



Since 1907

Jost's Engineering Company Limited

Registered Office : Great Social Building, 60 Sir Phirozeshah Mehta Road, Mumbai - 400 001, India
CIN : L28100MH1907PLC000252 Phone : +91-22-62378200 Fax : +91-22-62378201
E-mail : jostsho@josts.in Website : www.josts.com

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

19th July, 2019

Dear Sir,

Scrip Code- 505750

Subject- Annual Report and AGM Notice for 112th Annual General Meeting of the members of the Company to be held on 14th August, 2019

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

The Hundred and Twelfth Annual General Meeting of members of the Company will be held on Wednesday, the 14th day of August, 2019 at 04:00 p.m. at Great Social Building, 60 Sir Phirozeshah Mehta Road, Mumbai, 400001.

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 the Notice attached.

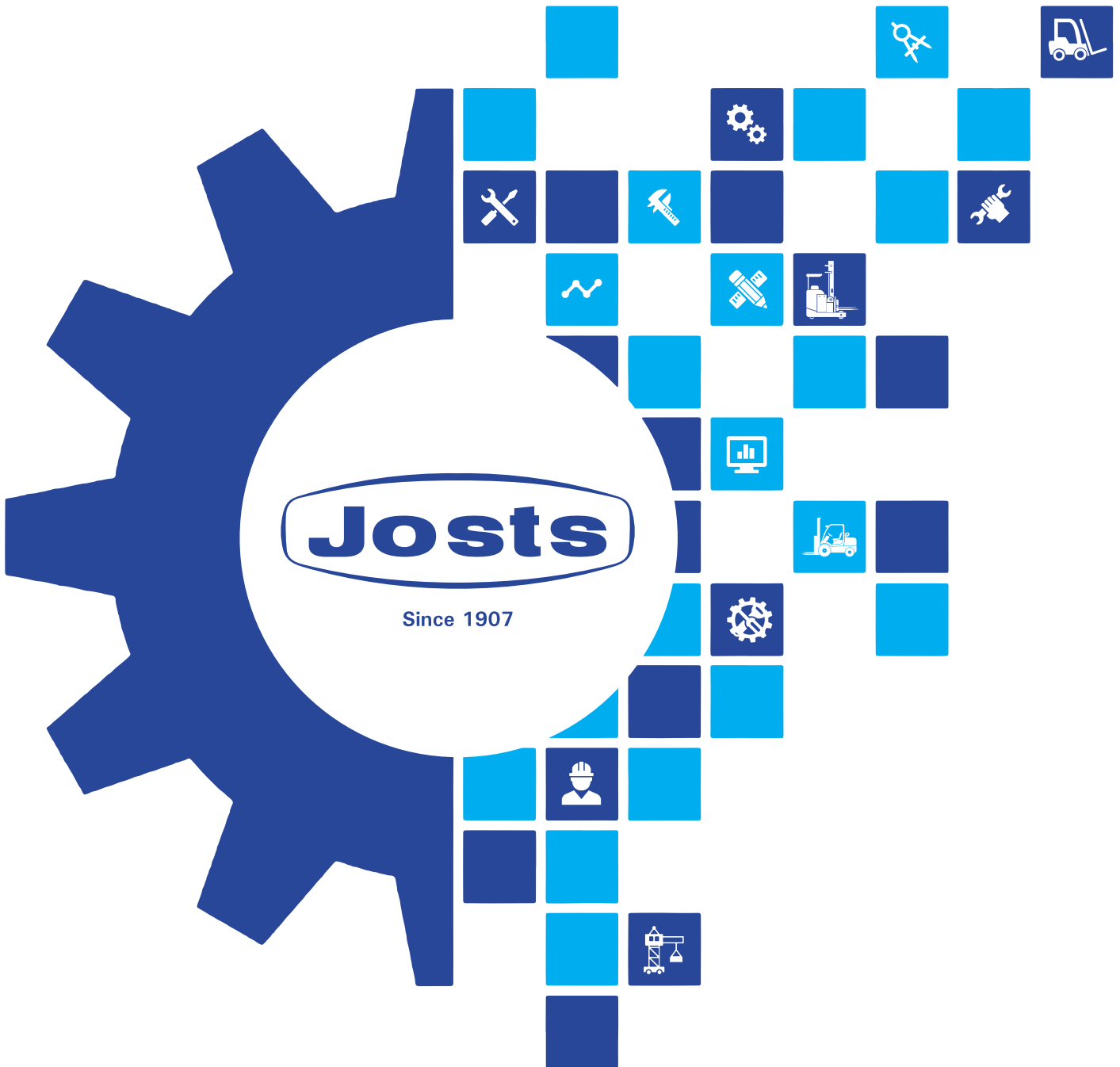
Thanking You,

Yours Faithfully,
For Jost's Engineering Company Limited

Mrs. Babita Kumari
Company Secretary

Encl: As above.

Transformation



Navigating through

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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.



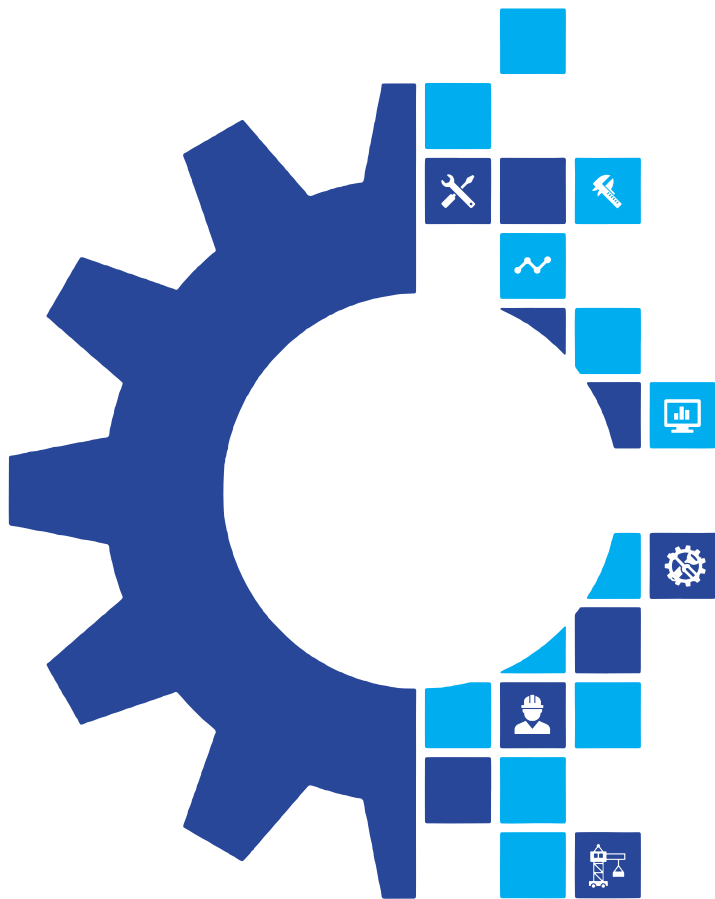
Download the version at
<http://www.josts.com/annual-reports-2/>
Or simply scan to download

Investor information

CIN:	L28100MH1907PLC000252
BSE Code:	505750
Bloomberg Code:	JOST:IN
Dividend Declared:	₹ 3 per share
AGM Date:	14th August 2019
AGM Venue:	Mumbai

THIS WAS A YEAR OF

Transformation



Transformation

towards developing an improved and unique business model for building a sustainable, impactful and future-proof organisation.

During the year, we undertook series of strategic moves to drive this transformation. These include new product additions, strengthening relationships with existing principles, new associations, improving after sales support, enhancing visibility and most importantly focussing on team transformation to develop an ecosystem of excellence.

As one of the India's oldest publicly listed material handling and engineered products company, we are empowered by offering best-in-class products to our customers. We actively integrate latest technologies to ensure operational efficiencies and faster execution, thereby delivering transparency, reliability, trust, and sustainable value creation for all our stakeholders.



Vision

Jost's aspires to be dominant industry player in the segment it operates.



Mission

To provide world-class industrial products and material handling solutions to our customers which enable them to achieve best quality, productivity and experience.



Values

- Integrity
- Respect for individual
- Honour commitments
- Process approach
- Lead by example



Value drivers

- Competent and committed team
- Operational and service excellence
- Wide product range
- Strong market reach
- Organic and inorganic growth

10,745.08
Lakhs

Total Income in
2018-19

363.29
Lakhs

PBT in 2018-19

411.26
Lakhs

PAT in 2018-19

About us

Incorporated in the year 1907, Jost's Engineering Company Limited (also referred as 'Jost's' or 'The Company' across the report) is engaged in manufacturing of material handling equipment (MHD) and is the provider of wide range of engineering products (EPD) solutions that find its applications across diverse industries.

The Company is headquartered in Mumbai, with a pan-India presence through its strategically located units, sales offices and service units that cater to strategic markets. Jost's can easily reach out to customers in the shortest possible time span.

With professional integrity in our product quality, services and operations we have been successfully catering to our customers across Power, Oil & Gas, Defence, Aerospace, Information Technology, Automobile, Education, Steel, Oil, Mining and other critical sectors of the economy.



1907

Year of Inception

112

Years of Excellence

08

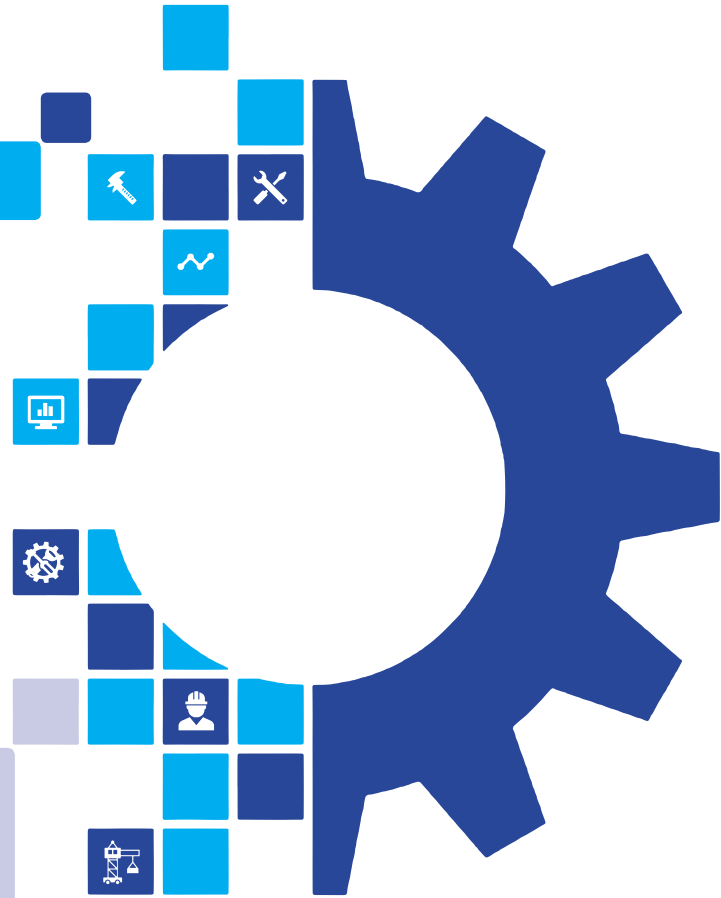
Service Centers

08

Regional Sales Office

25+

International Companies
representing in India



Business Divisions



Material Handling Division (MHD)

MHD provides innovative solutions for internal material handling needs for its customers so that it improves the efficiencies of their processes. Effectiveness is visible when customers save their labour cost, material, time and space.

For more than fifty years, the Company has been catering the industries in field of material storage, material transportation, loading/unloading and stacking/retrieving operations, hence immensely benefiting the industry.

ISO – 9001:2008

ISO certified plant at Thane



Engineered Products Division (EPD)

EPD is committed to provide environment-friendly technology that helps environment and also assists the customers to enhance the performance of their product and processes.

The Company is associated with some of the world's leading brands that provide advanced engineering solutions for the demanding industry applications.

The solution is a blend of innovation and global leadership with our principles of expertise, know-how and reach in the Indian market. The Company provides complete engineered products that give technical and commercial support in sales, commissioning and after sales service.



Technical Services

The Company has set-up world-class technology solutions in its systems and products by way of site testing, technical training, consultancy, application support, installation and commission calibration annual/comprehensive maintenance contract.

It is equipped with software that are essential for the product operations and the necessary technical expertise.



MHE Rentals

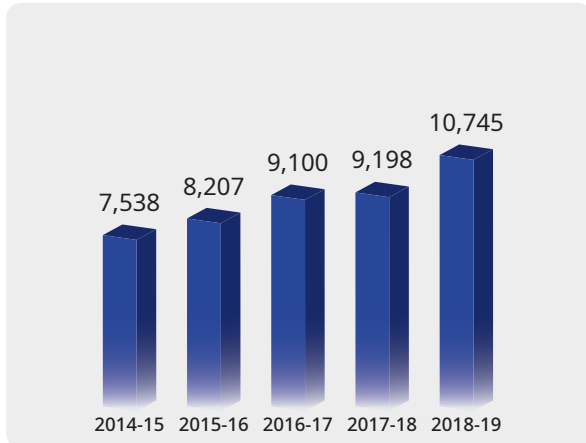
The Company operates this vertical through its subsidiary. It offers equipment as per customer needs, often involving OEM's in the selection process. The products and services are customized as per the following parameters:

Equipment | Trained operator | Annual maintenance contract | Manpower

Financial Highlights

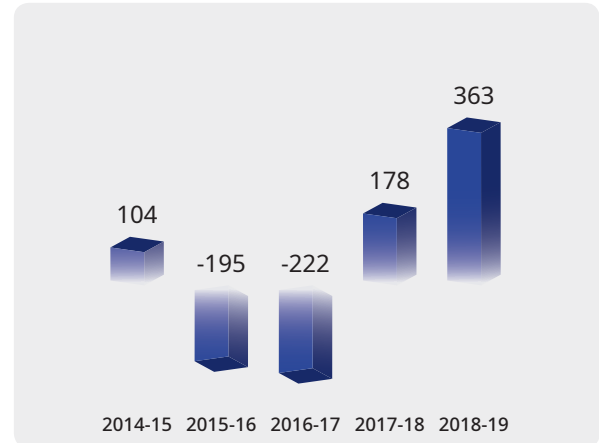
INCOME

(₹ Lakhs)



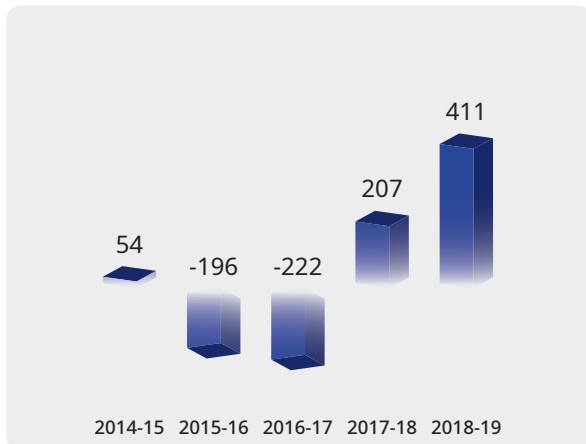
PROFIT BEFORE TAX

(₹ Lakhs)



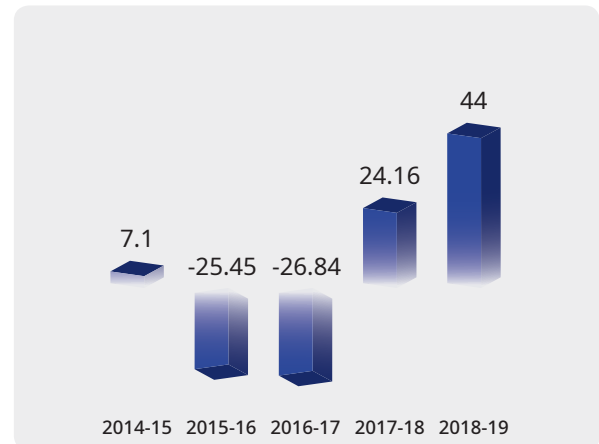
PROFIT AFTER TAX

(₹ Lakhs)



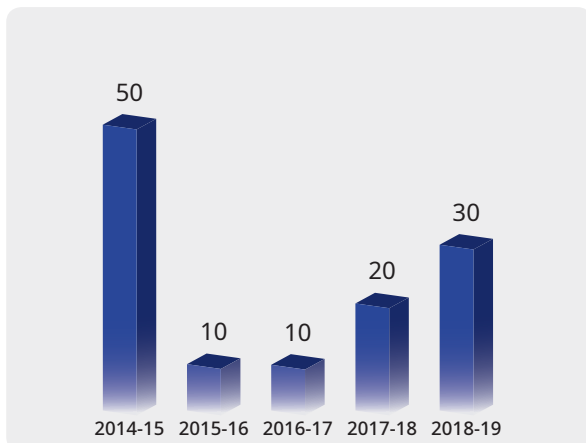
EARNINGS PER SHARE

(₹ Lakhs)



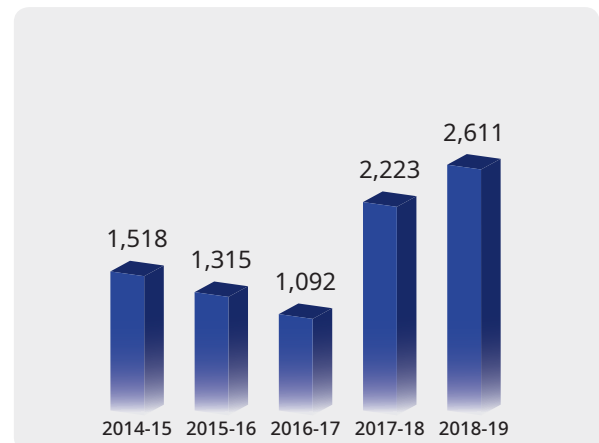
DIVIDEND

(%)



NET WORTH

(₹ Lakhs)



Chairman's Message

Dear Fellow Shareholders,

It is a real pleasure to report a year of positive change and significant achievements. A year when we have transformed our operations and significantly improved our financial performance. A year when we have developed and started to deliver on our strategies and improved our internal disciplines. Our focus remains on nurturing the long-term growth potential of the Company, while maximising the available opportunities and minimising risks. I wish to touch upon how we managed on all of these parameters in the last year.

Looking at the overall economic conditions during fiscal 2018-19, the Indian economy recorded slower growth rate of 6.8%. It was a challenging year all round. Being the election year, rising fuel and crude oil prices, weighed heavily on the economy and resulted in sluggish capex growth in private sector. However, I expect that with the same Government now continuing for the second term, there would be several growth-enhancing initiatives to improve the overall business confidence and accelerate growth engine.

At Jost's we are tied to the success of our customers. When they flourish, so do we. As one of our key transformational achievements, we added new principal and products to our portfolio and continued to maintain our record of strong execution and after sales support. We made progress in carrying out the ambitious strategic plans that will guide our efforts in the coming years. On the financial front, sales and net income showed a balanced performance. We reported revenues ₹ 10,745.08 Lakhs as against ₹ 9,198.12 Lakhs in the previous year. We recorded healthy growth in our operating and net profits. Our Profit before tax and Profit after tax for the year stand at ₹ 363.29 Lakhs and ₹ 411.26 Lakhs respectively. Our EPD division continued to generate healthy revenues by consistently catering to the demands of our customers from the key industrial segments covering Defence, Power Sector, Education, R&D labs, Automotive and FMCG, among others. On a positive side, our MHD division has also started accelerating efforts towards transformation. We have revamped our product portfolio with key



focus on safety, comfort and robustness. In addition, we have also focused on the improvement of our after sales support which has helped in strengthening relationships with our customers. Our subsidiary, MHE Rentals has also made an impressive assets growth and added several reputed customers in its portfolio. With this growth, MHE Rentals has become one of the largest rental service providers in the industry. The gross block of MHE Rentals as at 31 March 2019 is ₹ 2,173.44 Lakhs.

Our transformational strategies continued to complement our existing strengths. We introduced several initiatives to train our customer-facing staff and made significant improvement in after sales services. We further strengthened our relationship with our principles through new associations and nurturing the existing ones. We also took several activities in improving our visibility.

Building an effective organisation is central to our transformation. Over the past few years we have established and continued to secure the foundations of a culture and structure that will be able to execute and deliver on the transformational strategies. During the year we have focused on ensuring that we have the right people in the right roles focused on the right priorities. Our growth strategy calls for people with diverse experience and backgrounds who work together on the basis of shared values to create innovation and respond flexibly to changing demands. At the same time, we onboarded several senior level and middle level leaders and managers across our key departments that became the guiding force for the rest of the team.

Looking ahead to 2019-20, the Company will continue to position itself for growth by accelerating on the laid out strategies. Our Management Team and employees - all play a critical role in ensuring that we deliver the best possible results and remain respected by the broader stakeholder communities. I would also like to sincerely thank all our shareholders, business partners, customers, suppliers and employees for their support and to my fellow Board members for their experience and knowledge shared and for their contribution to the Company during the year. We want to be a forward-thinking company generating long-term sustainable value and maximise the value-creation going ahead for all the Stakeholders.

With Best Wishes
Jai Prakash Agarwal
Chairman



As one of our key transformational achievements, we added new principal and products to our portfolio and continued to maintain strong execution and after sales support



HOW HAVE WE

Transformed

Our goal is to position Jost's as a larger and more valuable business, while driving future sustainability. In order to bolster our plan for operational improvements, we undertook several strategies.



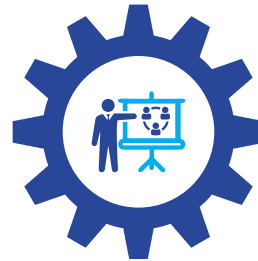
Onboarded new and highly experienced Management team at both, senior and middle levels.

Brings experience in the organization



Appointed managers to lead important company verticals, including financial planning, sales and marketing, servicing and supply chain.

Ensures strong monitoring and supervision at each level to build accountability and drive efficiencies



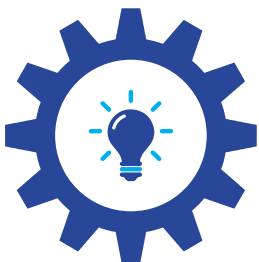
Conducted trainings

Strengthens after sales services for customer delight



Strengthened marketing efforts

Enhances domestic reach and provides export opportunities across high growth economies



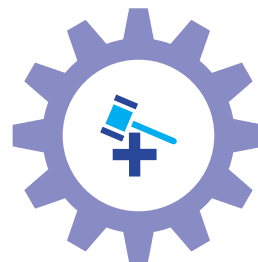
Focused on innovation

Delivers value-accretive products



Addition of new products and redesigning of existing products

Caters to diversified sectors and customer needs and identifies new concepts that leverage our brand



Strengthening the association with existing principle and addition of new principle

Enhances the confidence of existing principle and leveraging from additional principles through incremental product and servicing basket

HOW DID WE BUILD THE

Transformation CULTURE?

When we look back at what we were yesterday, it gives us a clarity on how much we have transformed. This transformation is beyond the operational achievements and customer satisfaction. It is about positively influencing the mindset of the employees that drives the transformational culture.

The participation of our employees in transformation towards higher performance has added to the collective strength of our company. Our teams feel engaged and empowered to always do better and push our shared ambitions to greater heights. Our transformation journey will continue to build from what we have been achieving.

The transformational impact is clearly visible in the way our team strengthened relationships with the principles and explored new business development opportunities. We not only enhanced our market presence but also bagged few prestigious orders. This further strengthens our commitment towards long-term value creation.



This year has shown transformation for MHD division through product revamp and strengthening of after sales services. On the other end EPD division has consistently added to our revenue, by catering to various sectors such as FMCG, Power Transmission, R & D, Education, Automobile, among others. MHE Rentals has fairly grown in two years & continuously delivering best services to its customer base.

JOST'S DEALS IN DIVERSE RANGE OF SECTORS SUCH AS:



Auto & Auto ancillaries



Oil & Gas



Research & Development



Airports



Chemicals



FMCG & Consumer goods



Defence Establishments



Electrical and Electronics



Food Processing Units



Logistics & Warehousing



Paper & Packaging



Paints



Pharmaceuticals



Power Plants



Railways



Textile

Board of Directors

At Jost's, we know that the integrity of a Company's Board of Directors set the tone for its operations, therefore we have a remarkable group of qualified, knowledgeable Directors in place. All the members of our Board adhere to sound corporate principles in 3 major areas-stewardship, independence & expertise.



Mr. Jai Prakash Agarwal
Chairman



Mr. Vishal Jain
Vice Chairman and
Managing Director



Mr. Shailesh Sheth
Director



Mr. Marco Wadia
Director



Mr. F.K. Banatwalla
Director



Mrs. Shikha Jain
Director

Management Team

Mr. Vishal Jain
Vice Chairman and
Managing Director

Mr. Kshitiz Bilala
Chief Financial Officer (CFO)

Mr. L. Sharath Kumar
Vice President – EPD

Mr. Anand Singh Dalal
CEO – MHE Rental

Corporate Information

Mrs. Babita Kumari
Company Secretary

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

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



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Directors' Report

The Directors present herewith Annual Report together with the Audited Financial Statements for the year ended 31st March, 2019.

	Year ended 31st March, 2019	Year ended 31st March, 2018
(₹ Lakhs)		
1. STANDALONE FINANCIAL RESULTS		
Profit/(Loss) before Tax	363.29	177.81
Less : Tax Expense:		
Current Tax	75.38	29.89
Deferred Tax	(134.15)	(48.19)
(Excess)/Short Provision for Income tax of earlier years	10.80	(11.29)
Profit/(Loss) after tax	411.26	207.40
Balance brought forward from previous year	868.58	670.43
Amount available for appropriation	1279.84	877.83
Less: Dividend paid during the year	18.66	7.65
Dividend distribution tax paid during the year	3.83	1.60
General Reserve	-	-
Balance carried forward	1257.35	868.58

2. DIVIDEND

The Directors are pleased to recommend a dividend of ₹ 3/- (30%) per Equity Share of ₹10/- each for the year ended 31st March, 2019.

3. OPERATIONS:

Income for the year under review, was ₹ 10,745.08 Lakhs as against ₹ 9198.12 Lakhs in the previous year. The profit before tax was ₹ 363.29 Lakhs as against ₹ 177.81 Lakhs in the previous year. Generally, business should continue to progress. Barring unforeseen circumstances, there should be improved results in the current financial year 2019-20.

4. PERFORMANCE OF SUBSIDIARY COMPANIES

i) Jostengg Global FZE, Ajman Free Trade Zone, UAE.

The Company had incorporated in the financial year 2015-16, an entity, namely, Jostengg Global FZE, Ajman Free Trade Zone. This entity could not commence any business activities since its incorporation. The Board of Directors of the Company have decided to close the said entity. Accordingly, with effect from 5th March, 2019, the license issued to the said entity stands cancelled.

ii) MHE Rentals India Private Limited.

This Subsidiary is engaged in equipment rental business. For the year ended 31st March, 2019, the turnover was ₹ 912.45 Lakhs, the loss was ₹ 97.91 Lakhs.

5. CONSOLIDATED FINANCIAL STATEMENTS

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

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

6. PROPOSED EXPANSION OF MANUFACTURING ACTIVITIES

In the last year's Directors' Report, it was informed that the Company had entered into an Agreement to acquire leasehold land and measuring about 11825 sq.mtrs., including building standing thereon at MIDC, Murbad, District Thane, at a price of ₹ 554 Lakhs, for setting up the manufacturing facilities. However, the conditions precedent, stipulated in the said agreement, could not be satisfied and fulfilled. Therefore, the Company has entered into an Addendum to the said Agreement, on 20th March, 2019, whereby both the parties have agreed to extend the period up to 30th June, 2019, for satisfying conditions precedent.

Directors' Report (Contd.)

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

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

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the Annual Accounts for the year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit of the Company for the year ended on that date;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

9. PARTICULARS OF EMPLOYEES

The information pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not given as no employee, employed throughout the financial year 2018-19,

was in receipt of the remuneration of ₹ 102 Lakhs or more and no employee, employed for the part of the financial year 2018-19 was in receipt of remuneration of ₹ 8.50 Lakhs or more per month.

10. EXTRACT OF ANNUAL RETURN

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

11. DEPOSITS

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

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

13. CODE OF CONDUCT (CODE) FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Company has adopted voluntarily, 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).

14. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In compliance with the provisions of Section 177 of the Companies Act, 2013, and Rule 7 of the Companies (Meetings of Board and its powers) Rules, 2014, the Company has established Vigil Mechanism / Whistle Blower Policy to encourage Directors and Employees of the Company to bring to the attention of any of the following persons, i.e. the Chairman of the Audit Committee, Company Secretary and HR Head, the instances of unethical behaviour, 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).

Directors' Report (Contd.)

15. RISK MANAGEMENT POLICY

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

Risk Management is an organisation-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 organisation, identifying potential threats to the organisation and the likelihood of their occurrence and then making appropriate actions to address the most likely threats.

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

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

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

The Risk Management Policy has been posted on the website of the Company(www.josts.com).

16. NOMINATION AND REMUNERATION POLICY

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

The Nomination and Remuneration Policy has been posted on the website of the Company (www.josts.com).

17. PREVENTION OF SEXUAL HARASSMENT

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

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

18. COMMITTEES OF THE BOARD

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

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

19. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors in their separate Meeting held on 2nd February, 2019, have, inter-alia, reviewed the performance of non-independent directors and the Board as a whole, the performance of the Chairperson of the Company, and assessed the quality, quantity and timeliness of flow of information between the management and the Board so as to enable the Board to effectively and reasonably perform their duties.

Directors' Report (Contd.)

20. MEETINGS OF THE BOARD

During the year under review, 4 Board Meetings and 6 Committee Meetings were convened and held.

21. PERFORMANCE EVALUATION

Pursuant to the provisions of Section 134 (3) (p) of the Companies Act, 2013, during the year, the Board of Directors has evaluated its own performance as well as that of individual Directors and the following Committees, namely, Audit Committee, Nomination and Remuneration Committee and Share Transfer and Stakeholders Relationship Committee and found the same to be satisfactory.

22. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year 2018-19, were on arm's length basis and in the ordinary course of business. Further, during the Financial Year 2018-19, no material related party transactions under the scope of Section 188 (1) of the Companies Act, 2013 were entered into by the Company. Accordingly, the disclosure in form AOC-2 is not applicable. The related party transactions have been disclosed in the Financial Statements.

All related party transactions were placed periodically, before the Audit Committee and also the Board for their Approval.

23. AUDITORS

(i) Statutory Auditors

M/s. Singhi & Co., Chartered Accountants, (Firm's Registration No. 302049E) was appointed as the Statutory Auditors of the Company, at the 110th Annual General Meeting, held on 20th July, 2017 to hold office, from the conclusion of the 110th Annual General meeting till the conclusion of the 115th 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 112th 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 31st March, 2019,

form part of this Annual Report. The Statutory Auditors have submitted an unmodified opinion on the audit of financial statements for the year ended 31st March, 2019 and there is no qualification, reservation or adverse remarks given by the Auditors in their Report.

(ii) Secretarial Audit

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 ender 31st March, 2019. The Secretarial Audit Report is annexed as Annexure "C" to the Directors' Report. The Company has complied with applicable Secretarial Standards. The observations made by the Secretarial Auditor in the Report are self-explanatory.

24. DISCLOSURE PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013, AND RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

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

25. 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.

26. 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

Directors' Report (Contd.)

operations. However, members' attention is drawn to the statement on 'Contingent Liabilities' in the notes forming part of the Financial Statements.

27. DIRECTORS

- (i) In accordance with Article 168 of the Articles of Association of the Company, Mr. Jai Prakash Agarwal, Director (DIN: 00242232) liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.
- (ii) During the year under review, the Board of Directors of the Company on recommendation of its Nomination and Remuneration Committee and in accordance with the applicable provisions of the Companies Act, 2013, read with applicable rules framed thereunder, and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have re-appointed Mr. F K Banatwalla, Mr. Marco Wadia and Mr. Shailesh Sheth, as an Independent Directors for a second term of five years with effect from 1st April, 2019 up to 31st March, 2024, subject to the approval of the members at the ensuing Annual General Meeting.
- (iii) All the Independent Directors have given declarations that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013.

28. 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 31st March, 2019 are:

Mr. Vishal Jain - Vice Chairman and Managing Director

Mr. Kshitiz Bilala - Chief Financial Officer

Mrs. Babita Kumari - Company Secretary (appointed w.e.f. 29th October, 2018)

Mr. C B Sagvekar, Vice President & Company Secretary, ceased to be in the employment with effect from 1st April, 2018.

29. 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

Place: Thane
Date: 18th May, 2019

Annexure "A" to the Directors' Report

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

(A) CONSERVATION OF ENERGY

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

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

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

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

(iii) The capital investment on energy conservation equipments

Generator, 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.

(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

₹ 5.47 Lakhs.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings- ₹ 773.85 Lakhs

Foreign Exchange Outgo - ₹185.66 Lakhs

On behalf of the Board of Directors

Jai Prakash Agarwal

Chairman

Place: Thane
Date: 18th May, 2019

Annexure 'B' to the Directors' Report

**FORM NO.MGT-9
EXTRACT OF ANNUAL RETURN**

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

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / Services	NIC Code of the products / services	% to total turnover of the Company
1	Sale of Material Handling Equipments (Manufactured 54.34%, Traded goods 4.52%)	28162	58.86
2	Sale of Traded Goods - Engineered Products	-	26.22

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
1.	MHE Rentals India Private Limited	U71290MH2016PTC311695	Subsidiary	60.23	2(87)

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

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

I) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	461,572	0	461,572	49.48	461,572	0	461,572	49.48	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	0	0	0	0	0	0
e) Financial Institutions/Banks	0	0	0	0	0	0	0	0	0
f) Any Other(specify)	0	0	0	0	0	0	0	0	0
Sub - total (A)(1):	461,572	0	461,572	49.48	461,572	0	461,572	49.48	0
2) Foreign									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub - total (A)(2):	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1) +(A)(2)	461,572	0	461,572	49.48	461,572	0	461,572	49.48	0
B. Public Shareholding									
1) Institutions									
a) Mutual Funds/UTI	0	0	0	0	0	0	0	0	0
b) Banks/FI	5	590	595	0.06	5	590	595	0.06	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs.	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0
j) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):	5	590	595	0.06	5	590	595	0.06	0

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Non-Institutions									
a) Bodies Corp.									
i) Indian	20,108	330	20,438	2.19	14,832	330	15,162	1.63	-0.56
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 Lakh	199,807	29,779	229,586	24.61	198,494	24,381	222,875	23.89	-0.72
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	215,974	0	215,974	23.15	215,974	0	215,974	23.15	0
c) Others (Specify)									
i. Clearing Member	0	0	0	0	0	0	0	0	0
ii. Non-Resident Indians (Repat)	0	0	0	0	0	0	0	0	0
iii. Non-Resident Indians (Non Repat)	4,548	160	4,708	0.51	16,535	160	16,695	1.79	1.28
iv. Trust	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)= (B)(1)+(B)(2)	440,442	30,859	471,301	50.52	445,840	25,461	471,301	50.52	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A)+(B)+(C)	902,014	30,859	932,873	100	907,412	25,461	932,873	100	0

II) Shareholding of Promoters

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

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

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

IV) Shareholding Pattern of top ten Shareholders

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Transaction Details			Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	Date	Purchase	Sale	No. of Shares	% of total shares of the Company
1	Mr. Sharad Kanayalal Shah	71794	7.70	-	-	-	71794	7.70
2	Mr. Akshay Raheja	46604	5.00	-	-	-	46604	5.00
3	Mr. Viren Raheja	46604	5.00	-	-	-	46604	5.00
4	Mrs. Varsha Sharad Shah	27475	2.95	-	-	-	27475	2.95
5	Mr. Saraiya Bhavin Ramakant	11894	1.27	-	-	-	11894	1.27
6	Ms. Jigna Kanayalal Shah	11603	1.24	-	-	-	11603	1.24
7	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs (Transfer of shares pursuant to Section 124 (6) of the Companies Act, 2013.)	8228	0.88	15.03.19	350	-	8578	0.92
8	Amit Khemka	-	-	12.10.18	180	-		
				26.10.18	196	-		
				30.10.18	100	-		
				07.12.18	227	-		
				14.12.18	208	-		
				21.12.18	436	-		
				31.12.18	19	-		
				04.01.19	196	-		
				18.01.19	311	-		
				25.01.19	222	-		
				01.02.19	10	-		
				08.02.19	575	-		
				15.02.19	688	-		
				22.02.19	485	-		
				01.03.19	535	-		
				08.03.19	310	-		
				15.03.19	50	-		
				22.03.19	2000	-		
				29.03.19	4000	-	10748	1.15
9	Mr. Mustaali Mohsin Roowala	7283	0.78	-	-	-	7283	0.78
10	Kashmira Manish Mehta	26	0.00	25.01.19	4635	-	4661	0.50

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

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Jai Prakash Agarwal - Director				
	At the beginning of the year	132991	14.26	132991	14.26
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	0	0	0	0
	At the end of the year	132991	14.26	132991	14.26
2.	Mr. Vishal Jain - Director				
	At the beginning of the year	118215	12.67	118215	12.67
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	0	0	0	0
	At the end of the year	118215	12.67	118215	12.67
3.	Mr. Marco Wadia - Director				
	At the beginning of the year	61	0.00	61	0.00
	Date wise Increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease	0	0	0	0
	At the end of the year	61	0.00	61	0.00
4.	Mr. Shailesh Sheth - Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease	0	0	0	0
	At the end of the year	0	0	0	0
5.	Mr. F. K. Banatwalla - Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease	0	0	0	0
	At the end of the year	0	0	0	0
6.	Mrs. Shikha Jain - Director				
	At the beginning of the year	112821	12.09	112821	12.09
	Date wise Increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease	0	0	0	0
	At the end of the year	112821	12.09	112821	12.09
7.	Mr. Kshitiz Bilala - CFO				
	At the beginning of the year	0	0	0	0
	Date wise Increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease	0	0	0	0
	At the end of the year	0	0	0	0
8.	Mrs. Babita Kumari - Company Secretary				
	At the beginning of the year	0	0	0	0
	Date wise Increase/ decrease in Shareholding during the year specifying the reasons for increase/ decrease	0	0	0	0
	At the end of the year	0	0	0	0

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

V. INDEBTEDNESS

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

(₹ in Lakhs)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	1020.85	0	0	1020.85
II) Interest due but not paid	0	0	0	0
III) Interest accrued but not due	0	0	0	0
Total (I+II+III)	1020.85	0	0	1020.85
Change in Indebtedness during the financial year				
- Addition	0	179.82	0	179.82
- Reduction	109.12	0	0	109.12
Net Change	(109.12)	179.82	0	70.70
Indebtedness at the end of the financial year				
I) Principal Amount	911.62	179.82	0	1091.44
II) Interest due but not paid	0	0	0	0
III) Interest accrued but not due	0.11	0	0	0.11
Total (I+II+III)	911.73	179.82	0	1091.55

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

Sr. No. Particulars of Remuneration	Mr. Vishal Jain (Vice Chairman and Managing Director)
1. Gross salary	
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36.00
(b) Value of Perquisites u/s 17 (2) Income-tax Act, 1961	0.00
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00
2. Stock Option	0.00
3. Sweat Equity	0.00
4. Commission	0.00
- as % of profit	0.00
- others, specify	0.00
5. Others , please specify	0.00
Total (A)	36.00
Ceiling as per the Act *	
* Ceiling as per Section II part II of schedule V of the Companies Act, 2013.	

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

B. Remuneration to other Directors

(₹ in Lakhs)

Sr. No	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. F. K. Banatwalla	Mr. Marco Wadia	Mr. Shailesh Sheth	
	Independent Directors				
	Fee for attending board / committee meetings	2.20	1.40	2.20	5.80
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (1)	2.20	1.40	2.20	5.80

(₹ in Lakhs)

Sr. No	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Jai Prakash Agarwal	Mrs. Shikha Jain	
	Other Non-Executive Directors			
	Fee for attending board /committee meetings	1.80	0.25	2.05
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (2)	1.80	0.25	2.05
	Total (B) = (1+2)			7.85
	Total Managerial Remuneration			7.85
	Overall Ceiling as per the Act (1% of the net profit calculated under Section 198 of the Companies Act, 2013)			

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

(₹ in Lakhs)

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Kshitiz Bilala Chief Financial Officer	Mrs. Babita Kumari- Company Secretary (29th October, 2018- 31st March, 2019)	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	34.27	2.34	36.61
	(b) Value of Perquisites u/s 17 (2) Income-tax Act, 1961	0.17	0	0.17
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission	0	0	0
	- As % of profit	0	0	0
	- Others, specify	0	0	0
5.	Others, please specify	0	0	0
	Total	34.44	2.34	36.78

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

(₹ in Lakhs)

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

Annexure 'C' to the Directors' Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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 Building, 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 authorised 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, 2019 (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, 2019 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made thereunder;

Pursuant to provisions of Section 203(1)(ii), the Company had not appointed Company Secretary for the period starting from April 01, 2018 to October 28, 2018. We have been informed that the erstwhile Company Secretary (Key Managerial Personnel under section 203 of the Companies Act, 2013) had ceased to be in the employment with effect from 1st April, 2018.

Subsequently, vacancy was filled up with effect from October 29, 2018.

- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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

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

- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 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 Apprentices 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, subject to our observations herein above, 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.**

Proprietor
FCS: 3159
C.P.No.:1571

Place: Navi Mumbai
Date: May 17, 2019

Annexure 'D' to the Directors' Report

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

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year 2018-19:

Name of the Directors	Nature of Directorship	Ratio
Mr. Jai Prakash Agarwal	Non-Executive Director	0.38:1
Mr. Marco Wadia	Non-Executive Independent Director	0.30:1
Mr. Shailesh Sheth	Non-Executive Independent Director	0.47:1
Mr. F. K. Banatwalla	Non-Executive Independent Director	0.47:1
Mr. Vishal Jain	Vice Chairman and Managing Director	7.64:1
Mrs. Shikha Jain	Non-Executive Director	0.05:1

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 2018-19 have been considered.

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, in the financial year 2018-19:

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

Notes: 1. *. For part of the year (i.e appointed with effect from 29th October, 2018) and therefore the percentage increase in her case is not applicable.

- ** Appointed during the previous year (part of the year) and therefore not comparable with the full financial year 2018-19.

(iii) The percentage increase in the median remuneration of employees in the financial year 2018-19: 13.20 %

(iv) The number of permanent employees on the rolls of Company: 168 as on 31st March, 2019.

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

- (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:**

The average percentage increase in the financial year 2018-19, in the salaries of employees other than Managerial Personnel was 7.81%. For computing average percentage increase in the salaries of the employees, the employees who have worked for the complete financial year 2017-18 and 2018-19 have been considered to make the figures comparable.

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

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

On behalf of the Board of Directors

Jai Prakash Agarwal

Chairman

Place: Thane

Date: 18th May, 2019

General Information to Shareholders

Attendance of Directors at Board Meetings, Committee Meetings and last Annual General Meeting

Name of the Director	Attendance at Meetings during 2018-19		
	Board Meetings	Committee Meetings	Last AGM
Mr. Jai Prakash Agarwal	4	4	Yes
Mr. Marco Wadia	4	2	Yes
Mr. Shailesh Sheth	4	6	Yes
Mr. F. K. Banatwalla	4	6	Yes
Mr. Vishal Jain	4	0	Yes
Mrs. Shikha Jain	1	0	No

Sitting Fees to Directors :

Sitting Fees paid / payable to the directors during the year 2018-19.

Name of the Director	Sitting fees paid/payable (₹)
Mr. Jai Prakash Agarwal	180,000
Mr. Marco Wadia	140,000
Mr. Shailesh Sheth	220,000
Mr. F. K. Banatwalla	220,000
Mr. Vishal Jain	-
Mrs. Shikha Jain	25,000

Listing :

The Company's Equity shares have been listed on Bombay Stock Exchange.

Shareholding Pattern as on 31st March, 2019.

A. Shareholding of Promoter and Promoter group	No. of Shares	%
(i) Indian	461,572	49.48
(ii) Foreign (NRI)	0	0.00
Sub-Total	461,572	49.48
B. Public Shareholding		
(i) Financial Institutions/ Banks	595	0.06
(ii) Bodies Corporate (Indian)	15,162	1.63
(iii) Individuals (Indian)	438,849	47.04
(iv) Foreign Investment		
a. NRI	16,695	1.79
c. Corporate Bodies	0	0.00
Sub-Total	471,301	50.52
GRAND TOTAL	932,873	100.00

Shares held in physical/ demat mode as on 31st March, 2019

	Demat	Physical	Total
No. of Shares	907,412	25,461	932,873
%	97.27	2.73	100.00
No. of Folios	1,754	188	1,942

Financial Section

FINANCIAL SECTION 32-132

STANDALONE SECTION

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CONSOLIDATED SECTION

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Independent Auditor's 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 2019, 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 financial statements, including a summary of significant accounting policies and other explanatory information.(hereinafter referred to as "the financial statements")

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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 (ICAI) 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2019. These matters were addressed in the context of our audit of the 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 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 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 financial statements.

Independent Auditor's Report: (Contd.)

Key Audit Matters	Principal Audit Procedure
<p>Revenue recognition (Refer Note 3.6 of Standalone Ind As Financial Statement)</p> <p>The Company manufactures and sells a number of products and services to its customers, mainly in domestic market through its own sales & distribution network. Sales contracts contain various performance obligations and other terms, including warranties and after sales services. The determination of when significant performance obligations have been met varies, can be the key consideration for revenue recognition, service and the warranty cost.</p> <p>Ind AS -115 - Revenue from Contract with customers has been implemented starting from 1 April, 2018. As a consequence, 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 recognised as revenue.</p> <p>The accounting policies and the note to the standalone financial statement provide additional information on how the Company accounts for its revenue and how the implementation of the Ind AS 115 has affected the Company's financial reporting.</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ol style="list-style-type: none"> a. Evaluated the design of internal controls relating to revenue recognition b. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. c. Carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls. d. Selected a sample of continuing and new contracts and performed the following procedures: <ol style="list-style-type: none"> i. Read, analysed and identified the distinct performance obligations in these contracts. ii. Compared these performance obligations with that identified and recorded by the Company. iii. Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. iv. Samples in respect of revenue recorded customer acceptances, subsequent invoicing and historical trend of collections and disputes. v. Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. vi. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.

Independent Auditor's Report: (Contd.)

Key Audit Matters	Principal Audit Procedure
<p>Trade receivables</p> <p><i>(Refer Note 9 of Standalone Ind As Financial Statement)</i></p> <p>Trade receivable balances are significant to the Company as they amounted to Rs 3341 Lakhs representing 58.43 % of the total current assets and 31.20% of the total revenue of the Company for the year ended March 31, 2019. During the current financial year, the Company has recognised doubtful debts Rs 116 Lakhs. The collectability of trade receivables is a key element of the working capital management, which is managed on an ongoing basis by management. The determination as to whether a trade receivable is collectable involves management judgement. Specific factors management considers include the age of the balances, category of customers, existence of disputes, recent historical payments and any other available information concerning the creditworthiness of customers. Management uses the information to assist in their judgement to determine whether allowance for doubtful / bad debts is required.</p>	<p>a. Obtained an understanding of the Company's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers.</p> <p>b. On a sample basis, requesting trade receivable confirmations and evidence of receipts from the customers subsequent to balance sheet date.</p> <p>c. Analyses of ageing profile of the trade receivables to identify credit risks, reviewing historical Payment patterns and correspondence with customers on expected settlement dates.</p> <p>d. Also evaluated the assumptions and estimates used by management to determine the recoverability, provision for doubtful and trade receivables.</p> <p>e. Evaluated the provisions made for expected credit loss as per ECL model as specified by Ind AS 109.</p> <p>f. Review of documents and other records for trade receivables considered as doubtful and bad.</p>
<p>Assessment of legal cases for Excise Duty (Refer Note 31 of Standalone Ind As Financial Statement)</p> <p>The Company has litigations in respect of certain excise duty pertaining to earlier years. In this regard, the Company has recognised provisions and has disclosed contingent liabilities as at 31st March, 2019. Significant management judgment is required to assess these matters and to determine the probability of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. We focused on this area as the ultimate outcome of matters are uncertain and the positions taken by the management are based on the application of judgment those relating to interpretation of law & regulation.</p>	<p>Our procedures included the following:</p> <p>a. Obtained an understanding, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations;</p> <p>b. Discussed with management the recent developments and the status of these matters;</p> <p>c. Performed our assessment on the underlying calculations supporting the provisions recorded or other disclosures made in the standalone financial statements;</p> <p>d. Evaluated management's assessment of the matters that are not disclosed, as the probability of material out flow is considered to be remote by the management; and</p> <p>e. Assessed the adequacy of the Company's disclosures</p>

Independent Auditor's Report: (Contd.)

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditor's Report: (Contd.)

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 financial statements, including the disclosures, and whether the 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.

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" 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 from time to time;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

Independent Auditor's Report: (Contd.)

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

- I. The Company has disclosed the impact of pending litigations on its financial position in its notes to 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

Sukhendra Lodha

Place: Thane
Dated: 18th May, 2019

Partner
Membership no. 071272

ANNEXURE 'A' To the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Jost's Engineering Company Limited of even date)

- i. In respect of the Company's fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, the fixed assets have been physically verified by the management at reasonable interval under a phase programme of verification . In accordance with this program, certain fixed assets have been physically verified by the management during the year and no material discrepancy have been noticed at such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
 - c. According to the information and explanations given to us and on the basis of our examination, the Company had taken land on lease, classified as operating lease. The title deed of leasehold land is registered in the name of the Company.
- ii. The physical verification of inventory excluding inventories in transit have been conducted at reasonable intervals by the Management during the year. The discrepancies noted on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of accounts.
- iii. According to the information and explanations given to us, the Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of Section 186 of the Companies Act , 2013 in respect of guarantees provided and investment made. The Company has not granted any loan as specified under section 185 of the Companies Act, 2013.
- v. According to the information and explanations given to us, the Company has not accepted deposits from public within the meaning of section 73,74, 75,76 of the Act and the Rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of the 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 on the basis of our examination of the books of account:
 - a. The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Customs Duty, Goods and Service tax, Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us and the records of the Company examined by us, no undisputed statutory dues as above were outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, the dues of sales tax, income tax and duty of excise, which have not been deposited on account of any dispute and the forum where the dispute is pending as on March 31, 2019 are as under :-

ANNEXURE 'A' To the Independent Auditor's Report (Contd.)

Name of the statute	Nature of dues	Amount INR In Lakhs	Period	Forum where dispute is pending
Central Excise Act , 1944	Central Excise	42.00	01.04.2008 to 26.02.2010	CESTAT, Mumbai.
Central Excise Act , 1944	Central Excise	60.44	29.04.2008 to 31.07.2008	CESTAT, Mumbai.
Central Excise Act , 1944	Central Excise	647.79	01.05.2008 to 28.02.2013	CESTAT, Mumbai.
Central Excise Act , 1944	Central Excise	303.11	27.02.2010 to 31.10.2012	CESTAT, Mumbai.
Central Excise Act , 1944	Central Excise	140.04	01.10.2011 to 31.03.2013	CESTAT, Mumbai.
Central Excise Act , 1944	Central Excise	42.95	01.12.2011 to 31.03.2013	CESTAT, Mumbai.
Central Excise Act , 1944	Central Excise	101.09	01.11.2012 to 31.10.2013	CESTAT, Mumbai.
Central Excise Act , 1944	Central Excise	48.94	01.04.2013 to 31.10.2014	CESTAT, Mumbai.
Central Excise Act , 1944	Central Excise	50.81	01.11.2013 to 31.03.2014	CESTAT, Mumbai.
Central Excise Act , 1944	Central Excise	11.00	01.11.2014 to 31.07.2015	CESTAT, Mumbai.
Central Excise Act , 1944	Central Excise	0.62	08.01.2015 to 31.03.2016	CESTAT, Mumbai.
Central Excise Act , 1944	Central Excise	5.49	01.04.16 to 30.06.2017	CESTAT, Mumbai.
The Central Sales Tax Act, 1956	Central Sales Tax	5.01	AY 2009-10	Deputy Commissioner of Sales Tax, Mumbai
The Central Sales Tax Act, 1956	Central Sales Tax	3.09	AY 2010-11	Assistant Commissioner of Sales Tax, Mumbai
The Central Sales Tax Act, 1956	Central Sales Tax	23.48	AY 2011-12	Joint Commissioner of Sales Tax, Mazgaon.
The Central Sales Tax Act, 1956	Central Sales Tax	359.94	AY 2012-13	Deputy Commissioner of Sales Tax, Mumbai
The Central Sales Tax Act, 1956	Central Sales Tax	1.26	AY 2012-13	Sales Tax Officer, Mumbai.
Service tax under Finance Act ,1994	Service Tax	4.27	01.01.1999 to 31.03.2002	Assistant Commissioner of Service Tax, Mumbai-III.
Service tax under Finance Act ,1994	Service Tax	0.39	01.04.2002 to 31.03.2003	Assistant Commissioner of Service Tax, Mumbai-III.
Service tax under Finance Act ,1994	Service Tax	0.78	01.04.2005 to 30.09.2005	Assistant Commissioner of Service Tax, Division VI, Mumbai.

ANNEXURE 'A' To the Independent Auditor's Report (Contd.)

- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to any financial institution or bank as at the Balance sheet date. The Company does not have any loans or borrowings from Government as at Balance sheet date.
- ix. The Company did not raise any money by way of initial public offer or further public offer including debt instruments and term loan during the year.
- 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 course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remunerations in accordance with the requisite approval mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. According to the information and explanation given to us, the Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Singhi & Co.**

Chartered Accountants

Firm Registration Number: 302049E

Sukhendra Lodha

Partner

Place: Thane

Dated: 18th May, 2019

Membership no. 071272

ANNEXURE 'B' To the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Jost's Engineering Company Limited of even date)

Report on the Internal Financial Controls with reference to financial statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statement of **Jost's Engineering Company Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for

ANNEXURE 'B' To the Independent Auditor's Report

ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control with reference to financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control

with reference to financial statement includes those policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at 31st March, 2019, based on the internal control with reference to financial statement 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

Sukhendra Lodha

Place: Thane
Dated: 18th May, 2019

Partner
Membership no. 071272

Standalone Balance Sheet as at 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4A	357.08	342.95
(b) Capital work-in-progress		21.36	30.77
(c) Intangible assets	4B	17.08	22.46
(d) Investment in subsidiary	5A	601.80	300.60
(e) Financial assets			
(i) Investments	5B	1.00	1.00
(ii) Other financial assets	6A	29.13	34.71
(f) Deferred tax assets (net)	6B	197.35	62.68
Total Non-Current Assets		1,224.80	795.17
Current assets			
(a) Inventories	7	1,293.60	1,300.83
(b) Financial assets			
(i) Investments	8	12.16	11.52
(ii) Trade receivables	9	3,224.39	3,426.96
(iii) Cash and cash equivalents	10A	351.74	138.45
(iv) Other balances with bank	10B	199.64	152.60
(v) Loans	11	0.37	24.14
(vi) Other financial assets	12	18.13	35.96
(c) Current tax assets	13	-	4.53
(d) Other current assets	14	617.01	466.79
Total Current Assets		5,717.04	5,561.78
Total Assets		6,941.84	6,356.95
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	15	93.29	93.29
Other equity	16	2,517.23	2,129.82
Total Equity		2,610.52	2,223.11
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17A	17.87	4.35
(b) Provisions	18	207.74	215.19
(c) Other non-current liabilities	19	24.05	32.56
Total Non Current Liabilities		249.66	252.10
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17B	1,063.38	997.01
(ii) Trade payables	20		
Due to micro and small enterprises		161.23	167.54
Due to others		1,904.45	1,712.34
(iii) Other financial liabilities	21	524.36	557.55
(b) Other current liabilities	22	312.26	312.30
(c) Provisions	23A	97.50	135.00
(d) Current tax liabilities	23B	18.48	-
Total Current Liabilities		4,081.66	3,881.74
Total Liabilities		4,331.32	4,133.84
Total Equity and Liabilities		6,941.84	6,356.95

Significant Accounting Policies

1-3

The accompanying notes are an integral part of standalone financial statements

As per our report of even date attached

For **Singhi & Co.**

Chartered Accountants
Firm Registration No. 302049E

Sukhendra Lodha

Partner

Membership No.071272

Place: Thane

Date: 18th May, 2019

For and on behalf of Board of Directors

Vishal Jain

Vice Chairman & Managing Director

F.K. Banatwalla

Director

Kshitiz Bilala

Chief Financial Officer

Babita Kumari

Company Secretary

Place: Thane

Date: 18th May, 2019

Standalone Statement of Profit & Loss For the year ended 31st March, 2019

(₹ in Lakhs)

Sr. no.	Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
INCOME				
	Revenue from operations	24	10,689.17	9,159.20
	Other income	25	55.91	38.92
I	Total Income		10,745.08	9,198.12
EXPENSES				
	Cost of materials consumed	26A	4,230.23	4,561.21
	Purchases of stock-in-trade	26B	2,472.49	1,258.15
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	16.21	(228.15)
	Excise duty		-	120.75
	Employee benefits expense	28	1,778.98	1,584.53
	Finance costs	29	156.57	185.16
	Depreciation and amortization expense	4A,4B	96.16	102.05
	Other expenses	30	1,631.15	1,436.61
II	Total Expenses		10,381.79	9,020.31
III	Profit before tax (I-II)		363.29	177.81
	Less: Tax expense			
	(1) Current tax		75.38	29.89
	(2) Deferred tax		(134.15)	(48.19)
	(3) Short/(Excess) provision for tax of earlier years		10.80	(11.29)
IV	Total tax expense		(47.97)	(29.59)
V	Profit for the year		411.26	207.40
	Other Comprehensive Income (OCI)			
	(i) Items that will not be reclassified to profit or loss			
	(a) Measurement of defined employee benefit plan		(1.88)	(46.89)
	(b) Income tax relating to above items		0.52	14.49
VI	Total Other Comprehensive Income		(1.36)	(32.40)
VII	Total Comprehensive Income for the period (V+VI)		409.90	175.00
VIII	Basic and Diluted Earnings per share (not on annualized basis)		44.09	24.16

Significant Accounting Policies

1-3

The accompanying notes are an integral part of standalone financial statements

As per our report of even date attached

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

Sukhendra Lodha

Partner

Membership No.071272

Place: Thane

Date: 18th May, 2019

For and on behalf of Board of Directors

Vishal Jain

Vice Chairman & Managing Director

F.K. Banatwalla

Director

Kshitiz Bilal

Chief Financial Officer

Babita Kumari

Company Secretary

Place: Thane

Date: 18th May, 2019

Statement of Changes in Equity

a. Equity Share Capital

(₹ in Lakhs)

Particulars	Note No.	Amount
As at 1st April, 2017	15	76.46
Changes in equity share capital		16.83
As at 31st March, 2018	15	93.29
Changes in equity share capital		-
As at 31st March, 2019	15	93.29

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	
Balance as at 1st April, 2017	115.80	670.43	229.78	-	1,016.01
Other Comprehensive Income for the year ended 31st March, 2018	-	-	-	(32.40)	(32.40)
Dividend including Dividend Distribution Tax	-	(9.25)	-	-	(9.25)
Addition during the year					
Issue of right shares(Net off share issue expenses)	948.06	-	-	-	948.06
Profit/(Loss) for the year	-	207.40	-	-	207.40
Balance as at 31st March, 2018	1,063.86	868.58	229.78	(32.40)	2,129.82
Other Comprehensive Income for the year ended 31st March, 2019	-	-	-	(1.36)	(1.36)
Dividends including Dividend Distribution Tax	-	(22.49)	-	-	(22.49)
Addition during the year					
Profit/(Loss) for the year	-	411.26	-	-	411.26
Balance as at 31st March, 2019	1,063.86	1,257.35	229.78	(33.76)	2,517.23

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E
Sukhendra Lodha
Partner
Membership No.071272
Place: Thane
Date: 18th May, 2019

For and on behalf of Board of Directors

Vishal Jain
Vice Chairman & Managing Director
F.K. Banatwalla
Director
Kshitiz Bilala
Chief Financial Officer
Babita Kumari
Company Secretary
Place: Thane
Date: 18th May, 2019

Standalone Statement of Cash Flow For the year ended 31st March, 2019

(₹ in Lakhs)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/ (LOSS) AFTER TAX	411.26	207.40
ADJUSTMENTS FOR:		
Depreciation	96.16	102.05
(Profit) /Loss on sale of assets	8.20	(0.62)
Deferred tax	(134.67)	(48.19)
Provision for Income Tax	75.38	29.89
Short /(Excess) provision of earlier years	10.80	(11.29)
Dividend income	(0.74)	(0.66)
Subsidy income	(9.59)	-
Advances in Subsidiary written off	28.41	-
Interest expense	112.82	154.97
Interest income	(7.64)	(13.78)
Provision for doubtful debts	(37.94)	49.43
Bad debts & Deposits written off during the year	162.17	-
Actuarial Gain /(Loss) transferred to OCI	(1.36)	(46.89)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	713.26	422.31
Adjustments for :		
Trade receivables	97.15	(458.86)
Inventories	7.23	(359.17)
Trade payables	185.80	220.92
Other current financial assets and liabilities	(6.18)	68.08
Other current liabilities	18.48	-
Other current assets and liabilities	(277.94)	181.24
CASH GENERATED FROM OPERATIONS	737.80	74.52
Taxes paid (Net of refunds)	(24.18)	(7.45)
NET CASH GENERATED FROM OPERATING ACTIVITIES A	713.62	67.07
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property,Plant and Equipment, Intangible assets and Capital WIP	(103.71)	(180.72)
Sale of Property,Plant and Equipment	-	2.30
Investment in deposits	5.58	(1.23)
Purchase of Investments	(0.62)	-
Investment in Subsidiary	(301.20)	(300.60)
Interest received	7.64	13.78
Dividend received	0.74	0.66
NET CASH USED IN INVESTING ACTIVITIES B	(391.57)	(465.81)

Standalone Statement of Cash Flow For the year ended 31st March, 2019 (Contd.)

(₹ in Lakhs)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from equity shares	-	964.87
Proceeds from borrowings	236.49	34.16
Repayment of borrowings	(20.60)	(125.44)
Dividend paid (including tax)	(22.49)	(9.25)
Interest paid	(109.93)	(154.97)
NET CASH USED IN FINANCING ACTIVITIES	83.47	709.37
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	405.52	310.63
Add: Cash and cash equivalents at the beginning of the year	(492.58)	(803.21)
Cash and cash equivalents at the end of the year	(87.06)	(492.58)
Cash and cash equivalents as per above comprises of the following :		
Cash and cash equivalent (Note 10A)	351.74	138.45
Other bank balances (Note 10B)	199.64	152.60
	551.38	291.05
Bank Overdraft	(638.44)	(783.63)
Balances as per statement of Cash Flows	(87.06)	(492.58)
Debt reconciliation statement in accordance with Ind As 7		
Borrowings		
Opening balances	1020.85	929.57
Movement	70.71	91.28
Closing Balance	1091.56	1020.85

*Bank overdraft and cash credit facility are part of above debt reconciliation

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

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E
Sukhendra Lodha
Partner
Membership No.071272
Place: Thane
Date: 18th May, 2019

For and on behalf of Board of Directors

Vishal Jain
Vice Chairman & Managing Director
F.K. Banatwalla
Director
Kshitiz Bilala
Chief Financial Officer
Babita Kumari
Company Secretary
Place: Thane
Date: 18th May, 2019

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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 financial statements were approved and adopted by Board of Directors of the Company in their meeting held on May 18, 2019.

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 the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Application of accounting policies that require critical accounting estimates and assumptions having the most significant effect on the amounts recognized in the financial statements are:

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

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.

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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(c) Depreciation:

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

The economic useful lives of assets are assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

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

The estimated useful lives of PPE are as follows:

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

3.2 Intangible assets:

(a) Recognition and measurement:

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

(b) Derecognition of Intangible Assets:

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

(c) Amortisation:

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

The estimated useful life are as follows:

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

3.3 Leases:

At the inception of a lease, the lease arrangement is classified either as a finance lease or an operating lease, based on the substance of the lease arrangement. If the terms of lease substantially transfer all the risks and rewards, then leases are classified as finance lease. All other leases are classified as operating lease.

(a) Assets taken on finance lease:

Assets held under finance leases are initially recognized as an asset and a lease obligation at the lower of the fair value of the asset and the present value of minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Minimum lease payments are apportioned between finance expense and reduction of the outstanding lease obligation. Finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease obligation. Finance expense is recognized immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying asset, in which case they are capitalized in accordance with the policy on borrowing costs.

(b) Assets taken on operating lease:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

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

At the end of each reporting period, the Company reviews the carrying amounts of Property, Plant and Equipment and other intangible assets to

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

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

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

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

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:

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

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

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

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

3.6 Revenue recognition:

The Company derives revenue from sale of material handling and engineered products. Effective 1st April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - "Revenue from Contract with customers". The effect of adoption of Ind AS - 115 was insignificant. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of GST, returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue from sale of goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer which generally coincides with dispatch of goods from factory/stock points, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods to the degree usually associated with the ownership, and the amount of revenue can be measured reliably, regardless of when the payment is being made.

(a) Sale of goods

Sales are recorded net of trade discounts, quantity discounts, rebates, indirect taxes. Sales include Excise duty but exclude Sales Tax, Value Added Tax and Goods and Service Tax (GST). 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

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

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 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

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

before tax as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using the tax rates that have been enacted or substantially enacted by the end of the reporting period.

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

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

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).

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

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 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.

Derecognition

The Company derecognises financial asset when the contractual right to the cash flows from the asset expires, or when it transfers the

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

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 collateralised 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 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.

Derecognition

Financial liabilities are derecognised 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 derecognised 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".

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

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 Investments in Subsidiaries :

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

3.17 Recent accounting pronouncements

Amendment to Ind AS 19 - plan amendment, curtailment or settlement- The amendment clarifies the accounting for defined benefit plans on plan amendment, curtailment and settlement.

Amendment to Ind AS 12 - Income taxes : The amendment clarifies the accounting for income tax consequences on distribution of profits. Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of

leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Ind AS 109 - Financial Instruments - The amendment enables entities to measure certain financial assets with prepayment features that may yield a negative compensation on prepayment.

Ind AS 23 - Borrowing Cost - This amendment clarifies the borrowing cost to be Considered for capitalisation. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of all this amendment on the standalone financial statements.

3.18 Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas involved a high degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgement are :

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

4A PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Gross carrying value				Depreciation				Net carrying value	
	As at 1st April, 2018	Additions	Sale/ Disposal	As at 31st March, 2019	As at 1st April, 2018	Additions	Sale/ Disposal	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
	Building	18.58	-	-	18.58	3.35	2.12	-	5.47	13.11	15.25
Computer & Peripheral	67.77	19.06	4.79	82.04	38.30	21.13	4.52	54.91	27.13	29.44
Furniture and Fixture	72.33	1.31	7.88	65.76	27.66	11.39	7.05	32.00	33.76	44.68
Office Equipment	12.18	1.75	0.89	13.04	5.89	2.79	0.80	7.88	5.16	6.30
Plant & Machinery	319.21	58.89	47.08	331.02	85.45	44.13	40.40	89.18	241.84	233.72
Vehicle	22.05	30.33	6.89	45.49	8.52	7.44	6.55	9.41	36.08	13.56
Total	512.12	111.34	67.53	555.93	169.17	89.00	59.32	198.85	357.08	342.95
Capital Work in progress									21.36	30.77

(₹ in Lakhs)

Particulars	Gross carrying value				Depreciation				Net carrying value	
	As at 1st April, 2017	Additions	Sale/ Disposal	As at 31st March, 2018	As at 1st April, 2017	Additions	Sale/ Disposal	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
	Building	9.18	9.40	-	18.58	0.40	2.95	-	3.35	15.25	8.79
Computer & Peripheral	35.52	32.73	0.48	67.77	16.97	21.83	0.50	38.30	29.44	18.57
Furniture and Fixture	60.07	12.26	-	72.33	14.48	13.18	-	27.66	44.68	45.62
Office Equipment	7.21	4.97	-	12.18	2.83	3.06	-	5.89	6.30	4.39
Plant & Machinery	255.38	65.06	1.23	319.21	39.73	46.77	1.05	85.45	233.72	215.67
Vehicle	9.10	14.38	1.43	22.05	3.21	5.31	-	8.52	13.56	5.90
Total	376.46	138.80	3.14	512.12	77.62	93.10	1.55	169.17	342.95	298.94

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

4B INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Gross carrying value		Amortisation			Net carrying value	
	As at 1st April, 2018	As at 31st March, 2019	As at 1st April, 2018	Additions	Sale/ Disposal	As at 31st March, 2019	As at 31st March, 2018
Computer software and license	35.20	36.98	12.74	7.16	-	19.90	22.46
Total	35.20	36.98	12.74	7.16	-	19.90	22.46

(₹ in Lakhs)

Particulars	Gross carrying value		Amortisation			Net carrying value	
	As at 1st April, 2017	As at 31st March, 2018	As at 1st April, 2017	Additions	Sale/ Disposal	As at 31st March, 2018	As at 31st March, 2017
Computer software and license	24.05	35.20	3.79	8.95	-	12.74	20.26
Total	24.05	35.20	3.79	8.95	-	12.74	20.26

Notes:

1. As per Ind AS - 36 - "Impairment of Assets", no provision for Impairment of Assets is required.
2. As per Ind AS 16 assets in the course of development are reflected in capital work in progress. Costs associated with the development are capitalised when the asset is ready to use. Revenue generated from production during the trial period will be credited to capital work in progress.
3. Capital work in progress as at 31st March, 2019 primarily represents registration fees and other expenses incurred in relation to purchase of land at Murbad, Thane.
4. Company during the year has capitalised ₹ 30.77 lakhs incurred towards development of Diesel Forklift.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

5A INVESTMENT IN SUBSIDIARY

(₹ in Lakhs)

Particulars	As at 31st March, 2019			As at 31st March, 2018	
	Number	Face Value	Amount	Number	Amount
Equity shares fully paid in subsidiary company at cost					
MHE Rentals India Pvt Ltd	6,018,000	10	601.80	3,006,000	300.60
Total			601.80		300.60

Notes: (i) There is no permanent diminution in the value of the Investment

(ii) Refer note no. 39

5B NON-CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2019			As at 31st March, 2018	
	Number	Face Value	Amount	Number	Amount
Investments at Cost					
(a) Investment in Equity shares (Unquoted) (Fully Paid up) Zoroastrian Co-Operative Bank Ltd.	4000	25	1.00	4,000	1.00
Total			1.00		1.00

Aggregate Book Value of Non current Investments

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March 2018
Unquoted - At Cost	602.80	301.60

6A OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(1) Security Deposit Unsecured, considered good unless otherwise stated.	27.51	25.61
(2) Fixed Deposits as Margin Money against LC & BG *	1.19	8.67
(3) Prepaid lease hold land	0.43	0.43
Total	29.13	34.71

(*) Original maturity of more than twelve months

6B DEFERRED TAX (LIABILITY)/ ASSET

(₹ in Lakhs)

Deferred Tax Asset	As at 31st March, 2019	As at 31st March, 2018
Deferred tax assets	197.35	62.68
Deferred tax liabilities	-	-
Deferred tax asset(net)	197.35	62.68

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

6B DEFERRED TAX (LIABILITY)/ ASSET (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March 2018	(Charged) / credited to Profit & Loss	(Charged) / credited to Other Comprehensive Income	As at 31st March, 2019
Nature of timing difference:				
Deferred tax asset				
On depreciable assets	0.34	5.01	-	5.35
On provision for gratuity	14.49	44.21	0.52	59.22
On provision for doubtful debts	47.85	(15.32)	-	32.53
On provision for leave encashment	-	15.80	-	15.80
On account MAT credit entitlement	-	78.30	-	78.30
On expenses allowable on payment/ actual basis U/s 43B	-	6.15	-	6.15
Deferred tax asset	62.68	134.15	0.52	197.35

(a) The Company has recognised Deferred tax asset amounting to ₹ 134.67 lakhs (Previous year ₹ 62.68 Lakhs) in the Financial Year 2018-19 as the Company is estimating future taxable profits against which the Deferred tax asset can be set off.

(b) The Company has recognised MAT credit entitlement for the year ₹ 37.61 lakhs and earlier year ₹ 40.69 Lakhs and the same is reflected under Deferred Tax asset

7 INVENTORIES

Valued at lower of cost and net realisable value

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March 2018
a. Raw Materials	644.37	631.09
b. Work-in-progress	19.77	40.44
c. Finished goods	267.12	222.33
d. Stock-in-trade	360.59	400.91
e. Stores and spares	1.75	6.06
Total	1,293.60	1,300.83

8 CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2019	As at 31st March, 2018
	Unit value	Number of units		
(a) Investments in Mutual Funds units valued at fair value through P & L account				
Reliance Money Manager Fund	1,007.96	827.54	8.34	7.90
Reliance Money Manager Fund	1,007.94	379.42	3.82	3.62
Total			12.16	11.52

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

9 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade Receivables		
Unsecured, considered good	3,224.39	3,426.96
Considered doubtful	116.91	154.84
	3,341.30	3,581.80
Less: Provision for credit loss	(116.91)	(154.84)
Total	3,224.39	3,426.96

10A CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash on hand	1.23	2.36
Balances with Banks		
In current account	139.47	106.07
In EEFC account	11.04	30.02
Fixed deposit with maturity less than three months	200.00	-
Total	351.74	138.45

10B OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Earmarked balances with banks (unclaimed dividend account)	8.94	12.86
Bank Deposits as Margin Money against LC & BG *	190.70	139.74
Total	199.64	152.60

(*) 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, 2019	As at 31st March, 2018
Advances	0.37	24.14
Total	0.37	24.14

12 OTHER CURRENT FINANCIAL ASSETS**Unsecured, considered good unless otherwise stated**

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Duty recoverable	3.81	9.36
Security deposit	-	14.30
Interest receivables	6.42	5.77
Accrued commission	7.90	6.53
Total	18.13	35.96

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

13 CURRENT TAX ASSETS

(₹ in Lakhs)

Particulars	As at	
	31st March, 2019	31st March, 2018
Advance tax and tax deducted at source less provision	-	4.53
Total	-	4.53

14 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at	
	31st March, 2019	31st March, 2018
Balances with government authorities		
a) VAT Credit	145.31	178.23
b) Deposit with Excise (under protest)	154.05	154.07
c) Others	39.73	14.30
Advance to employees	7.06	4.23
Prepaid Expense	4.83	4.19
Tender Deposits	54.12	58.94
Advance to Creditors	81.12	52.83
Capital advances (Refer Note no. 32)	121.20	-
Subsidy receivable	9.59	-
Total	617.01	466.79

15 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at		As at	
	31st March, 2019		31st March, 2018	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹ 10/- each	1,000,000	100.00	1,000,000	100.00
Issued				
Equity Shares of ₹ 10/- each	932,873	93.29	932,873	93.29
Subscribed & Fully Paid up				
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		As at	
	31st March, 2019		31st March, 2018	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	932,873	93.29	764,650	76.46
Issue of right shares during the year	-	-	168,223	16.83
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	932,873	93.29	932,873	93.29

- b. The company has only one class of issued shares i.e Equity Shares having par value of ₹ 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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

15 EQUITY SHARE CAPITAL (Contd.)

- 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, 2019		As at 31st March, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Jai Prakash Agarwal	132,991	14.26	132,991	14.26
Mrs. Krishna Agarwal	48,800	5.23	48,800	5.23
Mrs. Shikha Jain	112,821	12.09	112,821	12.09
Mr. Vishal Jain	118,215	12.67	118,215	12.67
Mr. Sharad K. Shah	71,794	7.70	71,794	7.70

- e. During the last 5 years, the Company has neither issued any bonus shares nor allotted any shares pursuant to a contract without payment being received in Cash.
- f. No calls are unpaid by any director or officer of the company at the end of the reporting period.
- g. As per records of the Company, no shares have been forfeited by the Company during the year.

16 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
a. Securities Premium Account		
Balance at the beginning of the year	1,063.86	115.80
Add:		
Issue of right shares during the year	-	982.43
Unpaid calls received during the year	-	-
Less:		
Right issue expense	-	(34.37)
Closing Balance	1,063.86	1,063.86
b. General Reserve		
Balance at the beginning of the year	229.78	229.78
Add:		
Current year transfer	-	-
Closing Balance	229.78	229.78
c. Retained Earnings		
Balance at the beginning of the year	868.58	670.43
Add:		
Profit/ (loss) for the year	411.26	207.40
Less:		
Dividend paid for the previous year (including Dividend Distribution Tax)	(22.49)	(9.25)
Closing Balance	1,257.35	868.58
d. Other comprehensive income (OCI)		
Balance at the beginning of the year	(32.40)	-
Add:		
Remeasurement of defined benefit plan	(1.36)	(32.40)
Closing Balance	(33.76)	(32.40)
Total	2,517.23	2,129.82

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

17A NON-CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured:		
Vehicle loan from bank (*)	17.87	4.35
Total	17.87	4.35

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

Vehicle loans : Repayable in 36 to 60 monthly installments, ending upto August 2023. Interest rates ranges from 8.75% p.a. to 9.10% p.a.

17B CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured:		
From Banks (Repayable on demand):-		
(a) Cash Credit	245.12	213.38
(b) Bank overdraft	638.44	783.63
Unsecured		
Letter of credit discounted with Bank	179.82	-
Total	1,063.38	997.01

Details of terms of repayments

Cash credit and Bank overdraft facilities are secured by hypothecation of stocks and book debts and an equitable mortgage on the company's properties at Plot no C-7 Wagle Industrial Estate, Road No. 12, Thane on pari passu basis. Interest rates at 11% p.a. to 11.35 % p.a.

18 NON-CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits		
Superannuation	18.21	19.12
Gratuity	150.55	153.92
Leave Encashment	38.98	42.15
Total	207.74	215.19

19 OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Dealer deposits	24.05	32.56
Total	24.05	32.56

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

20 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Dues of Micro and Small Enterprises (Note a)	161.23	167.54
Dues to other creditors	1,904.45	1,712.34
Total	2,065.68	1,879.88

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	161.23	167.54
(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	-	-
(v) Total outstanding dues of Micro and Small Enterprises		
- Principal	161.23	167.54
- Interest	-	-

Interest amount will be provided in the books of accounts as and when claimed by the enterprises, if any.

21 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current maturity of term loan (*)		
Vehicle	10.30	5.29
Machinery	-	14.20
Unpaid Dividend	8.94	12.87
Advances from customers	201.57	192.02
Creditors for other liabilities	126.37	172.64
Employee Security deposit	2.65	1.91
Security deposit	-	2.14
Other payables	22.39	6.99
Salary and Reimbursements	152.14	149.49
Total	524.36	557.55

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

Vehicle loans : Repayable in 36 to 60 monthly installments, ending upto August 2023. Interest rates ranges from 8.75% p.a. to 9.10% p.a.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

22 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
1) Statutory dues payable		
(a) Tax Deducted at Source	23.07	19.06
(b) Provident Fund and other employee deductions	11.58	12.42
(c) GST	128.07	126.90
(d) VAT, Service tax, Excise duty	-	0.12
(e) Others	2.89	-
2) Revenue received in advance	28.16	68.63
3) Provision for expense	118.49	85.17
Total	312.26	312.30

23A CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for warranty claims	15.19	7.10
Provision for employee benefits		
Superannuation	2.16	7.07
Gratuity	62.32	98.20
Leave Encashment	17.83	22.63
Total	97.50	135.00

23B CURRENT TAX LIABILITY

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current Tax Liability (net of tax paid / refund)	18.48	-
Total	18.48	-

24 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Sale of Products		
Sale of manufactured goods(*)	5,838.45	6,215.09
Sale of traded goods	3,302.87	1,735.72
Total (A)	9,141.32	7,950.81
(b) Sale of Services		
Sale of services	744.67	545.51
Total (B)	744.67	545.51
(c) Other Operating Revenues		
Commission Income	794.91	653.54
Scrap & sundry sales	8.27	7.87
Other operating income	-	1.47
Total (C)	803.18	662.88
Total (A+ B+ C)	10,689.17	9,159.20

Note: (*)Sale of manufactured goods includes excise duty - 120.75

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

25 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest Income	7.64	13.78
Dividend Income	0.74	0.66
Net gain from foreign currency transactions and translation	-	23.86
Net gain on sale of fixed assets	-	0.62
Excess provision of doubtful debts written back	37.94	-
Subsidy receivable	9.59	-
Total	55.91	38.92

26A COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Raw material consumed		
Opening stock	631.09	503.97
Purchases	4,243.51	4,688.33
Closing stock	644.37	631.09
Cost of material consumed	4,230.23	4,561.21

Breakup of cost of material consumed

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Cost of material consumed		
Steel	145.71	115.05
Batteries	1,194.53	826.87
Others (Tyres, Controller, motor, battery charger etc.)	2,889.99	3,619.29
Total	4,230.23	4,561.21

26B PURCHASE OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Purchase of traded goods		
Engineered Equipments	1,949.06	1,063.04
Other Components, accessories, spares, etc.	523.43	195.11
Total	2,472.49	1,258.15

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

27 CHANGES IN INVENTORIES

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade		
Opening Stocks :		
Finished Goods - Manufactured	222.33	63.24
Finished Goods - Traded	400.91	280.99
Work-in-Progress	40.45	91.31
	663.69	435.54
Less: Closing Stocks :		
Finished Goods - Manufactured	267.12	222.33
Finished Goods - Traded	360.59	400.91
Work-in-Progress	19.77	40.45
	647.48	663.69
Total	16.21	(228.15)

28 EMPLOYEE BENEFIT EXPENSE

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries, wages & bonus	1,668.80	1,470.31
Contributions to provident fund, gratuity and other funds	66.03	70.38
Staff welfare expenses	44.15	43.84
Total	1,778.98	1,584.53

29 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest expense on term loan, cash credit & bank overdraft	107.70	141.74
Interest expense on other loans	5.12	13.23
Bank charges	43.75	30.19
Total	156.57	185.16

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

30 OTHER EXPENSES

(₹ in Lakhs)		
Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Sub contract and labour charges	192.00	158.42
Stores and spare parts consumed	24.21	17.39
Fuel and power	35.68	36.12
Repairs & maintenance (factory and office)	37.59	46.80
Repairs to machinery	14.37	16.74
Rent	59.56	67.30
Rates and taxes	27.94	68.57
Sales tax of earlier year write off	29.15	-
Insurances	9.63	9.97
Travelling expenses	154.97	157.84
Postage, telephone and internet	43.30	40.45
Commission Expense	32.45	32.53
Testing and calibration	104.75	86.70
Advances in Subsidiary written off	28.41	-
Printing and stationery	14.93	12.91
Legal and professional charges	144.77	93.44
Audit fees (Refer note (a) below)	19.43	19.10
Conveyance expenses	133.22	115.15
Provision for doubtful debts	-	65.14
Provision for doubtful advances & deposits	-	4.02
Bad Debts written off	143.34	-
Deposits written off	18.83	-
Loss on assets discarded	8.20	-
Freight on sales	201.43	262.09
Motor vehicle expenses	4.04	8.55
Directors' fees	7.85	14.70
Net loss on foreign currency transactions and translation	1.79	-
Miscellaneous expenses	139.31	102.68
Total	1,631.15	1,436.61

Note (a) :

Auditor's Remuneration

(₹ in Lakhs)		
Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Audit Fees	16.00	15.00
(b) Tax audit fees	3.05	3.05
(c) Reimbursement of out of pocket expenses	0.38	1.05
Total	19.43	19.10

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

31 CONTINGENT LIABILITIES

(₹ in Lakhs)

Sr No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
(a)	Claims against company not acknowledged as debts		
i)	Sales Tax demands (Net)	392.78	91.43
ii)	Service Tax demands	5.44	5.44
iii)	Excise duty demands (Net)	1,454.28	1,448.79
iv)	Other Matters	6.25	9.10
b)	Bank Guarantees for performance of contracts	588.15	760.73
c)	On account of corporate guarantee to bankers on behalf of subsidiary for facilities availed by them (amount outstanding at close of the year)	1,479.89	717.61
d)	Letter of Credit (LC) issued to Vendors	206.73	100.10
	Total	4,133.52	3,133.20

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

32 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, 2019	As at 31st March, 2018
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for.	432.80	513.32

Note:

- The 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 company has made an advance of ₹ 121.20 lacs towards the agreement (Refer note no 14) and the balance is estimated capital commitment for the year. The land is located at MIDC Murbad, District Thane. The rationale behind investment is for expansion of Company's manufacturing activities.

33 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Company consists of debt and total equity of the Company. The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, External-commercial borrowings and short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company. The Company is not subject to any externally imposed capital requirements.

Total debt includes all long and short-term debts as disclosed in notes 17A,17B and 21 to the financial statements. The gearing ratio at the end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total Debt	1,091.55	1,020.85
Total Equity	2,610.52	2,223.11
Debt to Equity Ratio	0.42	0.46

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (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 & other short term receivables, trade payables, other financial liabilities, short term loans from banks, approximate their carrying amount largely due to short term maturities of these instruments.

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

Accounting classification and fair value:

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

Financial Instrument by category

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

Financial Instrument by category

Particulars	Note No.	31st March, 2018		
		Fair Value routed through Profit & Loss	Carried at Amortised cost	Total
(₹ in Lakhs)				
FINANCIAL ASSETS				
Non-Current Assets				
(i) Investments	5B	-	1.00	1.00
(ii) Others	6A	-	34.71	34.71
Current Assets				
(i) Investments	8	11.52	-	11.52
(ii) Trade receivables	9	-	3,426.96	3,426.96

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(₹ in Lakhs)

Particulars	Note No.	31st March, 2018		
		Fair Value routed through Profit & Loss	Carried at Amortised cost	Total
(iii) Cash and cash equivalents	10A	-	138.45	138.45
(iv) Other bank balances	10B	-	152.60	152.60
(v) Loans	11	-	24.14	24.14
(vi) Other Financial Assets	12	-	35.96	35.96
Total Financial Assets		11.52	3,813.82	3,825.34
FINANCIAL LIABILITIES				
Non-Current Liabilities				
(i) Borrowings	17A	-	4.35	4.35
Current liabilities				
(i) Borrowings	17B	-	997.01	997.01
(ii) Trade payables	20	-	1,879.88	1,879.88
(iii) Other financial liabilities	21	-	557.55	557.55
Total Financial Liabilities		-	3,438.79	3,438.79

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.

Trade Receivables

(₹ in Lakhs)

	Effect on profit before tax		Effect on pre tax equity	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2019				
USD (Movement by 10%)	0.77	(0.77)	0.77	(0.77)
Euro (Movement by 10%)	25.95	(25.95)	25.95	(25.95)
March 31, 2018				
USD (Movement by 10%)	6.65	(6.65)	6.65	(6.65)
Euro (Movement by 10%)	34.37	(34.37)	34.37	(34.37)

Trade Payables

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

35 FINANCIAL RISK MANAGEMENT FRAMEWORK (Contd.)

(₹ in Lakhs)

	Effect on profit before tax		Effect on pre tax equity	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2019				
USD (Movement by 10%)	3.58	(3.58)	3.58	(3.58)
Euro (Movement by 10%)	13.66	(13.66)	13.66	(13.66)
March 31, 2018				
USD (Movement by 10%)	3.33	(3.33)	3.33	(3.33)
Euro (Movement by 10%)	7.32	(7.32)	7.32	(7.32)

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)

Particulars	31st March, 2019		31st March, 2018	
	USD	EUR	USD	EUR
Trade payables	35.84	136.64	33.26	73.17
Trade receivables	7.68	259.46	66.53	343.66

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, 2019	As at 31st March, 2018
Fixed Rate Instruments:		
Financial Liabilities	28.17	23.85
Variable Rate Instruments:		
Financial Liabilities	781.04	969.24

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)

Particulars	31st March, 2019		31st March, 2018	
	Sensitivity Analysis	Impact on Profit and Loss	Sensitivity Analysis	Impact on Profit and Loss
Variable Rate Borrowings				
Interest Rate Increase by	1.00%	7.81	1.00%	9.69
Interest Rate Decrease by	1.00%	7.81	1.00%	9.69

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

35 FINANCIAL RISK MANAGEMENT FRAMEWORK (Contd.)

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 analysing 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 2019:

(₹ in Lakhs)

Particulars	Note No.	31st March 2019		
		0 to 1 Year	More than 1 year	Total
FINANCIAL LIABILITIES				
Non-Current Liabilities				
(i) Borrowings	17A	-	17.87	17.87
Current liabilities				
(i) Borrowings	17B	1,063.38	-	1,063.38
(ii) Trade payables	20	2,065.68	-	2,065.68
(iii) Other financial liabilities	21	524.36	-	524.36
Total Financial Liabilities		3,653.42	17.87	3,671.29

The following are the remaining contractual maturities of financial liabilities as at 31st March 2018:

(₹ in Lakhs)

Particulars	Note No.	31st March 2018		
		0 to 1 Year	More than 1 year	Total
FINANCIAL LIABILITIES				
Non-Current Liabilities				
(i) Borrowings	17A	-	4.35	4.35
Current liabilities				
(i) Borrowings	17B	997.01	-	997.01
(ii) Trade payables	20	1,879.88	-	1,879.88
(iii) Other financial liabilities	21	557.55	-	557.55
Total Financial Liabilities		3,434.44	4.35	3,438.79

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

36 EMPLOYEE BENEFITS

A. Defined Contribution Plan

The Company has recognized ₹ 19.32 lakh for provident fund contribution in the Statement of Profit and Loss for the year ended March 31, 2019 (March 31, 2018 - ₹ 20.41 lakh).

B. Defined Benefit Plan

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

Particulars	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
i) Reconciliation of defined benefit obligation		
Liability at the beginning of the year	286.46	254.53
Current Service Cost	14.46	13.19
Interest cost	15.48	17.25
Actuarial losses/(gains) arising from:		
Demographic assumption	-	10.34
Financial assumption	1.97	1.05
Experience Gain/(Loss) on Plan Assets	(7.23)	38.93
Benefits Paid	(79.17)	(48.83)
Projected benefit obligation at the end of the year	231.97	286.46
ii) Reconciliation of Fair Value of Plan Asset		
Fair value of the Plan assets at the beginning of the year	36.50	37.85
Expected return on plan Assets	(7.14)	3.44
Contribution	64.00	44.13
Benefits Paid	(79.17)	(48.83)
Actuarial Gain/ (Loss) on plan assets	4.90	(0.09)
Fair value of plan asset at the end of the year	19.09	36.50
iii) Expenses recognized in statement of profit or loss under the head employee benefit expenses		
Current Service Cost	14.46	13.19
Interest Expense on DBO	10.57	17.33
Expenses recognized in Statement of Profit or Loss	25.03	30.52
iv) Re-measurement for the period		
Experience Gain/(Loss) on Plan Liabilities	(7.23)	38.93
Demographic Gain/(Loss) on Plan Liabilities	-	10.34
Financial Gain/(Loss) on Plan Liabilities	1.97	1.05
Actuarial Gain/ (Loss) on plan assets	(4.90)	0.09
Total Actuarial Gain/(Loss) included in OCI	(10.16)	50.41
v) Amount recognized in Other Comprehensive Income (OCI)		
Opening Amount recognized in OCI	46.89	-
Re-measurement for the period - Plan Assets (gain)/loss	7.14	(3.43)
Experience adjustments	(7.23)	38.93
Changes in financial assumptions	1.97	1.05
Changes in demographic assumptions	-	10.34
Total re-measurement cost/(credit) for the period recognized in OCI	-	-
Closing Amount recognized in OCI	48.77	46.89
vi) Principal Actuarial Assumptions		
Financial Assumptions		
Discount Rate	6.75%	7.05%
Salary Escalation	5.00%	5.00%

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

36 EMPLOYEE BENEFITS (Contd.)

(₹ in Lakhs)

Particulars	As at	As at
	31st March 2019	31st March 2018
Demographic Assumptions		
	IALM (2006-08)	IALM (2006-08)
	Ultimate	Ultimate
Mortality Rate		
Withdrawal Rate	0.00965	0.00994
Retirement age	58	58

(₹ in Lakhs)

Particulars	As at	As at
	31st March 2019	31st March 2018
Amount recognised in Balance Sheet		
Present value of defined benefit obligation	231.96	286.46
Fair value of plan assets	19.09	36.50
Net (Liability)/ Asset recognised in the Balance Sheet	212.87	249.96

- (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	As at
	31st March 2019	31st March 2018
Unquoted	11.25	12.91
Insurer Managed Funds *	7.84	23.58

*The Company maintains gratuity fund, which is being administered by Life Insurance corporation. Fund Value confirmed by Life Insurance Corporation as at March 31, 2019 is considered to be the fair value.

A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

Particulars	31st March, 2019		31st March, 2018	
	Increase	Decrease	Increase	Decrease
Sensitivity Analysis				
Discount rate (0.5% movement)	1.41%	1.45%	-1.22%	1.26%
Defined benefit obligation(₹ in Lakhs)	228.69	235.33	282.97	290.06
Future salary growth (0.5% movement)	1.47%	1.44%	1.28%	-1.25%
Defined benefit obligation(₹ in Lakhs)	235.38	228.62	290.11	282.88

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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

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.

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2019			For the Year Ended 31st March, 2018		
	Material Handling	Engineered Products	Total	Material Handling	Engineered Products	Total
Segment Revenue						
Revenue from operations	6,323.67	2,817.65	9,141.32	6505.78	1,445.03	7,950.81
Commission Income	17.25	777.66	794.91	2.67	650.87	653.54
Other Income	211.14	590.31	801.45	169.94	407.28	577.22
	6,552.06	4,185.62	10,737.68	6,678.39	2,503.18	9,181.57
Unallocated Income			7.40			16.55
Total			10,745.08			9,198.12
Segment Results						
Segment results/ operating Profit / (Loss)	42.03	1,017.16	1,059.19	84.72	610.53	695.25
Unallocated income (including income from interest/ dividend)			7.40			16.55
Unallocated expenses			546.73			348.84
Interest Expenses			156.57			185.15
Profit/ (Loss) before tax			363.29			177.81
Provision for taxation - current tax			75.38			29.89
Excess Provisions for Income Tax in respect of earlier years			10.80			(11.29)
Deferred Tax			(134.15)			(48.19)
Profit/(Loss) after Tax			411.26			207.40
Other Information						
Segment Assets	3,756.50	1,667.09	5,423.59	3,828.67	1,604.81	5,433.48
Unallocated Assets			1,518.25			923.47
Total Assets			6,941.84			6,356.95
Segment Liabilities	1,982.80	1,459.38	3,442.18	2,121.77	865.57	2,987.34
Unallocated liabilities (Including share capital and reserves)			3499.66			3,369.61
Total liabilities			6,941.84			6,356.95
Cost incurred during the financial year to acquire segment fixed assets	70.25	23.85	94.10	111.89	18.07	129.95
Cost incurred during the financial year to acquire segment fixed assets (Unallocated)			19.02			20.00
Depreciation	61.18	19.68	80.86	62.44	21.71	84.15
Depreciation (Unallocated)			15.30			17.90

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

37 SEGMENT REPORTING (Contd.)

Note:

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

The other Business Segment reported is Engineered Products.

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

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

38 RELATED PARTY DISCLOSURE, AS REQUIRED BY INDIAN ACCOUNTING STANDARD-24, IS AS BELOW:

A. Names of related parties and description of relationship:

Sr. No	Name of related party	Relationship
1	Mr. Vishal Jain, Vice Chairman & Managing Director	Key Management Personnel
2	Mr. Kshitiz Bilala, Chief Financial Officer(CFO)	
3	Mrs. Babita Kumari (Appointed as Company Secretary w.e.f.29-10-18)	
4	MHE Rentals India Private Limited	Subsidiary
5	Mr. Jai Prakash Agarwal, Chairman and Director	Board of Directors
6	Mr. Farokh Kekhushroo Banatwalla, Independent Director	
7	Mr. Shailesh Rajnikant Sheth, Independent Director	
8	Mr. Marco Philippus Ardeshir Wadia, Independent Director	
9	Mrs. Shikha Jain, Woman Director	
10	Dotch Sales Private Limited	Private company having common director
11	Gramos Chemicals (India) Private Limited	
12	Amphenol Interconnect India Private Limited	
13	Johnson and Johnson Private Limited	
14	Chambal Fertilizer and Chemicals Limited	Public Company having common Director
15	Stovec Industries 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, 2019	For the Year ended 31st March, 2018
1	Stovec Industries Ltd.	Sale of Goods	0.19	1.22
2	Johnson & Johnson Private Limited	Sale of Goods	-	0.79
3	Chambal Fertilizer and Chemicals Limited	Sale of Goods	25.41	6.59
4	MHE Rentals India Private Limited	Sale of Goods	400.85	69.40
5	MHE Rentals India Private Limited	Commission Received	20.36	3.15
6	Dotch Sales Pvt Ltd.	Loan taken and fully repaid	-	267.17
7	Mr. Vishal Jain	Loan taken and fully repaid	-	176.06
8	Amphenol Interconnect India Private Limited	Sale of Goods	2.28	-

(Note: The above amounts are inclusive of GST)

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

38 RELATED PARTY DISCLOSURE, AS REQUIRED BY INDIAN ACCOUNTING STANDARD-24, IS AS BELOW: (Contd.)**C. Sitting fees:**

(₹ in Lakhs)

Name of the Directors	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1) Mr. J. P. Agarwal	1.80	3.10
2) Mr. Marco Wadia	1.40	2.90
3) Mr. F. K. Banatwalla	2.20	3.05
4) Mr. Shailesh Sheth	2.20	3.05
5) Mr. Vishal Jain	-	2.10
6) Mrs. Shikha Jain	0.25	0.50
	7.85	14.70

D. Compensation of Key Managerial Personnel:

(₹ in Lakhs)

Name of KMP	Designation	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Mr. R. P. Pargoankar	CEO (up to 30.09.17)	-	12.88
Mr. C. B. Sagvekar	Vice President and Company Secretary (up to 31.03.18)	-	19.82
Mrs. Babita Kumari	Company Secretary (Appointed w.e.f 29-10-18)	2.34	-
Mr. Kshitiz Bilala	CFO (Appointed w.e.f. 01.02.18)	34.44	3.90
Mr. Vishal Jain	Vice Chairman and Managing Director (Appointed w.e.f. 04.10.17)	36.00	-
Mr. M G Naik	CFO (up to 01.02.18)	-	4.40

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

(₹ in Lakhs)

Year End Balances	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Payable		
Gramos Chemicals (India) Pvt. Ltd.	2.57	8.07
Receivable		
MHE Rentals India Pvt Ltd	22.70	-
Chambal Fertiliser and Chemicals Limited	0.13	0.42

- 39** During the year, the Company has acquired 30,12,000 equity shares of ₹ 10 per equity share valuing ₹ 301.20 lakhs of its subsidiary namely, MHE Rentals India Pvt Limited. Total investment in MHE is ₹ 601.80 lakhs. The shareholding at 31st March 2019 is 60.23%.
- 40** The Company has closed its wholly owned subsidiary at Ajman Free Trade Zone, UAE. The amount of ₹ 28.41 lakhs as advances has been written off in Financial Year 2018-19.
- 41** During the year, MHE Rentals India Pvt Ltd, the Subsidiary Company has made rights issue of 50,01,800 equity shares of ₹10 each at par. These shares were allotted as per following details.

Date of Allotment	Allotted to Jost Engineering	Allotted to Others	Total (₹)
24/08/2018	1,204,800	795,200	2,000,000
01/11/2018	903,600	598,200	1,501,800
15/02/2019	903,600	596,400	1,500,000

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

42 Operating Lease

The Company has taken office premises under operating leases. These lease arrangements are ranging between 11 months to 60 months generally or longer and are renewable by mutual consent and on mutually agreeable terms.

The future lease payments in respect of non-cancellable operating lease are as follows:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Not later than one year	30.05	21.66
Between one to five years	68.57	71.53
Later than five years	0.36	0.37

43 Earnings per share

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
a. Net Profit attributable to shareholders (₹ in lakhs)	411.26	207.40
b. Weighted average number of Equity Shares (in lakhs)	9.33	8.59
Basic	44.09	24.16
c. Weighted average number of Equity Shares (in lakhs)	9.33	8.59
Diluted	44.09	24.16

44 Events Occuring after Balance Sheet date

The Board in its meeting held on May 18, 2019 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.

45 Income Tax

Particulars	(₹ in Lakhs)	
	Year ended 31st March, 2019	Year ended 31st March, 2018
(a) Amount recognised in Statement of Profit & Loss		
Current tax		
Current tax on profits for the year	75.38	29.89
Income Tax for Earlier Years	10.80	(11.29)
Total current tax expense (A)	86.18	18.60
Deferred tax		
(Increase) in deferred tax assets	(134.15)	(48.19)
Total deferred tax expense/ (credit) (B)	(134.15)	(48.19)
Income tax expense reported in the Statement of Profit & Loss (A+B)	(47.97)	(29.59)

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(b) Reconciliation of effective tax rate

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Profit before income tax expense	363.29	177.81
Statutory income tax rate	27.82%	33.06%
Amount of tax at statutory income tax rate (I)	101.07	58.78
Adjustments:		
Income Tax for Earlier Years	10.80	(11.29)
Difference in property, plant and equipment & employee benefit Provision as per books and Income tax Act, 1961	(0.40)	3.18
Mat Credit Entitlement	37.61	40.69
Tax Difference	-	(10.80)
Tax impact of brought Forward Losses	(54.94)	(72.70)
Deferred tax	(134.15)	(48.19)
Various allowance/ disallowance of expenses	(11.04)	11.14
Others	3.08	(0.40)
Adjustments (II)	149.04	88.37
Total Adjustment (I+II)	(47.97)	(29.59)

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

Sukhendra Lodha

Partner

Membership No.071272

Place: Thane

Date: 18th May, 2019

For and on behalf of Board of Directors

Vishal Jain

Vice Chairman & Managing Director

F.K. Banatwalla

Director

Kshitiz Bilal

Chief Financial Officer

Babita Kumari

Company Secretary

Place: Thane

Date: 18th May, 2019

Independent Auditor's Report

To the Members of Jost's Engineering Company Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Jost's Engineering Company Limited ("the Holding Company"), and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance sheet as at March 31, 2019 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 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 reports of the other auditors 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 Indian Accounting Standards prescribed under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at March 31, 2019 and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's

Responsibilities for the Audit of the Consolidated 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 (ICAI) 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in term of their report referred in other matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Independent Auditor's Report (Contd.)

Key Audit Matters	Principal Audit Procedure
<p>Revenue recognition</p> <p>(Refer Note 3.6 of Consolidated Ind As Financial Statement)</p> <p>The Holding Company manufactures and sells a number of products and services to its customers, mainly in domestic market through its own sales & 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>Ind AS -115 - Revenue from Contract with customers has been implemented starting from 1st April 2018. As a consequence, the Holding Company has analysed its various sales contracts and concluded on the principles for deciding in which period or periods the Company's sales transactions should be recognised as revenue.</p> <p>The accounting policies and the note to the standalone financial statement provide additional information on how the Company accounts for its revenue and how the implementation of the Ind AS 115 has affected the Company's financial reporting.</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ol style="list-style-type: none"> a. Evaluated the design of internal controls relating to revenue recognition b. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. c. Carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls. d. Selected a sample of continuing and new contracts and performed the following procedures: <ol style="list-style-type: none"> i. Read, analysed and identified the distinct performance obligations in these contracts. ii. Compared these performance obligations with that identified and recorded by the Company. iii. Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. iv. Samples in respect of revenue recorded customer acceptances, subsequent invoicing and historical trend of collections and disputes. v. Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. vi. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.

Independent Auditor's Report (Contd.)

Key Audit Matters	Principal Audit Procedure
<p>Trade receivables (Refer Note 9 of Consolidated Ind As Financial Statement)</p> <p>Trade receivable balances are significant to the Holding Company as they amounted to Rs 3341 Lakhs representing 58.43 % of the total current assets and 31.20% of the total revenue of the Holding Company for the year ended 31st March 2019. During the current financial year, the Holding Company has recognised doubtful debts Rs 116 Lakhs. The collectability of trade receivables is a key element of the working capital management, which is managed on an ongoing basis by management. The determination as to whether a trade receivable is collectable involves management judgement. Specific factors management considers include the age of the balances, category of customers, existence of disputes, recent historical payments and any other available information concerning the creditworthiness of customers. Management uses the information to assist in their judgement to determine whether allowance for doubtful / bad debts is required.</p>	<ul style="list-style-type: none"> 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.
<p>Assessment of legal cases for Excise Duty (Refer Note 31 of Consolidated Ind As Financial Statement)</p> <p>The Holding Company has litigations in respect of certain excise duty pertaining to earlier years. In this regard, the Holding Company has recognised provisions and has disclosed contingent liabilities as at March 31, 2019. Significant management judgment is required to assess these matters and to determine the probability of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. We focused on this area as the ultimate outcome of matters are uncertain and the positions taken by the management are based on the application of judgment those relating to interpretation of law & regulation.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> a. Obtained an understanding, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations; b. Discussed with management the recent developments and the status of these matters; c. Performed our assessment on the underlying calculations supporting the provisions recorded or other disclosures made in the standalone financial statements; d. Evaluated management's assessment of the matters that are not disclosed, as the probability of material outflow is considered to be remote by the management; and e. Assessed the adequacy of the disclosures.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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 during the course of our audit or otherwise appears to be materially misstated.

Independent Auditor's Report (Contd.)

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 and those Charged with Governance 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. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors / management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management is 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 Board of Directors 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 scepticism 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 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

Independent Auditor's Report (Contd.)

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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- ✓ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other Matters

We did not audit the financial statement/ financial information of one subsidiary whose financial statement reflect total assets of ₹ 2,595.06 Lakhs as at 31 March, 2019, total revenue of ₹ 912.45 Lakhs and net cash out flow of Rs 123.67 Lakhs for the year ended on that date, as considered in the consolidated financial results. The

consolidated financial results also include the subsidiary's share of net loss of ₹ 58.12 Lakhs and other comprehensive income of ₹ "NIL" for the year ended 31 March, 2019, in respect of a subsidiary, whose financial information have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the report of other auditor's

Our opinion on the consolidated financial statement and our report on Other Legal and Regulatory Requirements below are not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid consolidated financial statements ;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including 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 relevant 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;

Independent Auditor's Report (Contd.)

- (e) On the basis of the written representations received from the directors of Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its Subsidiary Company, none of the directors of the Group Companies is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls of the Holding Company and its subsidiary Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

- I. The consolidated financial statement disclose the impact of pending litigations on the consolidated financial position of the Group in its notes to consolidated 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 during the year ended 31 March, 2019.

Place: Thane
Date: May 18, 2019

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E
Sukhendra Lodha
Partner
Membership No.071272

ANNEXURE "A" To the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Jost's Engineering Company Limited of even date)

Report on the Internal Financial Controls with reference to Consolidated financial statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the **Jost's Engineering Company Limited** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as the "Group") as at and for the year ended March 31, 2019 we have audited the internal financial controls over financial reporting of **Jost's Engineering Company Limited** ("the Holding Company") and its subsidiary Company which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company and its Subsidiary Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls of the Holding Company and its subsidiary Company with reference to financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the

Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statement was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system of the Holding Company and its subsidiary Company with reference to financial statement.

Meaning of Internal Financial Controls Over Financial Reporting

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

ANNEXURE "A" To the Independent Auditor's Report (Contd.)

Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary Company, which are companies incorporated in India, have, in all material respects, an adequate internal financial

controls system with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at March 31, 2019 based on the internal control with reference to financial statement criteria established by the Holding Company and its subsidiary 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

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 insofar 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.

Place: Thane
Date: May 18, 2019

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E
Sukhendra Lodha
Partner
Membership No.071272

Consolidated Balance Sheet as at 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4A	2,360.03	1,090.66
(b) Capital work-in-progress		23.45	30.77
(c) Intangible assets	4B	18.60	24.46
(d) Financial assets			
(i) Investments	5	1.03	1.03
(ii) Other financial assets	6A	32.28	34.71
(e) Deferred tax asset	6B	197.35	62.68
Total Non-Current Assets		2,632.74	1,244.31
Current assets			
(a) Inventories	7	1,298.30	1,300.83
(b) Financial Assets			
(i) Investments	8	12.16	11.52
(ii) Trade receivables	9	3,462.03	3,514.56
(iii) Cash and cash equivalents	10A	384.95	295.33
(iv) Other bank balances other than above (iii)	10B	205.20	157.98
(v) Loans	11	2.43	24.14
(vi) Other Financial Assets	12	18.13	35.96
(c) Current tax assets	13	-	7.43
(d) Other current assets	14	853.14	607.84
Total Current Assets		6,236.34	5,955.59
TOTAL ASSETS		8,869.08	7,199.90
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	15	93.29	93.29
Other Equity	16	2,404.70	2,102.09
Non-Controlling Interest		345.64	186.46
Total Equity		2,843.63	2,381.84
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17A	1,138.17	487.96
(b) Provisions	18	217.02	215.19
(c) Other Non-Current liabilities	19	24.05	32.56
(d) Deferred Tax liability	6B	-	12.69
Total Non Current Liabilities		1,379.24	748.40
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17B	1,124.43	997.01
(ii) Trade payables	20		
Due to micro and small enterprises		161.23	167.54
Due to others		1,930.09	1,725.99
(iii) Other financial liabilities	21	997.82	707.19
(b) Other current liabilities	22	325.75	336.93
(c) Provisions	23A	97.53	135.00
(d) Current tax liabilities	23B	9.36	-
Total Current Liabilities		4,646.21	4,069.66
Total Liabilities		6,025.45	4,818.06
TOTAL EQUITY AND LIABILITIES		8,869.08	7,199.90

Significant Accounting Policies

1-3

The accompanying notes are an integral part of consolidated financial statements

As per our report of even date attached

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

Sukhendra Lodha

Partner

Membership No.071272

Place: Thane

Date: 18th May, 2019

For and on behalf of Board of Directors

Vishal Jain

Vice Chairman & Managing Director

F.K. Banatwalla

Director

Kshitiz Bilala

Chief Financial Officer

Babita Kumari

Company Secretary

Place: Thane

Date: 18th May, 2019

Consolidated Statement of Profit & Loss For the year ended 31st March, 2019

(₹ in Lakhs)

Sr. no. Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
INCOME			
Revenue from operations	24	11,244.77	9,311.50
Other income	25	58.77	39.61
I Total Income		11,303.54	9,351.11
EXPENSES			
Cost of materials consumed	26A	3,926.54	4,512.03
Purchases of Stock-in-Trade	26B	2,472.49	1,258.15
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	27	16.21	(228.15)
Excise duty		-	120.75
Employee benefits expense	28	2,398.20	1,720.50
Finance costs	29	261.62	192.08
Depreciation and amortisation expense	4A,4B	206.97	123.81
Other expenses	30	1,795.51	1,501.10
II Total expenses		11,077.54	9,200.27
III Profit before tax (I-II)		226.00	150.84
Tax expense:			
(1) Current tax		75.38	29.89
(2) Deferred tax		(146.84)	(35.50)
(3) Short/(Excess) provision for earlier years		10.80	(11.29)
IV Total tax expense		60.66	16.90
V Profit for the year		286.66	167.74
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
(a) Measurement of defined employee benefit plan		(1.88)	(46.89)
(b) Income tax relating to above items		0.52	14.49
VI Total other Comprehensive Income		(1.36)	(32.40)
VII Total Comprehensive Income for the period (V+VI)		285.30	135.34
VIII Profit/(Loss) attributable to:			
Shareholders of the Company		326.46	179.67
Non controlling interest		(39.80)	(11.93)
Profit for the period		286.66	167.74
IX Other comprehensive income attributable to:			
Shareholders of the Company		(1.36)	(32.40)
Non controlling interest		-	-
Other comprehensive income for the period		(1.36)	(32.40)
X Total comprehensive income attributable to:			
Shareholders of the Company		325.10	147.27
Non controlling interest		(39.80)	(11.93)
Total comprehensive income for the period		285.30	135.34
XI Earnings per equity share:			
(1) Basic		30.73	19.53
(2) Diluted		30.73	19.53

Significant Accounting Policies

1-3

The accompanying notes are an integral part of consolidated financial statements

As per our report of even date attached

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

Sukhendra Lodha

Partner

Membership No.071272

Place: Thane

Date: 18th May, 2019

For and on behalf of Board of Directors

Vishal Jain

Vice Chairman & Managing Director

F.K. Banatwalla

Director

Kshitiz Bilala

Chief Financial Officer

Babita Kumari

Company Secretary

Place: Thane

Date: 18th May, 2019

Consolidated Statement of Changes in Equity

a. Equity Share Capital

(₹ in Lakhs)

Particulars	Note No.	Amount
As at 1st April, 2017	15	76.46
Changes in Equity Share Capital		16.83
As at 31st March, 2018	15	93.29
Changes in Equity Share Capital		-
As at 31st March, 2019	15	93.29

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			
Balance as at 1st April, 2017	115.80	670.43	229.78	-	1,016.01	198.40	1,214.41
Other Comprehensive Income for the year ended 31st March, 2018	-	-	-	(32.40)	(32.40)	-	(32.40)
Dividends including Dividend Distribution Tax	-	(9.25)	-	-	(9.25)	-	(9.25)
Transfer to retained earnings	-	-	-	-	-	(11.94)	(11.94)
Addition during the year							
Issue of right shares(Net off share issue expenses)	948.06	-	-	-	948.06	-	948.06
Profit/ (Loss) for the year	-	179.67	-	-	179.67	-	179.67
Balance as at 31st March, 2018	1,063.86	840.85	229.78	(32.40)	2,102.09	186.46	2,288.55
Other Comprehensive Income for the year ended 31st March, 2018	-	-	-	(1.36)	(1.36)	-	(1.36)
Dividends including Dividend Distribution Tax	-	(22.49)	-	-	(22.49)	-	(22.49)
Transfer to retained earnings	-	-	-	-	-	(39.80)	(39.80)
Addition during the year							
Issue of right shares(Net off share issue expenses)	-	-	-	-	-	198.98	198.98
Profit/ (Loss) for the year	-	326.46	-	-	326.46	-	326.46
Balance as at 31st March, 2019	1,063.86	1,144.82	229.78	(33.76)	2,404.70	345.64	2,750.34

As per our report of even date attached

For **Singhi & Co.**

Chartered Accountants
Firm Registration No. 302049E

Sukhendra Lodha

Partner
Membership No.071272
Place: Thane
Date: 18th May, 2019

For and on behalf of Board of Directors

Vishal Jain

Vice Chairman & Managing Director

F.K. Banatwalla

Director

Kshitiz Bilala

Chief Financial Officer

Babita Kumari

Company Secretary

Place: Thane

Date: 18th May, 2019

Consolidated Statement of Cash Flow For the year ended 31st March, 2019

(₹ in Lakhs)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/ (LOSS) AFTER TAX	286.66	167.74
ADJUSTMENTS FOR:		
Depreciation	206.97	123.81
(Profit) / loss on sale of assets	8.20	(0.62)
Deferred tax	(147.36)	(35.50)
Provision for Income Tax	75.38	29.89
Short /(Excess) provision of earlier years	10.80	(11.29)
Dividend income	(0.74)	(0.66)
Subsidy income	(9.59)	-
Advances in Subsidiary written off	28.41	-
Interest expense	217.88	154.97
Interest income	(9.19)	(14.06)
Provision for doubtful debts	(37.94)	49.43
Bad debts & deposits written off during the year	168.83	-
Actuarial Gain /(Loss) transferred to OCI	(1.36)	(46.89)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	796.95	416.82
Adjustments for :		
Trade receivables	(82.27)	(546.46)
Inventories	5.77	(359.17)
Trade payables	221.41	220.92
Other current financial assets and liabilities	81.39	68.08
Other current liabilities	26.21	-
Other Current assets and liabilities	(369.59)	78.81
CASH GENERATED FROM OPERATIONS	679.87	(121.00)
Taxes paid (Net of refunds)	(30.40)	(7.45)
NET CASH GENERATED FROM OPERATING ACTIVITIES A	649.47	(128.45)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property,Plant and Equipment, Intangible assets and Capital WIP	(1,471.36)	(952.19)
Sale of Property,Plant and Equipment	-	2.30
Investment in deposits	5.26	-
Purchase of Investments	(0.62)	(1.26)
Investment in Subsidiary	-	-
Interest received	9.19	14.06
Dividend received	0.74	0.66
NET CASH USED IN INVESTING ACTIVITIES B	(1,456.79)	(936.43)

Consolidated Statement of Cash Flow For the year ended 31st March, 2019

(₹ in Lakhs)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from equity shares	-	964.87
Proceeds from minority shareholders	198.98	198.40
Proceeds from borrowings	1,436.35	663.16
Repayment of borrowings	(308.51)	(125.45)
Dividend paid (Including tax)	(22.49)	(9.25)
Interest paid	(214.99)	(154.97)
NET CASH GENERATED IN FINANCING ACTIVITIES	1,089.35	1,536.76
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	282.03	471.88
Add: Cash and cash equivalents at the beginning of the year	(330.32)	(802.20)
Cash and cash equivalents at the end of the year	(48.29)	(330.32)
Cash and cash equivalents as per above comprises of the following :		
Cash and cash equivalent (Note 10A)	384.95	295.33
Other bank balances (Note 10B)	205.20	157.98
	590.15	453.31
Bank Overdraft	(638.44)	(783.63)
Balances as per statement of Cash Flows	(48.29)	(330.32)
Debt reconciliation statement in accordance with Ind As 7		
Borrowings		
Opening balances	1649.84	1558.56
Movement	982.66	91.28
Closing Balance	2632.50	1649.84

*Bank Overdraft and cash credit facility are part of above reconciliation.

- 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/rearranged whenever necessary.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E
Sukhendra Lodha
Partner
Membership No.071272
Place: Thane
Date: 18th May, 2019

For and on behalf of Board of Directors

Vishal Jain
Vice Chairman & Managing Director
F.K. Banatwalla
Director
Kshitiz Bilala
Chief Financial Officer
Babita Kumari
Company Secretary
Place: Thane
Date: 18th May, 2019

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

1 CORPORATE INFORMATION

Jost's Engineering Company Limited (the 'Company') is domiciled in India. The Company's registered office is at Great Social Building, 60 Sir Phirozeshah Mehta Road, Mumbai- 400001. The Company's primary business areas are material handling, industrial finishing and engineered products. The Company's equity shares are listed on Bombay Stock Exchange (BSE). The Company has one subsidiary i.e. MHE Rentals India Private Limited which has been considered in these consolidated financial statements and its primary business area is material handling rental business.

The Consolidated Financial Statements were approved and adopted by Board of Directors of the Company in their meeting held on 18/05/2019.

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"). The Group's financial statements 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 Group 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 Principles of Consolidation:

- I. The Consolidated Financial Statements incorporates the Financial Statements of the Holding Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Holding Company is treated as subsidiary. The Holding Company together with its subsidiaries constitute the Group. Control exists when the Holding Company, directly or indirectly, having power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.
- II. Consolidation of a subsidiary begins when the Holding Company, directly or indirectly, obtains control over the subsidiary and ceases when the Holding Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed off during the year are included in the Consolidated Statement of Profit and Loss from the date the Holding Company, directly or indirectly, gains control until the date when the Holding Company, directly or indirectly, ceases to control the subsidiary.
- III. The Consolidated Financial Statements of the Group combines the Financial Statements of the Holding Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Holding Company except depreciation, where the Company follows Written Down Value (WDV) method whereas the subsidiary is following Straight Line Method (SLM). The Consolidated Financial Statements have been presented to the extent possible, in the same manner as Holding Company's standalone financial statements. Profit or loss and each component of other comprehensive income are attributed to the owners of the Holding Company and to the non-controlling interests and have been shown separately in the financial statements.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

- IV. Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Holding Company.

2.5 Current or Non-current classification:

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

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realised 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 Use of estimates and judgements:

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the

revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Application of accounting policies that require critical accounting estimates and assumptions having the most significant effect on the amounts recognised in the financial statements are:

2.6.1 Impairment of property, plant and equipment

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

2.6.2 Useful lives of property, plant and equipment

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

2.6.3 Provision for litigations and contingencies

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

2.6.4 Recognition of deferred tax assets

Deferred Tax resulting from "temporary difference" between the carrying amount of an asset or liability in the balance sheet and its tax base book profit and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognised 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 Consolidated Financial Statements for the year ended 31st March, 2019 (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 derecognised 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 recognised 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 Extensions	30 years
3	Factory Building-Minor	5 Years
4	Computers & Data Processing Units-End User Devices	3 Years
5	Computers & Data Processing Units-Servers & Networks	6 Years
6	General Furniture & Fittings	10 Years
7	Office Equipment	5 Years
8	Plant & Machinery	15 Years
9	Vehicles - Motor Car	8 Years
10	Vehicles - Motor Cycle/Scooter	10 Years

The subsidiary MHE Rentals India Private Limited has provided depreciation on a Straight-Line Method (SLM) basis over the estimated useful lives of assets as prescribed under Schedule II of the Companies Act, 2013, the estimated useful lives of PPE are as follows :

Particulars	Useful Life (in years)
Plant and Machinery	10 years for Refurbished Machines.
Plant and Machinery	15 years for new Machines.
Spares	5 Years
Tools & Tackles	3 Years

Depreciation on assets acquired/ purchased, sold/ discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement.

The economic useful lives of assets are assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

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 amortisation. The estimated useful life, the amortisation method and the amortisation 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 derecognised 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 recognised in the profit or loss when the asset is derecognised.

(c) Amortisation:

The Group recognises amortisation 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 amortised from the date they are available for use.

The estimated useful life are as follows:

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

The subsidiary MHE Rentals India Private Limited has provided depreciation on a Straight-Line Method (SLM) basis over the estimated useful lives which reflects the pattern in which the asset's economic benefits are consumed

The estimated useful life are as follows:

Sr. No.	Particulars	Useful Life
1	Intangible Asset -Software Licenses	3 Years

3.3 Leases:

At the inception of a lease, the lease arrangement is classified either as a finance lease or an operating lease, based on the substance of the lease arrangement. If the terms of lease substantially transfer all the risks and rewards, then leases are classified as finance lease. All other leases are classified as operating lease.

(a) Assets taken on finance lease:

Assets held under finance leases are initially recognised as an asset and a lease obligation at the lower of the fair value of the asset and the present value of minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Minimum lease payments are apportioned between finance expense and reduction of the outstanding lease obligation. Finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease obligation. Finance expense is recognised immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying asset, in which case they are capitalised in accordance with the policy on borrowing costs.

(b) Assets taken on operating lease:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

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 recognised 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 recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised 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 labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

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

3.6 Revenue recognition:

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

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of GST returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue from sale of goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer which generally coincides with dispatch of goods from factory/stock points, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods to the degree usually associated with the ownership, and the amount of revenue can be measured reliably, regardless of when the payment is being made.

Sale of goods Sales are recorded net of trade discounts, quantity discounts, rebates, indirect taxes. Sales include Excise duty but exclude Sales tax, value added tax and goods and service tax (GST). Sales also include, sales of scrap, waste, rejection etc.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

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

3.7 Foreign currencies:

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

Transactions in currencies other than the Group's functional currency are recognised 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 recognised 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 recognised 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 recognised 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. Remeasurements, comprising actuarial gains and losses, the effect of changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognised in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised 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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

and gains and losses on curtailments and settlements) and net interest expense or income is recognised in Statement of profit and loss.

The defined benefit obligation recognised 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 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 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 recognised 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 recognised for all taxable temporary differences. Deferred tax assets are generally recognised 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 utilised. Such deferred tax assets and liabilities are not recognised 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 recognised 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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

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 realised, based on taxes (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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

Current tax and deferred tax for the year.

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

3.10 Provisions:

Provisions are recognised 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 recognised 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

recognised 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 recognised as a finance cost.

Product warranty

Provision for product warranty is recognised 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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

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

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

Derecognition

The Group derecognises 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 collateralised 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 recognised in other comprehensive income, if any, is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised 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 recognised 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 amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

Effective interest method is a method of calculating amortised 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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(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 recognised 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 recognised in the Statement of Profit and Loss.

Derecognition

Financial liabilities are derecognised 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 derecognised and the consideration paid or payable is recognised 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 organised 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 & CFO as CODM which assesses the operational performance and position of the Group and makes strategic decisions.

3.16 Borrowing Cost:

Borrowings costs that are attributable to the acquisition or construction of qualifying assets up to the date when they are ready for their intended use and other borrowing costs are charged to profit and loss account.

3.17 Recent accounting pronouncements

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- The amendment clarifies the accounting for defined benefit plans on plan amendment, curtailment and settlement.

Amendment to Ind AS 12 – Income taxes : The amendment clarifies the accounting for income tax consequences on distribution of profits.

Ind AS 116 Leases: On March 30,2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard,Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Ind AS 109 - Financial Instruments - The amendment enables entities to measure certain financial assets with prepayment features that may yield a negative compensation on prepayment.

Ind AS 23 - Borrowing Cost - This amendment clarifies the borrowings cost to be considered for capitalisation. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is currently evaluating the effect of all this amendment on the standalone financial statements..

3.18 Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the Group accounting policies.

This note provides an overview of the areas involved a high degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgement are :

- 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 Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

4A PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross carrying value				Depreciation				Net carrying value	
	As at 1st April, 2018	As at 31st March, 2019	As at 1st April, 2018	As at 31st March, 2019	Additions	Sale/ Disposal	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
	As at 1st April, 2018	Additions	Sale/ Disposal	As at 31st March, 2019	As at 1st April, 2018	Additions	Sale/ Disposal	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
Building	18.58	-	-	18.58	3.35	2.12	-	5.47	13.11	15.23
Computer & Peripheral	67.73	19.06	4.79	82.00	38.30	21.13	4.52	54.91	27.09	29.43
Furniture and Fixture	72.33	1.31	7.88	65.76	27.66	11.39	7.05	32.00	33.76	44.67
Office Equipment	12.18	1.75	0.89	13.04	5.89	2.79	0.80	7.88	5.16	6.29
Plant & Machinery	1,088.38	1,424.10	47.08	2,465.40	106.87	154.10	40.40	220.57	2,244.83	981.51
Vehicle	22.05	30.33	6.89	45.49	8.52	7.44	6.55	9.41	36.08	13.53
Total	1,281.25	1,476.55	67.53	2,690.27	190.59	198.97	59.32	330.24	2,360.03	1,090.66
Capital Work in progress									23.45	30.77

4B INTANGIBLE ASSETS

Particulars	Gross carrying value				Amortisation				Net carrying value	
	As at 1st April, 2018	As at 31st March, 2019	As at 1st April, 2018	As at 31st March, 2019	Additions	Sale/ Disposal	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
	As at 1st April, 2018	Additions	Sale/ Disposal	As at 31st March, 2019	As at 1st April, 2018	Additions	Sale/ Disposal	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
Computer software and license	37.54	2.14	-	39.68	13.08	8.00	-	21.08	18.60	24.46
Total	37.54	2.14	-	39.68	13.08	8.00	-	21.08	18.60	24.46

Notes:

- As per Ind AS - 36 - "Impairment of Assets", no provision for Impairment of Assets is required.
- As per Ind AS 16 - assets in the course of development are reflected in capital work in progress. Costs associated with the development are capitalised when the asset is ready to use. Revenue generated from production during the trial period will be credited to capital work in progress.
- Capital work in progress as at 31st March, 2019 primarily represents registration fees and other expenses incurred in relation to purchase of land at Murbad, Thane.
- Company during the year has capitalised ₹ 30.77 lakhs incurred towards development of Diesel Forklift.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

5 NON-CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2019			As at 31st March, 2018	
	Number	Face Value	Amount	Number	Amount
Investments at Cost					
(a) Investment in Equity shares (Unquoted) (Fully Paid up)					
Zoroastrian Co-Operative Bank Ltd.	4100	25	1.03	4,100	1.03
Total			1.03	4,100	1.03

Aggregate Book Value of Non current Investments

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March 2018
a) Unquoted - At Cost	1.03	1.03

6A OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(1) Security Deposit	30.65	25.61
Unsecured, considered good unless otherwise stated.		
(2) Fixed Deposits as Margin Money against LC & BG *	1.20	8.67
(3) Prepaid lease hold land	0.43	0.43
Total	32.28	34.71

(*) Original maturity of more than twelve months.

6B DEFERRED TAX (LIABILITY) / ASSETS

(₹ in Lakhs)

Deferred Tax Asset	As at 31st March, 2019	As at 31st March, 2018
Deferred tax assets	197.35	62.68
Deferred tax liabilities	-	-
Deferred tax asset(net)	197.35	62.68

(₹ in Lakhs)

Deferred tax liabilities	As at 31st March, 2019	As at 31st March, 2018
Deferred tax assets	-	-
Deferred tax liabilities	-	12.69
Deferred tax liabilities(net)	-	(12.69)

Reconciliation of Deferred Tax Asset (net)

(₹ in Lakhs)

Particulars	As at 31st March 2018	(Charged) / credited to Profit & Loss	(Charged) / credited to Other Comprehensive Income	As at 31st March, 2019
Nature of timing difference:				
Deferred tax asset				
On depreciable assets	0.34	5.01	-	5.35
On provision for gratuity	14.49	44.21	0.52	59.22
On provision for doubtful debts	47.85	(15.32)	-	32.53
On provision for leave encashment	-	15.80	-	15.80
On account MAT credit entitlement	-	78.30	-	78.30
On expenses allowable on payment/ actual basis U/s 43B	-	6.15	-	6.15
Deferred tax asset	62.68	134.15	0.52	197.35

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

6B DEFERRED TAX (LIABILITY)/ ASSETS (Contd.)

Reconciliation of Deferred Tax Liabilities (net)

(₹ in Lakhs)

Particulars	As at 31st March 2018	(Charged) / credited to Profit & Loss	(Charged) / credited to Other Comprehensive Income	As at 31st March, 2019
Nature of timing difference:				
Deferred tax liability (DTL)				
On depreciable assets	12.69	(12.69)	-	-
Deferred tax liabilities (net)	12.69	(12.69)	-	-

(a) The Company has recognised Deferred tax asset amounting to ₹ 134.67 lakhs (Previous year ₹ 62.68 Lakhs) in the Financial Year 2018-19 as the Company is estimating future taxable profits against which the Deferred tax asset can be set off.

(b) The Company has recognised MAT credit entitlement for the year ₹ 37.61 lakhs and earlier year ₹ 40.69 Lakhs and the same is reflected under Deferred Tax asset

7 INVENTORIES

Valued at lower of cost and net realisable value

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March 2018
a. Raw Materials	644.37	631.09
b. Work-in-progress	19.76	40.44
c. Finished goods	267.12	222.33
d. Stock-in-trade	360.59	400.91
e. Stores and spares	6.46	6.06
Total	1,298.30	1,300.83

8 CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	NAV as on 31st March, 2019		As at 31st March, 2019	As at 31st March, 2018
	Amount	Number of units		
(a) Investments in Mutual Funds units valued at fair value through P & L account				
Reliance Money Manager Fund	1,007.96	827.54	8.34	7.90
Reliance Money Manager Fund	1,007.94	379.42	3.82	3.62
Total			12.16	11.52

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

9 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade Receivables		
Unsecured, considered good	3,462.03	3,514.56
Considered doubtful	116.91	154.84
	3,578.94	3,669.40
Less: Provision for credit loss	(116.91)	(154.84)
Total	3,462.03	3,514.56

10A CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash on hand	1.23	2.37
Balances with Banks		
In current account	172.68	132.95
In EEFC account	11.04	30.01
Fixed deposit with maturity less than three months	200.00	130.00
Total	384.95	295.33

10B OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Earmarked balances with banks (unpaid dividend account)	8.94	12.87
Bank Deposits as Margin Money against LC & BG *	196.26	145.11
Total	205.20	157.98

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

11 LOANS**Unsecured, considered good unless otherwise stated**

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advances	2.43	24.14
Total	2.43	24.14

12 OTHER CURRENT FINANCIAL ASSETS**Unsecured, considered good unless otherwise stated**

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Duty recoverable	3.81	9.36
Security deposit	-	14.30
Interest receivables	6.42	5.77
Accrued commission	7.90	6.53
Total	18.13	35.96

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

13 CURRENT TAX ASSETS

(₹ in Lakhs)

Particulars	As at	
	31st March, 2019	31st March, 2018
Advance tax and tax deducted at source less provision	-	7.43
Total	-	7.43

14 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at	
	31st March, 2019	31st March, 2018
Balances with government authorities		
a) VAT Credit	145.31	178.23
b) Deposit with excise (under protest)	154.05	154.07
c) Others	270.20	120.23
Advance to employees	12.26	4.23
Prepaid Expense	4.94	5.29
Tender Deposits	54.12	58.94
Advance to Creditors	81.47	86.85
Capital advances (Refer Note no. 32)	121.20	-
Subsidy receivable	9.59	-
Total	853.14	607.84

15 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at		As at	
	31st March, 2019		31st March, 2018	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹ 10/- each	1,000,000	100.00	1,000,000	100.00
Issued, Subscribed & fully paid up				
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		As at	
	31st March, 2019		31st March, 2018	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	932,873	93.29	764,650	76.46
Issue of right shares during the year	-	-	168,223	16.83
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	932,873	93.29	932,873	93.29

- b. The company has only one class of issued shares i.e Equity Share 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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

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

Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Jai Prakash Agarwal	132,991	14.26	132,991	14.26
Mrs. Krishna Agarwal	48,800	5.23	48,800	5.23
Mrs. Shikha Jain	112,821	12.09	112,821	12.09
Mr. Vishal Jain	118,215	12.67	118,215	12.67
Mr. Sharad K. Shah	71,794	7.70	71,794	7.70

d. 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.

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

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

16 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
a. Securities Premium Account		
Balance at the beginning of the year	1,063.86	115.80
Add:		
Right issue during the year	-	982.43
Unpaid calls received during the year	-	-
Less:		
Right issue expenses	-	(34.37)
Closing Balance	1,063.86	1,063.86
b. General Reserve		
Balance at the beginning of the year	229.78	229.78
Add:		
Current year transfer	-	-
Closing Balance	229.78	229.78
c. Retained Earnings		
Balance at the beginning of the year	840.85	670.43
Add:		
Profit/ (loss) for the year	326.46	179.67
Less:		
Dividend paid for the previous year (including Dividend Distribution Tax)	(22.49)	(9.25)
Closing Balance	1,144.82	840.85
d. Other comprehensive income (OCI)		
Balance at the beginning of the year	(32.40)	-
Add:		
Remeasurement of defined benefit plan	(1.36)	(32.40)
Closing Balance	(33.76)	(32.40)
Total	2,404.70	2,102.09

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

17A NON-CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured :		
Loan from bank		
(a) Vehicle	17.88	4.35
(b) Machinery	1,120.29	483.61
Total	1,138.17	487.96

(a) Secured by hypothecation of vehicle purchased under secured loan.

Vehicle loans : Repayable in 36 to 60 monthly installments, ending upto August 2023. Interest rates ranges from 8.75% p.a. to 9.10% p.a.

(b) Machinery loans from bank is secured by hypothecation of specific underlying machineries. Interest ranges from 11.00% p.a. to 12.50% p.a. repayable in monthly installments which varies from 48 to 60 months.

17B CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured:		
From Banks (Repayable on demand):-		
(a) Cash Credit	245.12	213.38
(b) Bank overdraft	638.44	783.63
Unsecured:		
(a) Loan from Director	61.05	-
(b) Letter of credit discounted with Bank	179.82	-
Total	1,124.43	997.01

Details of terms of repayments

(a) Cash credit and Bank overdraft facilities are secured by hypothecation of stocks and book debts and an equitable mortgage on the Company's property at Plot no. C-7 Wagle Industrial Estates, Road No. 12, Thane on pari passu basis. Interest rates at 11% p.a. to 11.35 % p.a.

(b) Unsecured loan from Director bearing interest @ 9% p.a.

18 NON-CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits		
Superannuation	18.21	19.12
Gratuity	159.83	153.92
Leave Encashment	38.98	42.15
Total	217.02	215.19

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

19 OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Dealer deposits	24.05	32.56
Total	24.05	32.56

20 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Dues of Micro and Small Enterprises (Note a)	161.23	167.54
Dues to other creditors	1,930.09	1,725.99
Total	2,091.32	1,893.53

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	161.23	167.54
(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	-	-
(v) Total outstanding dues of Micro and Small Enterprises		
- Principal	161.23	167.54
- Interest	-	-

Interest amount will be provided in the books of accounts as and when claimed by the enterprises, if any.

21 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current maturity of long term debt (*)		
Vehicle	10.30	5.29
Machinery	359.60	159.58
Unpaid Dividend	8.94	12.87
Advances from customers	201.57	192.02
Creditors for other liabilities	175.91	172.64
Employee Security deposit	2.65	1.91
Other payables	22.39	6.99
Security deposit	-	2.14
Salary and Reimbursements	216.46	153.75
Total	997.82	707.19

(*) (a) Secured by hypothecation of vehicle purchased under secured loan.

Vehicle loans : Repayable in 36 to 60 monthly installments, ending in August 2023. Interest rate ranges from 8.75% p.a. to 9.10% p.a.

(b) Machinery loans from bank is secured by hypothecation of specific underlying machineries. Interest ranges from 11.00% p.a. to 12.50% p.a. repayable in monthly installments which varies from 48 to 60 months.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

22 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
1) Statutory dues payable		
(a) Tax Deducted at Source	24.41	20.68
(b) Provident Fund and other employee deductions	21.57	12.42
(c) GST	128.16	126.90
(d) VAT, Service tax, Excise duty	-	0.12
(e) Professional Tax	0.27	-
(f) Others	2.89	-
2) Revenue received in advance	28.17	91.64
3) Provision for expense	120.28	85.17
Total	325.75	336.93

23A CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for warranty claims	15.19	7.10
Provision for employee benefits		
Superannuation	2.16	7.07
Gratuity	62.35	98.20
Leave Encashment	17.83	22.63
Total	97.53	135.00

23B CURRENT TAX LIABILITY

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current Tax Liability (net of tax paid/refund)	9.36	-
Total	9.36	-

24 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Sale of Products		
Sale of manufactured goods (*)	5,501.71	6,158.05
Sale of traded goods	3,302.87	1,735.72
Total (A)	8,804.58	7,893.77
(b) Sale of Services		
Sale of services	1,654.25	757.52
Total (B)	1,654.25	757.52
(c) Other Operating Revenues		
Commission Income	777.67	650.87
Scrap & sundry sales	8.27	7.87
Other operating income	-	1.47
Total (C)	785.94	660.21
Total (A+ B+ C)	11,244.77	9,311.50

Note: (*) Sale of manufactured goods include excise duty - 120.75

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

25 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest Income	9.19	14.48
Dividend Income	0.74	0.66
Net gain from foreign currency transactions and translation	1.31	23.85
Net gain on sale of fixed assets	-	0.62
Excess provision of doubtful debts written back	37.94	-
Subsidy receivable	9.59	-
Total	58.77	39.61

26A COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Raw material consumed		
Opening stock	631.09	503.97
Purchases	3,939.82	4,639.15
Closing stock	644.37	631.09
Cost of material consumed	3,926.54	4,512.03

Breakup of cost of material consumed

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Cost of material consumed		
Steel	145.71	115.05
Batteries	1,194.53	826.87
Others (Tyres, Controller, motor, battery charger etc.)	2,586.30	3,570.11
Total	3,926.54	4,512.03

26B PURCHASE OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Purchase of traded goods		
Engineered Equipments	1,949.06	1,063.04
Other Components, accessories, spares, etc.	523.43	195.11
Total	2,472.49	1,258.15

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

27 CHANGES IN INVENTORIES

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade		
Opening Stocks :		
Finished Goods - Manufactured	222.33	63.24
Finished Goods - Traded	400.91	280.99
Work-in-Progress	40.45	91.31
Total	663.69	435.54
Less: Closing Stocks :		
Finished Goods - Manufactured	267.12	222.33
Finished Goods - Traded	360.59	400.91
Work-in-Progress	19.77	40.45
	647.48	663.69
Total	16.21	(228.15)

28 EMPLOYEE BENEFIT EXPENSE

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries, wages & bonus	2,195.97	1,591.13
Contributions to provident fund, gratuity and other funds	122.72	78.24
Staff welfare expenses	79.51	51.13
Total	2,398.20	1,720.50

29 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest expense on term loan, cash credit & Bank overdraft	212.75	148.66
Interest expense on other loans	5.12	13.23
Bank Charges	43.75	30.19
Total	261.62	192.08

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

30 OTHER EXPENSES

(₹ in Lakhs)		
Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Sub contract and labour charges	192.00	158.42
Stores and spare parts consumed	32.27	17.39
Equipment Hiring Charges	42.71	33.87
Fuel and power	38.44	36.12
Repairs & maintenance (factory and office)	37.59	46.79
Repairs to machinery	60.69	20.57
Rent	69.99	68.77
Rates and taxes	28.83	76.92
Sales tax of earlier year write off	29.15	-
Insurances	13.80	10.47
Travelling expenses	162.04	161.52
Postage, telephone and internet	45.35	41.18
Commission Expense	32.45	32.90
Testing and calibration	104.75	86.70
Advances in subsidiary written off	28.41	-
Printing and stationery	16.90	13.84
Legal and professional charges	153.26	94.54
Audit fees (Refer note (a) below)	21.43	20.10
Conveyance expenses	135.81	119.53
Provision for doubtful debts	-	65.14
Provision for doubtful advances & deposits	-	4.02
Bad debts written off	150.00	-
Deposits written off	18.83	-
Loss on assets discarded	8.20	-
Freight on sales	212.66	263.28
Commission expense	-	-
Motor vehicle expense	4.04	8.55
Directors' fees	7.85	14.70
Net loss on foreign currency transactions and translation	1.79	-
Miscellaneous expenses	146.27	105.78
Total	1,795.51	1,501.10

Note (a) :

Auditor's Remuneration

(₹ in Lakhs)	
Particulars	For the year ended 31st March, 2019
(a) Audit Fees	17.75
(b) Tax audit fees	3.30
(c) Reimbursement of out of pocket expenses	0.38
Total	21.43

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

31 CONTINGENT LIABILITIES

(₹ in Lakhs)

Sr No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
a)	Claims against company not acknowledged as debts		
i)	Sales Tax demands (Net)	392.78	91.43
ii)	Service Tax demands	5.44	5.44
iii)	Excise duty demands (Net)	1,454.28	1,448.79
iv)	Other Matters	6.25	9.10
b)	Bank Guarantees for performance of contracts	593.15	765.73
c)	On account of corporate guarantee to bankers/ financial institutions on behalf of subsidiary for facilities availed by them (amount outstanding at close of the year)	1,479.89	717.61
d)	Letter of Credit (LC) issued to Vendors	206.73	100.10
	Total	4138.52	3138.20

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

32 CAPITAL COMMITMENTS

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

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for.	432.80	513.32

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 group has made an advance of ₹ 121.20 lacs towards the agreement (Refer note no. 14) and the balance is estimated capital commitment for the year. The land is located at MIDC Murbad, District Thane. The rationale behind investment is for expansion of Holding Company's manufacturing activities.

33 CAPITAL MANAGEMENT

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

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

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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

Total debt includes all long and short-term debts as disclosed in notes 17A and 17B to the financial statements. The gearing ratio at the end of the reporting period was as follows:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Total Debt	2,632.50	1,649.85
Total Equity	2,843.63	2,381.84
Debt to Equity Ratio	0.93	0.69

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 & other short term receivables, trade payables, other financial liabilities, short term loans from banks, approximate their carrying amount largely due to short term maturity of these instruments.

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

Accounting classification and fair value:

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

Financial Instrument by category

Particulars	Note No.	31st March, 2019		
		Fair Value routed through Profit & Loss	Carried at Amortised cost	Total
FINANCIAL ASSETS				
Non-Current Assets				
(i) Investments	5	-	1.03	1.03
(ii) Others	6A	-	32.28	32.28
Current Assets				
(i) Investments	8	12.16	-	12.16
(ii) Trade receivables	9	-	3,462.03	3,462.03
(iii) Cash and cash equivalents	10A	-	384.95	384.95
(iv) Other bank balances	10B	-	205.20	205.20
(v) Loans	11	-	2.43	2.43
(vi) Other Financial Assets	12	-	18.13	18.13
Total Financial Assets		12.16	4,106.05	4,118.21
FINANCIAL LIABILITIES				
Non-Current Liabilities				
(i) Borrowings	17A	-	1,138.17	1,138.17
Current liabilities				
(i) Borrowings	17B	-	1,124.43	1,124.43
(ii) Trade payables	20	-	2,091.32	2,091.32
(iii) Other financial liabilities	21	-	997.82	997.82
Total Financial Liabilities		-	5,351.74	5,351.74

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

34 DISCLOSURE OF FINANCIAL INSTRUMENTS (Contd.)

Financial Instrument by category

(₹ in Lakhs)

Particulars	Note No.	31st March, 2018		
		Fair Value routed through Profit & Loss	Carried at Amortised cost	Total
FINANCIAL ASSETS				
Non-Current Assets				
(i) Investments	5	-	1.03	1.03
(ii) Others	6A	-	34.71	34.71
Current Assets				
(i) Investments	8	11.52	-	11.52
(ii) Trade receivables	9	-	3,514.56	3,514.56
(iii) Cash and cash equivalents	10A	-	295.33	295.33
(iv) Other bank balances	10B	-	157.98	157.98
(v) Loans	11	-	24.14	24.14
(vi) Other Financial Assets	12	-	35.96	35.96
Total Financial Assets		11.52	4,063.71	4,075.23
FINANCIAL LIABILITIES				
Non-Current Liabilities				
(i) Borrowings	17A	-	487.96	487.96
Current liabilities				
(i) Borrowings	17B	-	997.01	997.01
(ii) Trade payables	20	-	1,893.53	1,893.53
(iii) Other financial liabilities	21	-	707.19	707.19
Total Financial Liabilities		-	4,085.69	4,085.69

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

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.

Trade Receivables

(₹ in Lakhs)

	Effect on profit before tax		Effect on pre tax equity	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2019				
USD (Movement by 10%)	0.77	(0.77)	0.77	(0.77)
Euro (Movement by 10%)	25.95	(25.95)	25.95	(25.95)
March 31, 2018				
USD (Movement by 10%)	6.65	(6.65)	6.65	(6.65)
Euro (Movement by 10%)	34.37	(34.37)	34.37	(34.37)

Trade Payables

(₹ in Lakhs)

	Effect on profit before tax		Effect on pre tax equity	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2019				
USD (Movement by 10%)	3.58	(3.58)	3.58	(3.58)
Euro (Movement by 10%)	13.66	(13.66)	13.66	(13.66)
March 31, 2018				
USD (Movement by 10%)	3.33	(3.33)	3.33	(3.33)
Euro (Movement by 10%)	7.32	(7.32)	7.32	(7.32)

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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

35 FINANCIAL RISK MANAGEMENT FRAMEWORK (Contd.)

The carrying amount of Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	31st March, 2019		31st March, 2018	
	USD	EURO	USD	EURO
Trade payables	35.84	136.64	33.26	73.17
Trade receivables	7.68	259.46	66.53	343.66

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, 2019	As at 31st March, 2018
Fixed Rate Instruments:		
Financial Liabilities	1,569.12	652.84
Variable Rate Instruments:		
Financial Liabilities	781.04	969.24

Interest rate sensitivity:

Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in an impact of (decrease/increase in net income)

Particulars	31st March, 2019		31st March, 2018	
	Sensitivity Analysis	Impact on Profit and Loss	Sensitivity Analysis	Impact on Profit and Loss
Variable Rate Borrowings				
Interest Rate Increase by	1.00%	7.81	1.00%	9.69
Interest Rate Decrease by	1.00%	7.81	1.00%	9.69

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 analysing 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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

35 FINANCIAL RISK MANAGEMENT FRAMEWORK (Contd.)

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 2019:

(₹ in Lakhs)

Particulars	Note No.	31st March 2019		
		0 to 1 Year	More than 1 year	Total
FINANCIAL LIABILITIES				
Non-Current Liabilities				
(i) Borrowings	17A	-	1,138.17	1,138.17
Current liabilities				
(i) Borrowings	17B	1,124.43	-	1,124.43
(ii) Trade payables	20	2,091.32	-	2,091.32
(iii) Other financial liabilities	21	997.82	-	997.82
Total Financial Liabilities		4213.57	1138.17	5351.74

The following are the remaining contractual maturities of financial liabilities as at 31st March 2018:

(₹ in Lakhs)

Particulars	Note No.	31st March 2018		
		0 to 1 Year	More than 1 year	Total
FINANCIAL LIABILITIES				
Non-Current Liabilities				
(i) Borrowings	17A	-	487.96	487.96
Current liabilities				
(i) Borrowings	17B	997.01	-	997.01
(ii) Trade payables	20	1,893.53	-	1,893.53
(iii) Other financial liabilities	21	707.19	-	707.19
Total Financial Liabilities		3,597.73	487.96	4,085.69

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

36 EMPLOYEE BENEFITS

A. Defined Contribution Plan

The Group has recognised ₹ 50.62 Lakhs for provident fund contribution in the Statement of Profit and Loss for the year ended March 31, 2019 (March 31, 2018 - ₹ 22.64 Lakhs).

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 2019	As at 31st March 2018
i) Reconciliation of defined benefit obligation		
Liability at the beginning of the year	286.46	254.53
Current Service Cost	14.46	13.19
Interest cost	15.48	17.25
Actuarial losses/(gains) arising from:		
Demographic assumption	-	10.34
Financial assumption	1.97	1.05
Experience Gain/(Loss) on Plan Assets	(7.23)	38.93
Benefits Paid	(79.17)	(48.83)
Projected benefit obligation at the end of the year	231.97	286.46
ii) Reconciliation of Fair Value of Plan Asset		
Fair value of the Plan assets at the beginning of the year	36.50	37.85
Expected return on plan Assets	(7.14)	3.44
Contribution	64.00	44.13
Benefits Paid	(79.17)	(48.83)
Actuarial Gain/ (Loss) on plan assets	4.91	(0.09)
Fair value of plan asset at the end of the year	19.10	36.50
iii) Expenses recognised in statement of profit or loss under the head employee benefit expenses		
Current Service Cost	14.46	13.19
Interest Expense on DBO	10.57	17.33
Expenses recognised in Statement of Profit or Loss	25.03	30.52
iv) Re-measurement for the period		
Experience Gain/(Loss) on Plan Liabilities	(7.23)	38.93
Demographic Gain/(Loss) on Plan Liabilities	-	10.34
Financial Gain/(Loss) on Plan Liabilities	1.97	1.05
Actuarial Gain/ (Loss) on plan assets	(4.91)	0.09
Total Actuarial Gain/(Loss) included in OCI	(10.17)	50.41
v) Amount recognised in Other Comprehensive Income (OCI)		
Opening Amount recognised in OCI	46.89	-
Re-measurement for the period - Plan Assets (gain)/loss	7.14	(3.43)
Experience adjustments	(7.23)	38.93
Changes in financial assumptions	1.97	1.05
Changes in demographic assumptions	-	10.34
Total re-measurement cost/(credit) for the period recognised in OCI	-	-
Closing Amount recognised in OCI	48.77	46.89
vi) Principal Actuarial Assumptions		
Financial Assumptions		
Discount Rate	0.07	0.07
Salary Escalation	0.05	0.05

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

36 EMPLOYEE BENEFITS (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Demographic Assumptions		
Mortality Rate	Ultimate	Ultimate
Withdrawal Rate	0.01	0.01
Retirement age	58.00	58.00

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Amount recognised in Balance Sheet		
Present value of defined benefit obligation	241.27	286.46
Fair value of plan assets	19.09	36.50
Net (Liability)/ Asset recognised in the Balance Sheet	222.18	249.96

- (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, 2019	As at 31st March, 2018
Unquoted	11.25	12.91
Insurer Managed Funds *	7.84	23.58

*The Group maintains gratuity fund, which is being administered by Life insurance corporation. Fund Value confirmed by Life Insurance corporation as at March 31, 2019 is considered to be the fair value.

A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

Particulars	31st March, 2019		31st March, 2018	
	Increase	Decrease	Increase	Decrease
Sensitivity Analysis				
Discount rate (0.5% movement)	1.41%	1.45%	-1.22%	1.26%
Defined benefit obligation(₹ in Lakhs)	228.69	235.33	282.97	290.06
Future salary growth (0.5% movement)	1.47%	1.44%	1.28%	-1.25%
Defined benefit obligation(₹ in Lakhs)	235.38	228.62	290.11	282.88

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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

37 SEGMENT REPORTING

For management purpose, the Group is organised 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)

Particulars	For the Year Ended 31st March, 2019				For the Year Ended 31st March, 2018			
	Material Handling	Engineered Products	MHE Rentals India Pvt Ltd (Equipment Rental)	Total	Material Handling	Engineered Products	MHE Rentals India Pvt Ltd (Equipment Rental)	Total
	(₹ in Lakhs)							
Segment Revenue								
Revenue from operations	5,969.68	2,817.65	909.58	9,696.91	6,446.07	1,445.03	212.70	8,103.80
Commission Income	17.25	777.67	-	794.92	2.67	650.87	-	653.54
Other Income	211.14	590.30	2.87	804.31	169.94	407.28	-	577.22
	6,198.07	4,185.62	912.45	11,296.14	6,618.68	2,503.18	212.70	9,334.56
Unallocated Income				7.40				16.55
Total				11,303.54				9,351.11
Segment Results								
Segment results/ operating Profit/(Loss)	42.03	1,017.16	(110.61)	948.58	84.72	610.53	(20.56)	674.69
Unallocated income (including income from interest/ dividend)				7.40				16.55
Unallocated expenses				468.36				347.82
Interest Expenses				261.62				192.58
Profit/ (Loss) before tax				226.00				150.84
Provision for taxation - current tax				75.38				29.89
Excess Provisions for Income Tax in respect of earlier years				10.80				(11.29)
Deferred Tax				(146.84)				(35.50)
Profit/(Loss) after Tax				286.66				167.74
Other Information								
Segment Assets	3,756.50	1,667.09	2,585.95	8,009.54	3,828.67	1,604.81	1,150.41	6,583.89
Unallocated Assets				859.54				616.01
Total Assets				8,869.08				7,199.90
Segment Liabilities	1,982.80	1,459.38	1,716.84	5,159.02	2,121.77	865.57	684.22	3,671.56
Unallocated liabilities (Including share capital and reserves)				3,710.06				3,528.34

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

Particulars	For the Year Ended 31st March, 2019				For the Year Ended 31st March, 2018			
	Material Handling	Engineered Products	MHE Rentals India Pvt Ltd (Equipment Rental)	Total	Material Handling	Engineered Products	MHE Rentals India Pvt Ltd (Equipment Rental)	Total
Total liabilities				8,869.08				7,199.90
Cost incurred during the financial year to acquire segment fixed assets	70.25	23.85	1,365.57	1,459.67	111.89	18.07	779.34	909.29
Cost incurred during the financial year to acquire segment fixed assets (Unallocated)			19.02	19.02				20.00
Depreciation	61.18	19.68	110.79	191.65	62.09	21.71	22.11	105.91
Depreciation (Unallocated)			15.32	15.32				17.90

(₹ in Lakhs)

Notes:

The Group has disclosed Business Segments as the Primary Segments. The segments have been identified taking into account the nature of the products, the differing risks & returns, the organisational structure and internal reporting system. The Company's operations predominantly relate to manufacturing of Material Handling Equipment 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 operation 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 Statements for the year ended 31st March, 2019 (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. Kshitiz Bilala, Chief Financial Officer(CFO) (Appointed as CFO w.e.f. 01/02/2018)	
3	Mr. Anand Singh Dalal (CEO and Director) of MHE Rentals India Private Limited	
4	Mrs. Babita Kumari (Appointed as Company Secretary w.e.f.29-10-18)	
5	Mr. Jai Prakash Agarwal, Chairman and Director	Board of Directors
6	Mr. Farokh Kekhushroo Banatwalla, Independent Director	
7	Mr. Shailesh Rajnikant Sheth, Independent Director	
8	Mr. Marco Philippus Ardeshir Wadia, Independent Director	
9	Mr. Kailash C Somani, Director of MHE Rentals India Private Limited	
10	Mrs. Shikha Jain, Woman Director	
11	Dotch Sales Private Limited	Private company having common director
12	Amphenol Interconnect India Private Limited	
13	Gramos Chemicals (India) Private Limited	
14	Johnson and Johnson Private Limited	
15	Chambal Fertilizer and Chemicals Limited	Public Company having common Director
16	Stovec Industries 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, 2019	For the Year ended 31st March, 2018
1	Stovec Industries Ltd.	Sale of Goods	0.19	1.22
2	Johnson & Johnson Private Ltd	Sale of Goods	-	0.79
3	Chambal Fertilizer and Chemicals Limited	Sale of Goods	25.41	6.59
4	Dotch Sales Pvt Ltd.	Loan taken and fully repaid	-	267.17
5	Mr. Vishal Jain	Loan taken and fully repaid	80.00	312.36
6	Amphenol Interconnect India Private Limited	Reimbursement of expenses	2.28	-

(Note: The above amounts are inclusive of GST)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

38 RELATED PARTY DISCLOSURE, AS REQUIRED BY INDIAN ACCOUNTING STANDARD-24, IS AS BELOW: (Contd.)

C. Sitting fees:

(₹ in Lakhs)

Name of the Directors	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1) Mr. J. P. Agarwal	1.80	3.10
2) Mr. Marco Wadia	1.40	2.90
3) Mr. F. K. Banatwalla	2.20	3.05
4) Mr. Shailesh Sheth	2.20	3.05
5) Mr. Vishal Jain	-	2.10
6) Mrs. Shikha Jain	0.25	0.50
	7.85	14.70

D. Compensation of Key Managerial Personnel:

(₹ in Lakhs)

Name of KMP	Designation	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Mr. R. P. Pargoankar	CEO (up to 30.09.17)	-	12.88
Mr. C. B. Sagvekar	Vice President and Company Secretary. (up to 31.03.18)	-	19.82
Mr. Kshitiz Bilala	CFO (Appointed w.e.f. 01.02.18)	34.44	3.90
Mr. Vishal Jain	Vice Chairman and Managing Director (Appointed w.e.f. 04.10.17)	36.00	-
Mrs. Babita Kumari	Company Secretary (Appointed w.e.f. 29-10-18)	2.34	-
Mr. M G Naik	CFO (up to 01.02.18)	-	4.40
Mr. Anand Singh Dalal	CEO and Director of MHE Rentals India Private Limited	12.60	12.60

39 The Group has closed its wholly owned subsidiary at Ajman Free Trade Zone, UAE. The amount of ₹ 28.41 lakhs as advances has been written off in Financial Year 2018-19.

40 During the year, the Company has acquired 30,12,000 equity shares of Rs. 10 per equity share valuing ₹ 301.20 lakhs of its subsidiary namely, MHE Rentals India Pvt Limited. Total investment in MHE is ₹ 601.80 lakhs. The shareholding at 31st March 2019 is 60.23%.

41 Leases

The Group has taken office premises under operating leases. These lease arrangements are ranging between 11 months to 60 months generally or longer and are renewable by mutual consent and on mutually agreeable terms.

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Not later than one year	30.05	21.66
Between one to five years	68.57	71.53
Later than five years	0.36	0.37

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

42 Earnings per share

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
a. Net Profit attributable to shareholders (₹ in lakhs)	286.66	167.74
b. Weighted average number of Equity Shares (in lakhs)	9.33	8.59
Basic	30.73	19.53
c. Weighted average number of Equity Shares (in lakhs)	9.33	8.59
Diluted	30.73	19.53

43 Events occurring after Balance Sheet date

The Board in its meeting held on May 18, 2019 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.

44 Income Tax

(₹ in Lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
(a) Amount recognised in Statement of Profit & Loss		
Current tax		
Current tax on profits for the year	75.38	29.89
Income Tax for Earlier Years	10.80	(11.29)
Total current tax expense (A)	86.18	18.60
Deferred tax		
(Increase) in deferred tax assets	(146.84)	(35.50)
Total deferred tax expense/ (credit) (B)	(146.84)	(35.50)
Income tax expense reported in the Statement of Profit & Loss (A+B)	(60.66)	(16.90)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(b) Reconciliation of effective tax rate

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Profit before income tax expense	226.00	150.84
Statutory income tax rate	27.82%	33.06%
Amount of tax at statutory income tax rate (I)	62.87	49.87
Adjustments:		
Income Tax for Earlier Years	10.80	(11.29)
Difference in property, plant and equipment & employee benefit Provision as per books and Income tax Act, 1961	(0.40)	3.18
Mat Credit Entitlement	37.61	40.69
Tax Difference	-	(10.80)
Tax impact of brought Forward Losses	(54.94)	(72.70)
Deferred tax	(146.84)	(35.50)
Various allowance/ disallowance of expenses	(11.04)	11.15
Loss of subsidiary on which deferred tax asset not recognized	38.20	8.91
Others	3.08	(0.41)
Adjustments (II)	(123.53)	(66.77)
Total Adjustment (I+II)	(60.66)	(16.90)

45 Previous year figures have been regrouped/ re-arranged wherever necessary.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E
Sukhendra Lodha
Partner
Membership No.071272
Place: Thane
Date: 18th May, 2019

For and on behalf of Board of Directors

Vishal Jain
Vice Chairman & Managing Director
F.K. Banatwalla
Director
Kshitiz Bilala
Chief Financial Officer
Babita Kumari
Company Secretary
Place: Thane
Date: 18th May, 2019

FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the Financial Statement of Subsidiaries or Associate Companies or Joint Ventures As on 31st March, 2019

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	(130.08)	2,595.06	1,725.96	0.03	912.45	(110.61)	(12.69)	(97.92)	-	60.23

Notes : 1 Names of subsidiaries which are yet to commence operations- Not Applicable

2 Names of subsidiaries which have been liquidated or sold during the year- Jostsengg Global- F.Z.E.

Part B Associates and Joint Ventures

Not Applicable

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates or Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date			
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. Net worth 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			

Not Applicable

1. Names of associates or Joint Ventures which are yet to commence operations - Not applicable.

2. Names of associates or joint ventures which have been liquidated or sold during the year- Not applicable.

For and on behalf of Board of Directors

Vishal Jain

Vice Chairman & Managing Director

F.K. Banatwala

Director

Kshitiz Bilal

Chief Financial Officer

Babita Kumari

Company Secretary

Place: Thane

Date: 18th May, 2019

NOTICE

Notice is hereby given that the hundred and Twelfth Annual General Meeting of the members of Jost's Engineering Company Limited will be held at Great Social Building, 60 Sir Phirozeshah Mehta Road, Mumbai-400 001 on Wednesday, the 14th August, 2019 at 4.00 P.M. 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 31st March, 2019 together with the reports of the Auditors and Board of Directors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Jai Prakash Agarwal (DIN 00242232), who retires by rotation and being eligible offers himself for reappointment.
4. To ratify the appointment of M/s Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) as the Statutory Auditors of the Company and to fix their remuneration and in this connection, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment 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 112th Annual General Meeting until the conclusion of the 113th 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 Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. F K Banatwalla (DIN 02670802) as Non-Executive Independent Director, whose first term of five consecutive years expired on 31st March, 2019 and who is eligible for re-appointment for a second term of five consecutive years under the provisions of the Companies Act, 2013, and Rules made thereunder and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed for second term of five consecutive years, on the Board of Directors of the Company w.e.f. 1st April, 2019 up to 31st March, 2024"

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Shailesh Sheth (DIN 00041713) as Non-Executive Independent Director, whose first term of five consecutive years expired on 31st March, 2019 and who is eligible for re-appointment for a second term of five consecutive years under the provisions of the Companies Act, 2013, and Rules made thereunder and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed for second term of five consecutive years, on the Board

NOTICE (Contd.)

of Directors of the Company w.e.f. 1st April, 2019 up to 31st March, 2024.

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the approval of the members be and is hereby accorded for continuation of Mr. Shailesh Sheth as an Independent Director, even after attaining the age of 75 (seventy five) years during the aforesaid second term of his appointment."

7. 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 Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Marco Wadia (DIN 00244357) as Non-Executive Independent Director, whose first term of five consecutive years expired on 31st March, 2019 and who is eligible for re-appointment for a second term of five consecutive years under the provisions of the Companies Act, 2013, and Rules made thereunder and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed

for second term of five consecutive years, on the Board of Directors of the Company w.e.f. 1st April, 2019 up to 31st March, 2024."

8. 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 in terms of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby accorded for entering into material related party transactions / arrangements with related party during the financial year 2019-20, as set out in the explanatory statement annexed to the notice convening this meeting.

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

By order of the Board

Babita Kumari

Company Secretary

Thane, 18th May, 2019

Registered Office :

Great Social Building,
60 Sir Phirozeshah Mehta Road,
Mumbai-400 001.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The Instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies, etc. must be supported by an appropriate resolution / authority, as applicable.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under item no. 5 to 8 of the Notice set out above, is annexed hereto. 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 I' to this Notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 9th August, 2019 to 14th August, 2019 (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 14th August, 2019. 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 8th August, 2019.
(ii) The payment of dividend will be made through National Electronic Clearing System (NECS). Members holding shares in demat/electronic form are hereby informed that bank particulars registered with their respective depository accounts will be used by the Company for payment of dividend through NECS. The Company or its Registrars cannot act on any request received directly from the Members holding shares in demat/electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
The members holding shares in physical form and desirous of receiving dividend through NECS, are requested to provide their bank account number, name and address of the bank quoting their folio number directly to the Company's Registrar and Share Transfer Agent, namely, M/s. Computech Sharecap Limited, latest by 2nd August, 2019, failing which dividend will be paid by DD / Cheque.
5. 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 31st March, 2011. Shareholders who have not encashed their dividend warrant(s) so far, for the financial years ended 31st March, 2012 to 31st March, 2018 are requested to make their claim to the Company immediately quoting their folio numbers. It may also be noted that according to the provisions of Section 205C of the Companies Act, 1956, once the unclaimed dividend is transferred to IEPF, as above, no claim shall lie in respect thereof against the Fund or the Company.
Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 30th July, 2018 (date of the last Annual General Meeting) on the website of the Company (www.josts.com) as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in).
6. The Company has appointed M/s. Computech Sharecap Limited, Tampilbar Building, 147 Mahatma Gandhi Road, 3rd Floor, Opp. Jehangir Art Gallery, Fort, Mumbai 400 001 as Registrar and Share Transfer Agents for share registry work both for physical and electronic mode. The Members are therefore, requested to address the correspondence relating to the share registry both

Notes: (Contd.)

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).

7. Electronic copy of the Annual Report 2018-19 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. For members who have not registered their E-mail Ids, the physical copy of the Annual Report 2018-19 is being sent in the permitted mode. Such members are requested to register their E-mail Ids with the Company's Registrars and Share Transfer Agents, M/s. Computech Sharecap Limited or Depository Participant by submitting the consent form attached at the end of the Annual Report. 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.
8. Voting Options :

(I) Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 112th Annual General Meeting (AGM) by

remote e-voting (i.e. voting electronically from a place other than the venue of general meeting).

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

The instructions for shareholders voting electronically are as under:

- i. The voting period begins on Friday, 9th August, 2019, (10 a.m.) and ends on Tuesday, 13th August, 2019, (5 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. 7th August, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iii. Click on Shareholders.
- iv. 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

- vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
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"> • Members who have not updated their PAN with the Company / Depository Participant are requested to enter the Password provided on the Attendance Slip.
DIVIDEND BANK DETAILS OR 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"> • If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

Notes: (Contd.)

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen.
However, members 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.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xii. 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.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. 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.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii. 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.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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 scrutiniser to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (II) Voting Through Ballot :**
- The Company is also providing the facility for voting through Ballot process at the AGM and the members attending the Meeting who have not cast their vote by remote e-voting will be able to exercise their right to vote at the AGM. The Ballot Forms will be available at the AGM.
- (III) Other Instructions**
- (i) The members who have cast their votes by remote e-voting prior to the date of AGM may attend the AGM but shall not be entitled to cast their votes again.
 - (ii) A Member can opt for only one mode of voting i.e. either through e-voting or ballot. If a Member casts his/ her vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.

Notes: (Contd.)

- (iii) The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on cut-off date i.e. 7th August, 2019. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting through ballot at the meeting.
 - (iv) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on the cut-off date, i.e. 7th August, 2019, may obtain the login ID and password by sending a request at helpdesk@computechsharecap.in.
 - (v) The Board of Directors of the Company have appointed M/s. Sandeep Dar & Co., Company Secretaries, Navi Mumbai, to act as the Scrutiniser. The Scrutiniser shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the Meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses (not in the employment of the Company) and make, not later than three days of the conclusion of the Meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman.
 - (vi) The Results of the e-voting / ballot will be declared not later than three days of conclusion of the Annual General Meeting. The declared results along with the Scrutiniser's Report will be available on the Company's website www.josts.com and on the website of CDSL and will also be forwarded to the Stock Exchange where the Company's shares are listed. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the Annual General Meeting.
- 9. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents, M/s. Computech Sharecap Limited, Unit: Jost's Engineering Company Limited, quoting their folio numbers.
 - 10. The Members who continue to hold shares in physical form are requested to intimate any change in their address immediately to the Company's Registrar and Share Transfer Agents, M/s. Computech Sharecap Limited, Unit: Jost's Engineering Company Limited, quoting their folio numbers. The Members holding shares in dematerialised form are requested to get their change of address recorded with the concerned depository participants.

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

ITEM NO.5

The members of the Company at the 107th Annual General Meeting held on 10th July, 2014, had approved the appointment of Mr. F K Banatwalla as an Independent Director for a period of 5 (Five) consecutive years from 1st April, 2014 to 31st March, 2019. Accordingly, his first term has expired on 31st March, 2019. Mr. F K Banatwalla being eligible for re-appointment, and on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, reappointed him for second term of five consecutive years from 1st April, 2019 to 31st March, 2024, subject to approval of the members.

Mr. F K Banatwalla, 70, is B.Com., LLB, CAIIB (1). He is a Director on the Board of various Companies, such as, Simmonds Marshall Limited, Uni-Abex Alloy Products Limited, Clover Infotech Private Limited, Clover Realty and Infrastructure Private Limited, Bullows India Private Limited, Worthwhile Properties Private Limited, Logical Properties Private Limited, Amalfi Realty Private Limited, Clover Technologies Private Limited, Clover Transaction Systems Private Limited, Sienna Systems Resources Private Limited.

The Board of Directors of the Company is of the opinion that Mr. F K Banatwalla fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and that he is Independent of the management. Mr. F K Banatwalla would be entitled to sitting fees and remuneration by way of commission, as applicable.

Pursuant to section 160 of the Companies Act, 2013, the Company has received a notice from a member signifying his intention to propose Mr. F K Banatwalla as a candidate for the office of an Independent Director of the Company.

As per the provisions of section 149(10) of Companies Act, 2013, members' approval is required by passing a Special Resolution for reappointment of an Independent Director.

The Board of Directors of the Company believes that Mr. F K Banatwalla's knowledge and experience would benefit the Company and recommends the resolution in relation to re-appointment of Mr. F K Banatwalla as an Independent Director pursuant to provisions of section 149 read with Schedule IV of the Companies Act, 2013 for the approval by the members of the Company. In terms of provisions of Section 149(13) of the Companies Act, 2013, Mr. F K Banatwalla shall not be liable to retire by rotation.

Mr. F K Banatwalla does not hold any shares in Jost's Engineering Company Limited.

The Board recommends the Resolution at item No. 5 of the accompanying notice for approval by the members.

Except Mr. F K Banatwalla, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the resolution set out in Item No. 5.

ITEM NO. 6

The members of the Company at the 107th Annual General Meeting held on 10th July, 2014, had approved the appointment of Mr. Shailesh Sheth as an Independent Director for a period of 5 (Five) consecutive years from 1st April, 2014 to 31st March, 2019. Accordingly, his first term has expired on 31st March, 2019. Mr. Shailesh Sheth being eligible for re-appointment, and on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, reappointed him for second term of five consecutive years from 1st April, 2019 to 31st March, 2024, subject to approval of the members.

Mr. Shailesh Sheth, 72, has done his MBA from the Indian Institute of Management (IIM), Ahmedabad. He is a director on the Board of various Companies such as Bharat Fritz Werner Limited, A.T.E. Private Limited, KNF Pumps + Systems (India) Private Limited and A.T.E. Enterprises Private Limited.

The Board of Directors of the Company is of the opinion that Mr. Shailesh Sheth fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and that he is Independent of the management. Mr. Shailesh Sheth would be entitled to sitting fees and remuneration by way of commission, as applicable.

Pursuant to section 160 of the Companies Act, 2013, the Company has received a notice from a member signifying his intention to propose Mr. Shailesh Sheth as a candidate for the office of an Independent Director of the Company.

As per the provisions of section 149(10) of Companies Act, 2013, members' approval is required by passing a Special Resolution for reappointment of an Independent Director.

Further, approval of the members is required in terms of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, for continuation of Non Executive director beyond the age of 75 years. During the proposed term of reappointment, Mr. Shailesh Sheth will attain the age of 75 years. Once this special resolution is passed, the aforesaid regulation will be complied with.

The Board of Directors of the Company believes that Mr. Shailesh Sheth knowledge and experience would benefit the

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business. (Contd.)

Company and recommends the resolution in relation to re-appointment of Mr. Shailesh Sheth as an Independent Director pursuant to provisions of section 149 read with Schedule IV of the Companies Act, 2013 for the approval by the members of the Company. In terms of provisions of Section 149(13) of the Companies Act, 2013, Mr. Shailesh Sheth shall not be liable to retire by rotation.

Mr. Shailesh Sheth does not hold any shares in Jost's Engineering Company Limited.

The Board recommends the Resolution at item No. 6 of the accompanying notice for approval by the members.

Except Mr. Shailesh Sheth, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the resolution set out in Item No. 6.

ITEM NO. 7

The members of the Company at the 107th Annual General Meeting held on 10th July, 2014, had approved the appointment of Mr. Marco Wadia as an Independent Director for a period of 5 (Five) consecutive years from 1st April, 2014 to 31st March, 2019. Accordingly, his first term has expired on 31st March, 2019. Mr. Marco Wadia being eligible for re-appointment, and on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, reappointed him for second term of five consecutive years from 1st April, 2019 to 31st March, 2024, subject to approval of the members.

Mr. Marco Wadia, 63, holds Bachelor Degree in Law and since 2001 is a Partner in the firm of M/s Crawford Bayley & Co., Mumbai, a reputed firm of Solicitors & Advocates. He is a Director on the Board of various Companies, such as Zuari Agro Chemicals Limited, Chambal Fertilisers and Chemicals Limited, Gobind Sugar Mills Ltd., Paradeep Phosphates Ltd, Simon India Limited, Stovec Industries Limited, Zuari Global Limited, Amphenol Interconnect India Private Limited, Amphenol Omniconnect India Private Limited, Johnson & Johnson Private Limited, Amphetronix Offset Interconnect Solutions Private Limited, and Indian Register of Shipping.

The Board of Directors of the Company is of the opinion that Mr. Marco Wadia fulfills the conditions specified in the

Companies Act, 2013 and the rules made thereunder and that he is Independent of the management. Mr. Marco Wadia would be entitled to sitting fees and remuneration by way of commission, as applicable.

Pursuant to section 160 of the Companies Act, 2013, the Company has received a notice from a member signifying his intention to propose Mr. Marco Wadia as a candidate for the office of an Independent Director of the Company.

As per the provisions of section 149(10) of Companies Act, 2013, members' approval is required by passing a Special Resolution for reappointment of an Independent Director.

The Board of Directors of the Company believes that Mr. Marco Wadia's knowledge and experience would benefit the Company and recommends the resolution in relation to re-appointment of Mr. Marco Wadia as an Independent Director pursuant to provisions of section 149 read with Schedule IV of the Companies Act, 2013 for the approval by the members of the Company. In terms of provisions of Section 149(13) of the Companies Act, 2013, Mr. Marco Wadia shall not be liable to retire by rotation.

Mr. Marco Wadia holds 61 shares in Jost's Engineering Company Limited.

The Board recommends the Resolution at item No. 7 of the accompanying notice for approval by the members.

Except Mr. Marco Wadia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the resolution set out in Item No. 7.

ITEM NO.8

Pursuant to the provisions of Section 188 of the Companies Act, 2013 ("Act") read with Rules made thereunder and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR"), shareholders' approval is required for material related party transactions.

The Company is expected to enter into the following material related party transactions with the related party during the financial year 2019-20 and which are in the ordinary course of business and on an Arm's Length Basis.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business. (Contd.)

Name of Related Party	Name of interested Director(s) / KMP(s)	Nature of Relationship	Nature of Transaction	Estimated transaction value for the financial year ending 31 st March, 2020 (Rs. Lakhs)
MHE Rentals India Private Limited (MHE Rentals)	Mr. Jai Prakash Agarwal (Director) Mr. Vishal Jain (Director)	Mr. Jai Prakash Agarwal and Mr. Vishal Jain Directors of the Company are also Director and / or Members of MHE Rentals.	i) Sale of goods by the Company to MHE Rentals.	700.00
			ii) Purchase of goods/ services by the Company from MHE Rentals.	100.00
			iii) Corporate Guarantee to be issued by the Company in connection with Loan obtained/ to be obtained by MHE Rentals .	1000.00
			iv) Commission expected to be received by the Company from MHE Rentals.	50.00
			v) Short term loans /advances to be given by the Company to MHE Rentals	100.00

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

The Board of Directors recommends the above resolution for your approval.

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

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

Thane, 18th May, 2019

Registered Office :

Great Social Building,
60 Sir Phirozeshah Mehta Road,
Mumbai-400 001.

By order of the Board

Babita Kumari

Company Secretary

Annexure "I" to the Notice

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Particulars	Mr. Jai Prakash Agarwal	Mr. F K Banatwalla	Mr. Shailesh Sheth	Mr. Marco Wadia
Date of Birth	15/10/1958	19/04/1949	29/12/1946	30/01/1956
Date of Appointment	21/01/2015	21/04/2009	27/11/1997	02/06/1998
Qualifications	B.Com, Company Secretary	B.Com, LLB, CAIIB(1)	MBA from IIM, Ahmedabad	Bachelor Degree in Law
Expertise in specific functional areas	Management and Finance	Finance	Management, Business Strategy, Technology and Marketing	Mergers and Acquisitions, Contracts and Corporate Laws
Directorships held in other public companies (excluding foreign companies and section 8 companies)	-	<ul style="list-style-type: none"> • Simmonds Marshall Limited • Uni-Abex Alloy Products Limited 	<ul style="list-style-type: none"> • Bharat Fritz Werner Limited • Indian Machine Tool Manufacturers Association (IMTMA) 	<ul style="list-style-type: none"> • Zuari Agro Chemicals Limited • Paradeep Phosphates Ltd • Zuari Global Limited • Simon India Limited • Gobind Sugar Mills Ltd. • Chambal Fertilisers and Chemicals Limited • Stovec Industries Limited
Membership/ Chairmanships of committees of other public companies (including only Audit Committee and Stakeholders Relationship Committee)	-	<ul style="list-style-type: none"> • Uni-Abex Alloy Products Limited • Simmonds Marshall Limited 	<ul style="list-style-type: none"> • Bharat Fritz Werner Limited • Indian Machine Tool Manufacturers Association (IMTMA) 	<ul style="list-style-type: none"> • Zuari Global Limited • Paradeep Phosphates Ltd • Simon India Limited • Zuari Agro Chemicals Limited • Chambal Fertilisers and Chemicals Limited • Stovec Industries Limited
Number of shares held in the Company	1,32,991 Equity Shares	-	-	61 Equity shares

To:

M/s Computech Sharecap Limited

Unit: Jost's Engineering Company Limited

147, Mahatma Gandhi Road,

3rd Floor, Opp. Jehangir Art Gallery,

Fort, Mumbai- 400001

Dear Sir,

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM

Members holding shares in Electronic Mode

I/ We hereby give my/ our CONSENT to the Company to use my/our registered E-mail ID in my / our Demat Account with the Depository Participant for sending the Notices of General Meetings, Annual Report, Postal Ballot and other Shareholder's communication to me/ us.

- | | | |
|--|----------|-------|
| 1. Name(s) of Shareholder(s) | 1 | ..... |
| (including joint holder, if any) | 2 | ..... |
| | 3 | ..... |
| 2. No. of Shares held | : | ..... |
| 3. DP ID / Client ID Number | : | ..... |
| 4. Signature(s) of the Shareholder(s) | 1 | ..... |
| | 2 | ..... |
| | 3 | ..... |

Members holding shares in Physical Mode

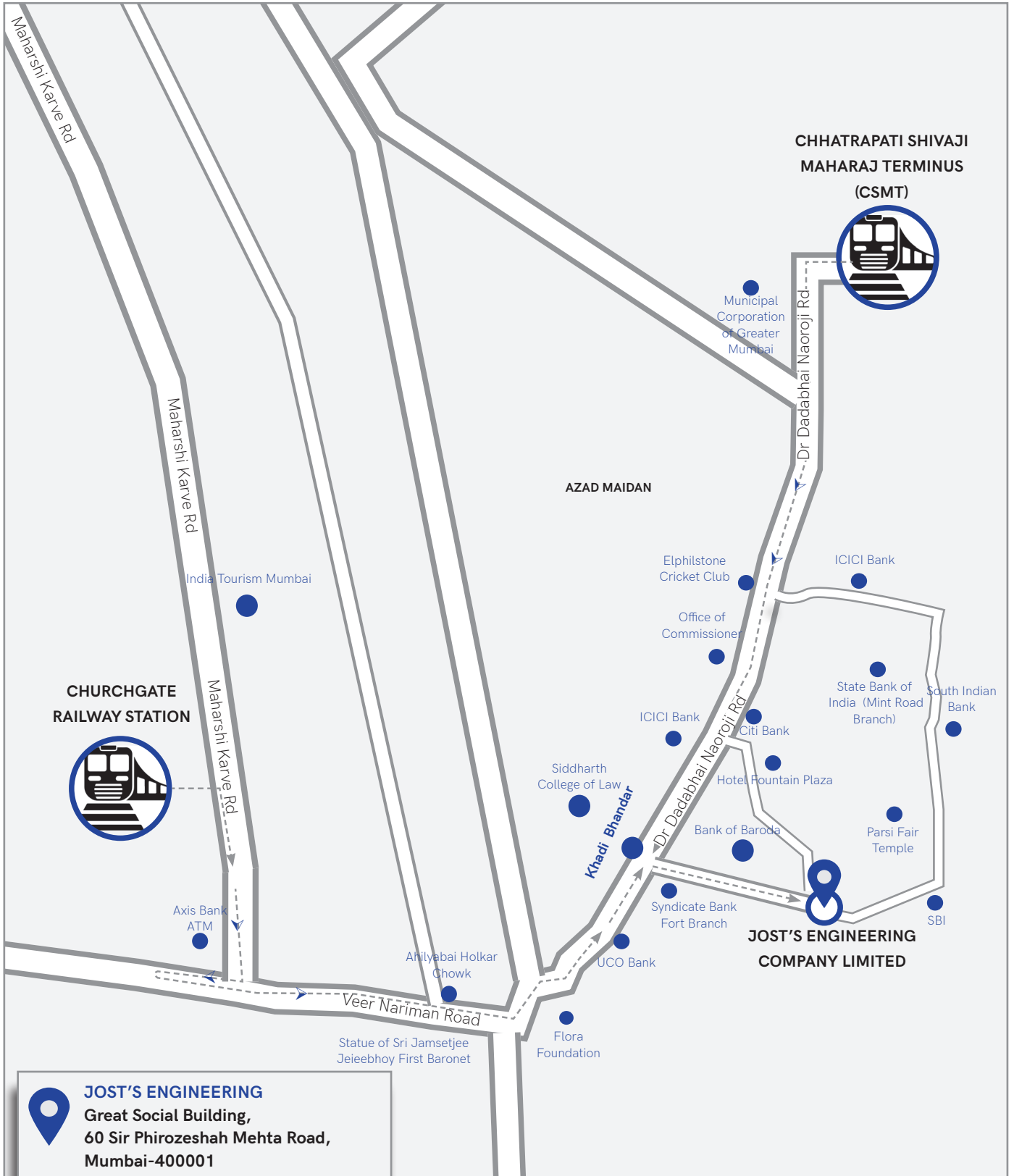
I / We hereby give my / our CONSENT to the Company, to use my / our following e-mail id for sending the Notices of General Meetings, Annual Report, Postal Ballot and other Shareholders' communication to me / us.

- | | | |
|--|----------|-------|
| 1. Name(s) of Shareholder(s) | 1 | ..... |
| (including joint holder, if any) | 2 | ..... |
| | 3 | ..... |
| 2. No. of Shares held | : | ..... |
| 3. Registered Folio Number | : | ..... |
| 4. Email Id | : | ..... |
| 5. Signature(s) of the shareholder(s) | 1 | ..... |
| | 2 | ..... |
| | 3 | ..... |

Place:

Date:

ROUTE MAP TO THE AGM VENUE





Since 1907

www.josts.com

REGISTERED OFFICE ADDRESS

Great Social Building, 60, Sir Phirozeshah Mehta Road, Mumbai - 400 001.

Tel. : 91-22-6237 8200 | Fax : 91-22-6237 8201

THANE FACTORY

C-7, Wagle Industrial Estate, Road No. 12, Thane - 400 604.

Tel. : 91-22-6267-4000



Since 1907

Jost's Engineering Company Limited

Registered Office: Great Social Building, 60, Sir Phirozeshah Mehta Road, Mumbai 400 001. India
CIN : L28100MH1907PLC000252, Tel. : +91 22 62378200, Fax : +91 22 62378201
E-mail : jostsho@josts.in Website : www.josts.com

ATTENDANCE SLIP

112TH ANNUAL GENERAL MEETING - 14TH AUGUST, 2019 AT 04.00 P.M.

Registered Folio/DP ID & Client ID		
Name and Address of the shareholder(s)		
Joint Holder 1 Joint Holder 2		
I/We hereby record my/our presence at the Hundred and TWELFTH ANNUAL GENERAL MEETING of the Company on Wednesday, the 14th August, 2019 at Great Social Building, 60, Sir Phirozeshah Mehta Road, Mumbai 400001.		
Note: Please complete this Attendance slip and hand it over at the entrance of the Meeting hall.		..... Signature of Member(s) / Proxy
ELECTRONIC VOTING PARTICULARS		
Electronic Voting Sequence Number (EVSN)	User ID	Password
190702010		
Note: Please read the instructions given under Note No. 8 of Notice dated 18th May, 2019 of 112th Annual General Meeting. The e-voting period commences on Friday, 9th August, 2019 at 10.00 a.m. and ends on Tuesday, 13th August, 2019 at 5.00 p.m. Thereafter the e-voting module shall be disabled by CDSL.		



Since 1907

Jost's Engineering Company Limited

Registered Office: Great Social Building, 60, Sir Phirozeshah Mehta Road, Mumbai 400 001. India
CIN : L28100MH1907PLC000252, Tel. : +91 22 62378200, Fax : +91 22 62378201
E-mail : jostsho@josts.in Website : www.josts.com

FORM NO. MGT - 11

PROXY

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	Name of the Company
Registered Office:	
Name of the Member(s)	
Registered Address:	
E-mail id:	Folio No./DP ID/Client ID:

I/We, being the member(s) of shares of the above named company, hereby appoint

1 Name	Address
E-mail id	Signature or failing him/her
2 Name	Address
E-mail id	Signature or failing him/her
3 Name	Address
E-mail id	Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 112th Annual General Meeting of the Company, to be held on Wednesday, 14th August, 2019 at 4:00 p. m. at Great Social Building, 60 Sir Phirozeshah Mehta Road, Mumbai 400001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

- Adoption of Standalone and Consolidated Financial Statements for the year ended 31st March, 2019 and reports of Directors and Auditors thereon.
- Declaration of Dividend for the year ended 31st March, 2019.
- Approval for re-appointment of Mr. Jai Prakash Agarwal (DIN: 00242232) who retires by rotation.
- Ratification of appointment of M/s. Singhi & Co., Chartered Accountants, as the Statutory Auditors to hold office from the conclusion of 112th Annual General Meeting until the conclusion of the 113th Annual General Meeting and to fix their remuneration.

Special Business:

- Re-appointment of Mr. F. K. Banatwalla (DIN: 02670802) as a Non-Executive Independent Director for a second term of five years, with effect from 1st April, 2019 upto 31st March, 2024.
- Re-appointment of Mr. Shailesh Sheth (DIN: 00041713) as a Non-Executive Independent Director for a second term of five years, with effect from 1st April, 2019 upto 31st March, 2024.
- Re-appointment of Mr. Marco Wadia (DIN: 00244357) as a Non-Executive Independent Director for a second term of five years, with effect from 1st April, 2019 upto 31st March, 2024.
- Consent of the members for entering into material related party transactions/arrangements with related parties during the Financial Year 2019-20.

Signed this day of 2019.

Folio No. / DP ID / Client ID

Signature of shareholder

Signature of Proxy holder

Affix Re.1
Revenue
Stamp

Notes:

- This form of proxy in order to be effective, should be deposited at the Registered Office of the Company duly completed and signed, not less than 48 hours before the commencement of the meeting.
- A proxy need not be a member of the Company.
- A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. A member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.