & Share Transfer Agent of the Company

The members holding shares in physical form and desirous of receiving dividend through NECS, are requested to provide their bank account number, name and address of the bank quoting their folio number directly to the Company's Registrar and Share Transfer Agent, namely, M/s. Big Share Services Pvt. Limited, latest by 30<sup>th</sup> August, 2021, failing which dividend will be paid by DD / Cheque.

5. Members may please note that pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders, w.e.f. 1<sup>st</sup> April, 2020 and the Company is required to deduct tax at source from dividend paid to the shareholders (Resident Shareholders as well as Non- Resident Shareholders) at the prescribed rates. For various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. Therefore, the shareholders holding shares in Dematerialized form or physical form are requested to register their PAN with the Depository Participants or RTA, failing which the TDS will be deducted at higher rate as prescribed. A resident individual shareholder, with valid PAN and who is not liable to pay income tax, may submit a declaration in form 15G/15H to avail the benefit of non-deduction of TDS by sending these declarations to RTA, namely, M/s. Big Share Services Pvt. Limited, unit Jost's 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East) Mumbai - 400059., Email Id; [tds@bigshareonline.com](mailto:tds@bigshareonline.com) on or before 24<sup>th</sup> August, 2021.
6. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, the dividends which remain unpaid/unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, the Company has transferred to IEPF all unclaimed / unpaid dividends in respect of the financial years upto 31<sup>st</sup> March, 2013. Shareholders who have not encashed their dividend warrant(s) so far, for the financial years ended 31<sup>st</sup> March, 2014 to 31<sup>st</sup> March, 2020 are requested to make their claim to the Company immediately quoting their folio numbers. It may also be noted that according to the provisions of Section 205C of the Companies Act, 1956, once the unclaimed dividend is transferred to IEPF, as above, no claim shall lie in respect thereof against the Fund or the Company.



## Notice (Contd...)

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid/unclaimed amounts lying with the Company as on 4<sup>th</sup> September, 2020 (date of the last Annual General Meeting) on the website of the Company ([www.josts.com](http://www.josts.com)) as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).

7. The Company has appointed M/s. Big Share Services Pvt. Limited as Registrar and Share Transfer Agents for share registry work both for physical and electronic mode. The Members are therefore, requested to address the correspondence relating to the share registry both in physical and electronic mode to the said Registrar and Share Transfer Agents. Members may also please note that the Company's shares are available for demat with both the depositories, namely, Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL).
8. Electronic copy of the Annual Report 2020 -21 is being sent to the members whose E-mail Ids are registered with the Company's Registrars and Share Transfer Agents / Depository Participants for receiving documents electronically. The members who register their E-mail Ids for receiving documents electronically will be entitled to receive such documents in the physical form, upon request.
9. **CDSL e-Voting System – For e-voting and Joining Virtual meetings.**
  1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
  2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
  3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
  4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
  5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
  6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at [www.josts.com](http://www.josts.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
  7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

## Notice (Contd...)

8. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

### THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period begins on Monday, 6<sup>th</sup> September, 2021 (10.00 A.M) and ends on Wednesday, 8<sup>th</sup> September, 2021 (5.00 P.M). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 2<sup>nd</sup> September, 2021 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p>

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Type of shareholders	Login Method
	<p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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### Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

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- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [csakshaykota@gmail.com](mailto:csakshaykota@gmail.com) and [cs@josts.com](mailto:cs@josts.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio

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number, email id, mobile number at ([cs@josts.in](mailto:cs@josts.in)). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id** at [investor@bigshareonline.com](mailto:investor@bigshareonline.com)
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

10. Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting on the resolutions proposed in this notice:
  - a. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [cs@josts.in](mailto:cs@josts.in)/ [investor@bigshareonline.com](mailto:investor@bigshareonline.com).
  - b. For Demat shareholders -, please provide Demat account details (CDSL-16-digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [cs@josts.in](mailto:cs@josts.in)/ [investor@bigshareonline.com](mailto:investor@bigshareonline.com).

## Annexure – 'I' to the Notice

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

#### Item No.5

The Board has appointed M/s. Bigshare Services Private Limited ("Bigshare") as its new Registrar and Share Transfer Agent (RTA) in place of existing RTA, M/s Computech Sharecap Limited with effect from 2<sup>nd</sup> July, 2021. Pursuant to the provisions of Section 94 of the Companies Act, 2013 (the Act), all registers required to be maintained under Section 88 of the Companies Act, 2013 and annual return filed under Section 92 of the Act shall be kept at the registered office of the Company. However, such registers or copies of return may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the company and the Registrar has been given a copy of the proposed special resolution in advance. Accordingly, it has been decided that the statutory records of the Company viz. Register of Members and Indices of members currently maintained at the office of Computech be kept at the office of Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri(East), Mumbai - 400059, Maharashtra, India. with immediate effect. Computech will however continue to support the RTA activities of the Company till such time the transition of database and electronic connectivity from Computech to Bigshare is completed.

The Board of Directors recommend the resolution at Item No. 5 of the accompanying notice as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are concerned with or interested in the above resolution.

#### Item No. 6

Section 188 of the Act and applicable rules framed thereunder and Regulation 23 of Listing Regulations, provide that any related party transaction will require approval of the shareholders through Ordinary Resolution, if the aggregate value of transaction(s) exceeds 10% or more of the Annual turnover of the Company as per the last Audited Financial Statements of the Company. The Aggregate value of the proposed transaction(s) with MHE Rentals India Private Limited, (Subsidiary Company) may exceed the said threshold limit, and is expected to be around ₹ 1350 Lakhs during the Financial year 2021-22.

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

Hence, approval of the members of the company is being sought for the said related party transaction(s) proposed to be entered into between the company and the said subsidiary during the financial Year 2021-22.

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

Name of Related Party	Name of Director(s)/ KMP(s) who is/are related	Nature of Relationship	Nature of Transaction	Estimated transaction value for the financial year ending 31 <sup>st</sup> March, 2021 (₹ Lakhs)
MHE Rentals India Private Limited (MHE Rentals), Subsidiary Company	Mr. Jai Prakash Agarwal (Director)	Mr. Jai Prakash Agarwal is a member holding more than 2% Shares in MHE Rentals.	i) Sale of goods/service by the Company to MHE Rentals.	500
	Mr. Vishal Jain (Director)	Mr. Vishal Jain is a Director in MHE Rentals and is holding more than 2% Shares in MHE Rentals.	ii) Purchase of goods/services by the company from MHE Rentals.	100
	Mr. Shailesh Sheth (Director)	Mr. Shailesh Sheth is a Director in MHE Rentals and does not hold any shares in MHE Rentals	iii) Corporate Guarantee to be issued of by the Company in connection with Loan obtained/ to be obtained by MHE Rentals.	600
			iv) Commission expected to be received by the Company from MHE Rentals.	50
			v) Short term loans/advances to be given by the Company to MHE Rentals.	100



## Annexure – 'I' to the Notice (Contd...)

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

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

The Board of Directors recommends passing of the resolution as set out at item No.6 of the notice as an Ordinary Resolution.

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

Date: 7<sup>th</sup> August, 2021

**By order of the board**

**Registered Office:**

Great Social Building,  
60 Sir Phirozeshah Mehta Road,  
Mumbai-400 001.

**Mr. Qamar Ali**  
Company Secretary  
Membership No. A39406



## Annexure – ‘II’ to the Notice

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

Particulars	Mrs. Shikha Jain (Wife of Mr. Vishal Jain)
Date of Birth	17th November, 1974
Date of Appointment	• 12th August, 2016 as Non-Executive Director - Promoter
Qualifications	Bachelor of Commerce
Expertise in specific functional areas	-
Directorships held in other public companies (excluding foreign companies and section 8 companies).	-
Membership/ Chairmanships of committees of other public companies (including only Audit Committee and Stakeholders Relationship Committee).	-
Number of shares held in the Company as on 31 <sup>st</sup> March, 2021.	112,821 Equity Shares

To:  
 M/s Big Share Services Pvt. Ltd.  
 Unit: Jost's Engineering Company Limited  
 Bigshare Services Private Limited  
 1st Floor, Bharat Tin Works Building,  
 Opp. Vasant Oasis, Makwana Road,  
 Marol, Andheri (East), Mumbai - 400059,  
 Maharashtra, India.

Dear Sir,

**CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM**

Members holding shares in Electronic Mode

I/ We hereby give my/ our CONSENT to the Company to use my/our registered E-mail ID in my / our Demat Account with the Depository Participant for sending the Notices of General Meetings, Annual Report, Postal Ballot and other Shareholder's communication to me/ us.

- |  |         |
|--|---------|
| 1. Name(s) of Shareholder(s)<br>(including joint holder, if any) | 1. .... |
|  | 2. .... |
|  | 3. .... |
| 2. No. of Shares held  | : ..... |
| 3. DP ID / Client ID Number                                      | : ..... |
| 4. Email Id  | : ..... |
| 5. Signature(s) of the Shareholder(s)                            | 1 ..... |
|  | 2 ..... |
|  | 3 ..... |

Members holding shares in Physical Mode

I / We hereby give my / our CONSENT to the Company, to use my / our following e-mail id for sending the Notices of General Meetings, Annual Report, Postal Ballot and other Shareholders' communication to me / us.

- |  |         |
|--|---------|
| 1. Name(s) of Shareholder(s)<br>(including joint holder, if any) | 1. .... |
|  | 2. .... |
|  | 3. .... |
| 2. No. of Shares held  | : ..... |
| 3. Registered Folio Number                                       | : ..... |
| 4. Email Id  | : ..... |
| 5. Signature(s) of the Shareholder(s)                            | 1 ..... |
|  | 2 ..... |
|  | 3 ..... |

Place: .....

Date: .....



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**REGISTERED OFFICE ADDRESS**

Great Social Building, 60, Sir Phirozeshah Mehta Road, Mumbai - 400 001.  
Tel : 91-22-6237 8200 | Fax : 91-22-6237 8201

**THANE FACTORY**

C-7, Wagle Industrial Estate, Road No. 12, Thane - 400 604.  
Tel : 91-22-6267-4000