



Since 1907

Jost's Engineering Company Limited

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

CIN : L28100MH1907PLC000252 , Tel.:+91 2261174000,25821727/46, Fax:+91 22 25823478

Email : jostfact@josts.in

Website: www.josts.com

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

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

06th September, 2022

Dear Sir,

Scrip Code- 505750

Subject- Corrigendum to the Annual Report for the Financial Year 2021-22

Dear Sir/Madam,

The Corrigendum is being issued with reference to our letter dated 03rd September, 2022 with respect to the Annual Report for the Financial Year 2021-22.

With reference to the captioned subject, we have noticed inadvertent typographical error, in the figures of Profit/(Loss) after tax (Consolidated), in the Board's Report (Page No. 13 of the Annual Report) AND in the total of Deferred Tax Asset (second table) in Notes to the Consolidated Financial Statements (Page No. 137 of the Annual Report).

The errors discovered are the following:

1. Profit / (Loss) after tax shall be read as follow as highlighted in Bold:

| Particulars | Standalone | | Consolidated | |
|-------------------------|------------------------------|------------------------------|---------------------------------------|---------------------------------------|
| | Year ended March 31, 2022 | Year ended March 31, 2021 | Year ended March 31, 2022 | Year ended March 31, 2021 |
| Profit/(Loss) after tax | 447.95 | 408.83 | 457.10 Instead of 203.79 | 348.77 Instead of 147.07 |

2. Deferred Tax Asset shall be read as follow as highlighted in Bold:

| Particulars | As at 31st March 2021 | (Charged)/credited to Profit & Loss | (Charged)/credited to Other Comprehensive Income | As at 31st March 2022 |
|-----------------------|--------------------------|--|--|---------------------------------------|
| Deferred Tax Asset | 130.57 | (1.04) instead of (1.03) | (1.82) | 127.71 Instead of 127.72 |

It may be noted that the error is not a material error but a typographical error and it does not impact the financial statements in any manner. As soon as the typographical error was noticed, necessary rectification has been promptly executed.

A copy of the revised Annual Report after correcting the above two inadvertent errors is attached herewith for your record.



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The updated Annual Report shall also be available on the website of the Company at www.josts.com.

Kindly take this corrigendum and the revised Annual Report for the year 2021-22 on record.

Thanking You,

Yours Faithfully,

For Jost's Engineering Company Limited

Babita Kumari
Company Secretary
M. No. A40774

Encl: As above



JOSTS
ENGINEERING

INTO THE LIGHT

ANNUAL REPORT
2021-2022

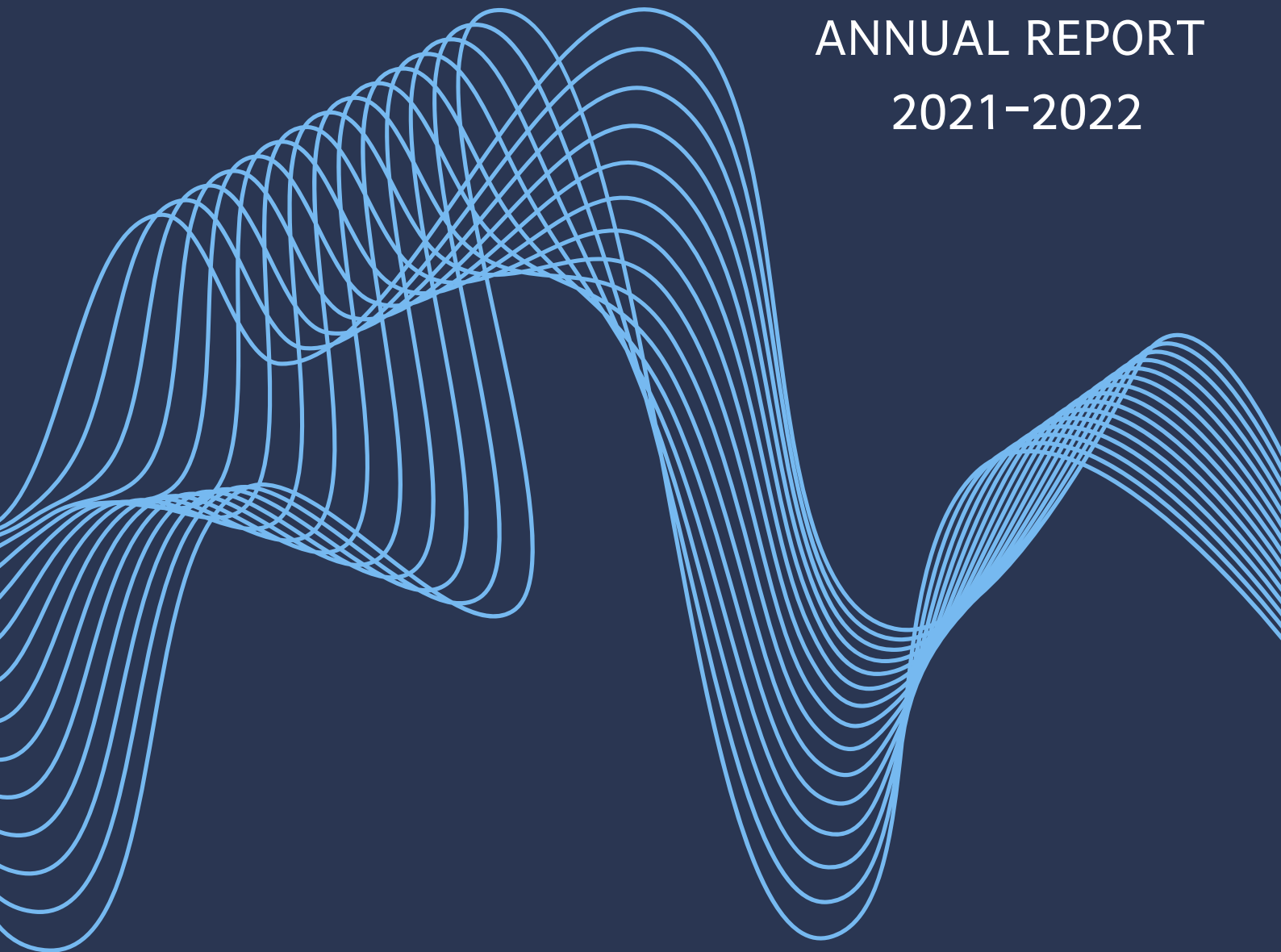


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ABOUT US

A BRIEF STORY ABOUT THE COMPANY

Incorporated in the year 1907, Josts Engineering Company Limited (also referred to as 'Josts' or 'The Company' across the report) is headquartered in Mumbai with a Pan-India presence.

Josts ideology is to bring world class products and solutions to its customers, that help them to either develop new product offerings or help in improving productivity in existing operations.

MATERIAL HANDLING DIVISION

Josts Material Handling Division division is committed to providing innovative solutions for internal material handling needs of its customers to improve the efficiency of their processes.

Five decades of experience supported with a fully equipped ISO certified plant at Thane, Josts offers comprehensive solutions for storing, stacking, retrieving and transporting in the field of intra-logistics.

ENGINEERED PRODUCTS DIVISION

The Engineered Products Division (EPD) is associated with world leaders in different high technology application areas such as sound and vibration, environmental simulation, components, and electrical test & measuring instruments, nano-technology, analytical solutions and heat & combustion. The distribution business provides complete engineering solutions, backed by efficient services and technical support to businesses in varied sectors.

TECHNICAL SERVICES

The Company also provides On-Site Testing, Technical Training Installation, Erection, and Commissioning, Calibration, Annual Maintenance Contract, Maintenance Services, and further to provide services support to their customers.

MHE RENTALS

MHE rentals offers the best equipment in accordance with customers' needs along with on time technical support. The products and services are customized as per the following parameters.

Equipment | Trained operator | Annual maintenance contract | Manpower

OUR JOURNEY

1907
year of incorporation

07
Service centers

35+
International Companies
Represented

17
Dealers across India

08
Regional Sales Offices

114
Years of Excellence

INTO THE LIGHT



Training work force

- Continuing annual product training
- Starting solution-selling training for the sales team



Retaining skilled workforce

- Introducing performance based variable incentive scheme
- Increasing scope for lateral movement



Improving Service Support

- Adding all new product testing services and rental services

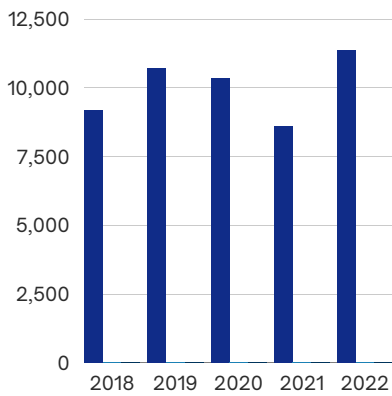


Cost Management

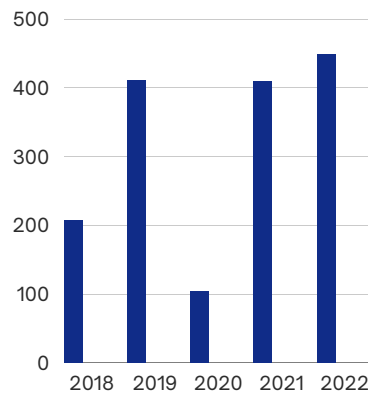
- Efficient working capital management
- Cutting travel, overtime and excessive supply chain costs

Financial Highlights

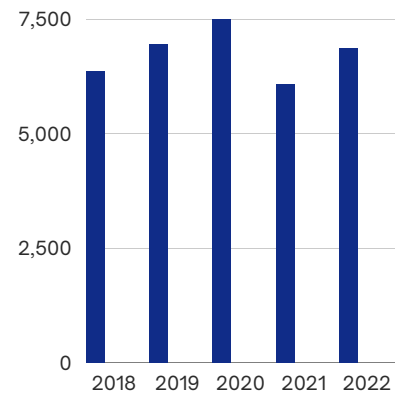
Net Revenue



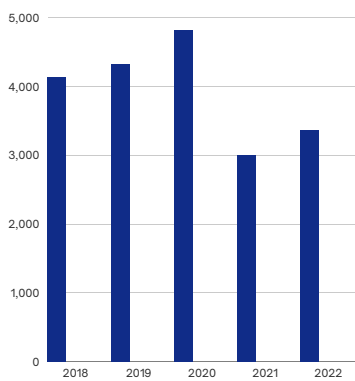
Profit After Tax



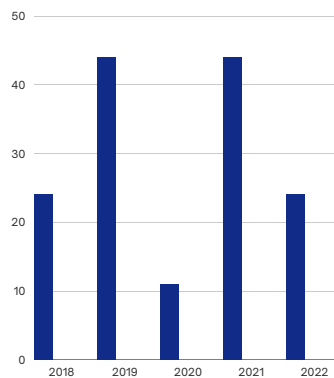
Total Assets



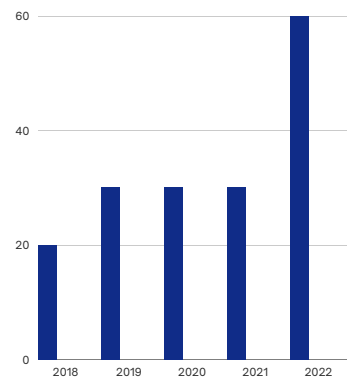
Total Liability



Earnings per Share



Dividend per Share (%)



BOARD OF DIRECTORS



Mr. Shailesh Sheth
Director



Mr. Jai Prakash Agarwal
Chairman



Mr. Vishal Jain
Vice-Chairman and Managing Director



Mrs. Shikha Jain
Director



Mr. Marco Wadia
Director



Mr. F.K. Banatwalla
Director

MANAGEMENT

Mr. Dhanaji Sawant
Senior Vice -President - MHD

Mr. L. Sharath Kumar
Senior Vice-President – EPD

Mr. Rohit Jain
Chief Finance Officer

CORPORATE INFORMATION

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

Solicitors
M/s. Crawford Bayley and Company

Investor correspondence link :
<https://www.bigshareonline.com/InvestorLogin.aspx>

AUDITORS

M/s. Singhi & Co
Chartered Accountants

Registrar and Share Transfer Agents
Bigshare Services Private Limited
Pinnacle Business Park, Office No S6-2
6th, Mahakali Caves Rd, next to Ahura Centre
Andheri East, Mumbai, 400093, Maharashtra, India.
Phone: 022-6263 8200, Website: www.bigshareonline.com



CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of Jost's Engineering Company Limited ("Jost's"), I am pleased to present Jost's Annual Report for the Financial Year 2021-22.

The past two years have been a period of intense action and reflection. We have seen a global pandemic, geopolitical tensions, supply chain disruptions and many other public and private upheavals. As the dust settles, and a clearer picture of the world ahead emerges, I believe we are standing at the threshold of a period of great opportunities and growth.

The ongoing geopolitical conflict, re-imposition of lockdown in China on account of fresh COVID-19 cases, global inflation and continuing supply shortages are expected to adversely impact global GDP growth in 2022. The World Bank expects global growth to decelerate from an estimated 5.5% to 3.2% as pent-up demand dissipates and as fiscal and monetary support is unwound across the world. Commodity and energy prices are expected to remain high in the wake of the conflict and sanctions, thereby resulting in an increase in global inflation.

The Indian GDP is estimated to have grown at 8.7% in FY 2021-22, exceeding the pre-COVID level in actual terms. The effects of various reforms for capital spending, greater capacity utilisation, and more private investment are likely to enable this growth.

FY 2021-22 was satisfying year. Your Company has responded with alacrity in dealing with an unprecedented calamity and has shown continuous growth in the operations which were severely impacted due to nationwide lockdown imposed during the first three months. Income for the year is Rs. 11,388 Lakhs as against Rs. 8,648 Lakhs in the previous year. The Company has reported Profit after tax of Rs. 448 lakhs as against Rs. 408 Lakhs in the previous year. The Engineered Products Division's contribution increased profit during the year under review. We serve the industry like Defense, Education, R & D Labs and private segments like Auto Engineering, FMCG, etc. We continue to focus on technical service business in the years to come and our focus will be sharper.

The Material Handling Division turned in a creditable performance and registered appreciable recovery across key performance parameters. The Company is continuously putting focus on quality of products and providing better customer services.

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

To drive future growth, we will intensify our focus towards increasing our manufacturing capacities, product portfolio expansion and digital initiatives

Adequacy and effectiveness of the safety measures prompted employees to say that they "felt the safest at the workplace". Our priority was to vaccinate our employees with agility and to ensure this, multiple vaccination drives for both the doses were held across all our manufacturing locations. Human Resources and Talent Management has always been the priority of your company. The Company believes that human resources are the most critical element responsible for growth.

We strive towards attracting, retaining, and developing the best talent required for the business to grow. The employees are regularly provided with training and development programs to enhance their skills and focus on career progression. Employees have a sense of belongingness and feel empowered in driving business profitability.

On the back of improved performance, I am happy to report that the Board of Directors have recommended a dividend of Rs. 3 per fully paid up equity share which translates to dividend payout of 60% per share.

I would like to thank all our employees, customers, Supply chain partners, business associates, Members of our Board, Shareholders and all the people associated with the company for their continued trust, support and confidence in Josts.

With Best Wishes

Jai Prakash Agarwal
Chairman

BOARD'S REPORT

The Directors present herewith 115th Annual Report together with the Audited Financial Statements of the Company for the year ended March 31st, 2022.

(Rs in lakhs)

| Particulars | Standalone | | Consolidated | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2022 | Year ended March 31, 2021 | Year ended March 31, 2022 | Year ended March 31, 2021 |
| Profit/(Loss) before exceptional items and Tax | 651.74 | 555.90 | 660.89 | 495.84 |
| Exceptional Items | - | - | - | - |
| Profit Before tax | 651.74 | 555.90 | 660.89 | 495.84 |
| Less: Tax Expense : | | | | |
| Current Tax | 201.51 | 165.20 | 201.51 | 165.20 |
| Deferred Tax | 1.04 | (2.17) | 1.04 | (2.17) |
| Short/(Excess) Provision for Income tax of earlier years | 1.24 | (15.96) | 1.24 | (15.96) |
| Profit/(Loss) after tax | 447.95 | 408.83 | 457.10 | 348.77 |
| Balance brought forward from previous year | 1708.48 | 1,327.65 | 1,510.89 | 1,165.54 |
| Amount available for appropriation | 2156.43 | 1,736.48 | 1,954.75 | 1,538.89 |
| Less: Dividend paid during the year | 28.00 | 28.00 | 28.00 | 28.00 |
| General Reserve | | - | | |
| Balance carried forward | 2128.43 | 1,708.48 | 1,926.75 | 1,510.89 |

2. Dividend

The Directors are pleased to recommend a dividend of Rs. 3/- per share (60%) on Equity Shares of Rs. 5/- each for the year ended March 31st, 2022.

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

Income for the year under review was Rs 11,388.28 Lakhs as against Rs. 8,648.55 Lakhs in the previous year. The profit before tax was Rs 561.74 Lakhs as against Rs. 555.90 Lakhs in the previous year. Generally, business should continue to progress. Barring unforeseen circumstances, there should be improved results in the current financial year 2022-23.

4. Performance of Subsidiary Company, namely, MHE Rentals India Private Limited.

This Subsidiary is engaged in equipment rental business. For the year ended March 31st, 2022, the turnover was Rs 1271.53 lakhs as against Rs. 1084.14 lakhs in the previous year. The Profit for the year ended March 31st, 2022 was Rs 15.54 lakhs as against loss of Rs. 59.01 Lakhs in the previous year.

The Company has incorporated a Wholly Owned Subsidiary Company outside India, namely, Jost's Engineering Inc. with effect from 28th June, 2022. Further, there are no Joint Venture or associate companies.

5. Share Capital

Authorized Share Capital: Your Company has its Authorized Share Capital of Rs. 1,00,00,000 divided into 20,00,000 Equity Shares of Rs. 5/- each.

Issued, Subscribed and Paid up Share Capital: Your Company has its Issued, Subscribed and Paid up Share Capital of Rs. 93,28,730 divided into 18,65,746 Equity Shares of Rs. 5/- each.

During the year under review, the authorized, issued, subscribed and paid up equity share capital of face value of Rs. 10/- each stands sub-divided into equity shares of face value of Rs. 5/- (Rupees Five) each from 21st May, 2021, which was approved by the Shareholders at their Extra Ordinary General Meeting held on 24th March, 2021.

6. Consolidated Financial Statements

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

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

7. Material Subsidiary

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

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

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

9. Directors' Responsibility Statement

To the best of the knowledge and belief of the Directors of the Company and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3) (c) and Section 134 (5) of the Companies Act, 2013:

(i) that in the preparation of the Annual Accounts for the year ended March 31st, 2022, the applicable accounting standards read with requirements set out under Schedule III to the Act, had been followed with proper explanation and there are no material departures from the same;

(ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31st, 2022 and of the profit of the Company for the year ended on that date;

(iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with

the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the directors had prepared the annual accounts on a going concern basis;

(v) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are 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 are adequate and operating effectively.

10. Particulars of employees

The information pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not given, as no employee, employed throughout the financial year 2021-22, was in receipt of the remuneration of Rs. 102 lakhs or more and no employee, employed for the part of the financial year 2021-22 was in receipt of remuneration of Rs. 8.50 lakhs or more per month.

11. Annual Return

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return as at March 31, 2022 on its website at www.josts.com at web link : <https://josts.com/wp-content/uploads/2022/08/Form-MGT-72022.pdf>

12. Deposits

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

13 Particulars of Loans, Guarantees and Investments

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

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

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

15. Vigil Mechanism / Whistle Blower Policy

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

16. Risk Management Policy

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

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

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

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).

17. Nomination and Remuneration Policy

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

Key Managerial Personnel and Senior Management Personnel and also lays down a framework in relation to remuneration of the aforesaid persons. The Nomination and Remuneration Policy has been posted on the website of the Company (www.josts.com).

18. Prevention of Sexual Harassment

The Company has constituted an "Internal Complaints Committee" in compliance with the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaints of Sexual Harassment were reported to the Board.

19. Committees of the Board

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

(i) Audit Committee

Mr. F. K. Banatwalla (DIN: 02670802) - Chairman
Mr. Shailesh Sheth (DIN: 00041713) - Member
Mr. Jai Prakash Agarwal (DIN: 00242232) - Member

(ii) Nomination and Remuneration Committee

Mr. Shailesh Sheth (DIN: 00041713) - Chairman
Mr. Marco Wadia (DIN: 00244357) - Member
Mr. F. K. Banatwalla (DIN: 02670802) - Member

(iii) Share Transfer and Stakeholders Relationship Committee

Mr. Shailesh Sheth (DIN: 00041713) - Chairman
Mr. F. K. Banatwalla (DIN: 02670802) - Member
Mr. Jai Prakash Agarwal (DIN: 00242232) - Member

(iv) Corporate Social Responsibility Committee*

Mr. Jai Prakash Agarwal (DIN: 00242232) - Chairman
Mr. Vishal Jain (DIN: 00709250) - Member
Mr. F. K. Banatwalla (DIN: 02670802) - Member

*The Board of Directors in their meeting held on August 6th, 2022 had constituted "Corporate Social Responsibility Committee".

20. Independent Directors' Meeting

During the year under review, a separate meeting of the Independent Directors of the Company was held on February 04th, 2022 and attended by the Independent Directors, to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

21. Meetings of the Board

During the year under review 4 (Four) Board Meetings and 11 (Eleven) Committee Meetings were convened and held. The details of the same forms a part of the Corporate Governance Report.

22. Performance Evaluation

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

23. Related Party Transactions

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

All related party transactions entered into during FY 2021-22 were on an arm's length basis and in the ordinary course of business. No material related party transactions were entered into during the financial year 2021-22. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is attached as Annexure- B to the Board's Report.

24. Auditors

(i) Statutory Auditors

Your Directors inform the members that M/s. Singhi & Co., Chartered Accountants, having Firm Registration No.302049E, Statutory Auditors of the Company, who were appointed at the 110th Annual General Meeting, held on 20th July, 2017, for a term of 5 years, would be completing their term at the ensuing Annual General Meeting of the Company.

The Company has received confirmation from M/s. Shah Gupta & Co. Chartered Accountant (FRN 109574W) as Statutory Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Act and the firm satisfies the criteria specified in Section 141 of the Act read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors of the Company on the recommendation of the Audit Committee has recommended the appointment of M/s Shah Gupta & Co. Chartered Accountant (FRN 109574W) as the Statutory Auditors of the Company pursuant to Section 139 of the Act for a first term of 5 (five) years to hold office from the conclusion of the ensuing AGM till the conclusion of 120th Annual General Meeting of the Company to be held in the year 2027, subject to approval by the Members at the ensuing AGM.

The Board recommends to seek consent of its Members at the ensuing AGM on appointment of M/s Shah Gupta & Co. Chartered Accountant (FRN 109574W) as Statutory Auditors for tenure of 5 (five) years, to examine and audit the accounts of the Company during the said period.

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 March 31st, 2022, forms part of this Annual Report. The Statutory Auditors have submitted an unmodified opinion on the audit of financial statements for the year ended March 31st, 2022 and there is no qualification, reservation or adverse remarks given by the Auditors in their Report.

(ii) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s Akshay Gupta & Co., Company Secretaries, as Secretarial Auditor, to undertake the Secretarial Audit for the year ended March 31st, 2022. The Secretarial Audit Report is annexed as Annexure "C" to the Board's Report.

Further, the Board has re-appointed M/s Akshay Gupta & Co., Company Secretaries (FRN: S2018RJ649000) as Secretarial Auditor of the Company for the FY 2022-23.

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

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

Explanation to Observation No. 1

As per Section 203(1) (ii) of the Companies Act, 2013 and Regulation 6(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, the Company had appointed Mrs. Babita Kumari (Membership No. A40774) as the Company Secretary and Compliance Officer of the Company with effect from 6th August, 2022.

Explanation to Observation No. 2

As regards the delay in submitting on BSE the outcome of the meeting of Board of Directors held on 6th May, 2021, there was certain dislocation in the administrative work due to COVID-19 pandemic. However the Company shall ensure that such delays are avoided in future.

Pursuant to provisions of the Section 143(12) of the Companies Act, 2013, neither the Statutory Auditors nor the Secretarial Auditor has reported any incident of fraud during the year under review.

(iii) Internal Auditors

Your Directors, during the year under review, appointed M/s S.G.C.O & Co. LLP, to act as the Internal Auditors of the Company for the financial year 2022-23 pursuant to section 138 of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014.

(iv) Cost Auditors

Your Directors, during the year under review, appointed M/s. Devarajan Swaminathan & Co. Cost Accountants (FRN: 100669) as Cost Auditors of the Company for the financial year 2022-23, for conducting the cost audit, pursuant to section 148 of the Companies Act, 2013 read with rules made thereunder.

The Board recommends to seek ratification by the Members at the ensuing AGM on the remuneration payable to the Cost Auditor, appointed for conducting the Cost Audit of the Company for the financial year 2022-23.

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

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

26. Management Discussion and Analysis Report

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

27. Corporate Governance

The Corporate Governance Report for the year ended March 31st, 2022 along with Certificate of Compliance of conditions of the Corporate Governance received from the M/s Akshay Gupta & Co., Practicing Company Secretary, as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) is annexed as Annexure 'F' and forms an integral part of this Report.

28. Internal Control System

The Company has an effective Internal Control System in place considering the size, scale and complexity of operations.

The internal control is supplemented by the detailed internal audit programme, reviewed by management and by the Audit Committee and documented Policies, SOPs, Guidelines and Procedures.

The Internal Audit monitors and evaluates the efficacy and adequacy of internal control system in the company, its compliance with operating systems, accounting procedures and policies at all locations of the company.

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

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

30. Directors

Mr. Jai Prakash Agarwal (DIN: 00242232), Whole Time Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offered himself for re-appointment.

Declaration of Independence

All Independent Directors of the Company have given requisite declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act alongwith Rules framed thereunder, Regulation 16(1)(b) of SEBI Listing Regulations and have complied with the Code of Conduct of the Company as applicable to the Board of directors and Senior Management. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Company has received confirmation from all the Independent Directors of their registration on the Independent Directors Database maintained by the Indian Institute of Corporate Affairs, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

31. Key Managerial Personnel

Ms. Prajakta Patil, Assistant Company Secretary and Compliance Officer of the Company, resigned with effect from 26th April, 2021.

Mr. Qamar Ali (Membership No. A39406) was appointed as Company Secretary and Compliance Officer of the Company with effect from 6th May, 2021.

Further, Mr. Qamar Ali (Membership No. A39406), Company Secretary and Compliance Officer of the Company, resigned with effect from 11th February, 2022.

Mrs. Babita Kumari (Membership No. A40774) was appointed as Company Secretary and Compliance Officer of the Company, with effect from 6th August, 2022.

32. Employee Stock Option

The Nomination and Remuneration Committee and Board of Directors of the Company in their meeting held on August 6th, 2022 approved the Jost's Engineering Company Employee Stock Option Plan 2022 (hereinafter to be referred as the "Plan") for grant of 1,20,000 Options to Eligible Employees of the Company and recommended the same to the Shareholders of the Company for their approval.

33. Investor Education & Protection Fund ('IEPF')

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to IEPF.

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to the demat account of IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website.

In light of the aforesaid provisions, the Company is required to transfer dividends which remained unpaid/ unclaimed for a period of seven years to the IEPF established by the Central Government. The unpaid/ unclaimed dividend for the year ended March 31, 2015 is due for transfer to IEPF on or after October 20th, 2022.

During the period under review, the Company transferred 2,278 Equity shares, dividends of which remained unclaimed for a consecutive seven years i.e. from 2013-14 to 2020-21, to Investor Education and Protection Fund (IEPF) pursuant to Section 124 (6) of the Companies Act, 2013 within the scheduled time.

34. Statement on compliances of applicable Secretarial Standards

In requirement of para 9 of revised Secretarial Standards on Board Meeting i.e. SS-1, your Directors states that they have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

35. Material changes and commitments, if any

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

36. Change in the nature of business

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

37. Disclosure about cost audit and records

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

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

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

39. Reserves

During the financial year ended March 31st, 2022, no amount was transferred to General reserves.

40. 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

Sd/-

Date: 6th August, 2022

Place: Thane

Jai Prakash Agarwal

Chairman and Whole Time Director

DIN: 00242232

ANNEXURE “A” TO THE BOARD'S 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 equipment's and devices which consume electricity, continues to be in place in the factory. Water consumption is also monitored as regular function of maintenance Dept., though our type of business does not consume much water.

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

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

(iii) The capital investment on energy conservation equipment.

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

(B) Technology Absorption

(i) The efforts made towards technology absorption

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

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

Product quality improvements is at the heart of Technology upgrades.

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

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

(iv) The expenditure incurred on Research and Development

NIL

(C) Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings - Rs. 627.86 Lakhs
Foreign Exchange Outgo -Rs. 1463.51 Lakhs

On behalf of the Board of Directors

Sd/-

Jai Prakash Agarwal

Chairman and Whole Time Director

DIN: 00242232

Date: 6th August 2022

Place: Thane

ANNEXURE “B” TO THE BOARD'S REPORT

FORM NO. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

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

| Sr. No. | Name(s) of the related party and nature of relationship | Nature of contracts/arrangements/transactions | Duration of the contracts/arrangements/transactions | Salient terms of the contracts or arrangements or transactions including the value, if any: | Date(s) of approval by the Board, if any: | Amount paid as advances, if any: |
|----------------|---|---|---|---|---|----------------------------------|
| Not Applicable | | | | | | |

On behalf of the Board of Directors

Sd/-

Jai Prakash Agarwal
Chairman and Whole Time Director
DIN: 00242232

Date : 06th August, 2022.

Place : Thane

ANNEXURE 'C' TO THE BOARD'S REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 AND RULE NO.9 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]

To
The Members,
JOST'S ENGINEERING COMPANY LIMITED
Great Social Bldg.,
60 Sir P. M. Road,
Fort, Mumbai, MH-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, its agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 (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 31st March, 2022 according to the provisions of:

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

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 (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

(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;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of Act, Rules, Regulations, Guidelines etc. mentioned above subject to the following observations:

- As per Section 203(1) (ii) of the Companies Act, 2013 and Regulation 6(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, the Company had not appointed Company Secretary after the resignation of previous Company Secretary, who ceased in the employment of the Company w.e.f. 11th February, 2022. The Company will put in its best efforts to fill in the vacancy by appointing a suitable candidate, as early as possible.
- As per the Regulation 30 read with schedule III of the Part A (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, there was delay in submitting on BSE the outcome of the meeting of Board of Directors held on 6th May, 2021.

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

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

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

- I. Secretarial Standards issued by The Institute of Company Secretaries of India.
- II. The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited.

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

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

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

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 AKSHAY GUPTA & COMPANY
COMPANY SECRETARIES

Place : Kota
Date : 25.07.2022
UDIN : A056911D000682294

Sd/-
CS AKSHAY GUPTA
PROPRIETOR
Membership No. 56911
COP No: 21448
Peer review No.: 1872/2022

‘ANNEXURE A’

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For AKSHAY GUPTA & COMPANY
COMPANY SECRETARIES

Place : Kota
Date : 25.07.2022
UDIN : A056911D000682294

Sd/-
CS AKSHAY GUPTA
PROPRIETOR
Membership No : 56911
COP No: 21448
Peer Review No.: 1872/2022

ANNEXURE “D” TO THE BOARD'S 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 2021-22:

| Name of the Directors | Nature of Directorship | Ratio |
|--------------------------|-------------------------------------|--------|
| Mr. Jai Prakash Agarwal# | Executive Chairman | 9.37:1 |
| Mr. Marco Wadia | Non-Executive Independent Director | 0.24:1 |
| Mr. Shailesh Sheth | Non-Executive Independent Director | 0.44:1 |
| Mr. F. K. Banatwalla | Non-Executive Independent Director | 0.44:1 |
| Mr. Vishal Jain | Vice Chairman and Managing Director | 8.77:1 |
| Mrs. Shikha Jain | Non-Executive Director | 0.24:1 |

Executive Director w.e.f. 1st April, 2021

Notes:

1. Directors' Remuneration includes sitting fees for attending board / committee meetings.
2. Employees for the above purpose, includes all employees excluding employees governed under collective bargaining.
3. For computing median remuneration, the employees who have worked for the complete financial year 2021-22 have been considered.

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, in the financial year 2021-22 :

| Name of the Directors | Designation | Percentage Increase in remuneration |
|--------------------------|-------------------------------------|-------------------------------------|
| Mr. Jai Prakash Agarwal# | Executive Chairman | 2079% |
| Mr. Marco Wadia | Non-Executive Independent Director | - |
| Mr. Shailesh Sheth | Non-Executive Independent Director | - |
| Mr. F. K. Banatwalla | Non-Executive Independent Director | 2% |
| Mr. Vishal Jain | Vice Chairman and Managing Director | 115% |
| Mrs. Shikha Jain | Non-Executive Director | 14% |
| Mr. Rohit Jain | Chief Financial Officer | 18% |
| Mr. Qamar Ali* | Company Secretary | - |
| Ms. Prajakta Patil** | Company Secretary | - |

Notes:

* For part of the year (i.e Appointed w.e.f 07th May, 2021 and ceased in the employment with effect from 11th February, 2022) and therefore the percentage increase in his case is not applicable.

** For part of the year (i.e ceased in the employment with effect from 26th April 2021 and therefore the percentage increase in her case is not applicable.

He was appointed as Executive Director w.e.f. 1st April, 2021. Before that he was Non-executive chairman drawing only sitting fees till 31st March 2021.

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

234 as on March 31st, 2022.

(vi) The percentage increase in the median remuneration of employees in the financial year 2021-22 :

There is increase of 5.44% in the median remuneration of employees for the financial year 2021-22 as compared to median remuneration of employees for the financial year 2020-21.

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

There is 12.46% average percentage increase in the financial year 2021-22, in the salaries of employees as compared to the average percentage increase of the previous financial year 2020-21. For computing average percentage increase in the salaries of the employees, the employees who have worked for the complete financial year 2020-21 and 2021-22 have been considered to make the figures comparable.

(v) 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

Sd/-

Jai Prakash Agarwal

Chairman & Whole Time Director

DIN: 00242232

Date: 6th August, 2022

Place: Thane

ANNEXURE 'E' TO THE BOARD'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Introduction -

The financial year 2021-22 was expected to be a year of recovery on the back of normalised resumption of economic activity and improved mobility, post the first COVID-19 wave.

On the contrary, the year commenced with the onset of a more virulent second wave, resulting in a record number of infections and a high mortality rate. The country witnessed partial lockdowns across different states, as opposed to complete lockdowns during the first wave. With improved vaccination efforts, the economy bounced back faster than anticipated. However, the recovery momentum was once more disrupted due to the emergence of the Omicron variant towards the end of Q3, which, fortunately, lasted only for a brief period. The emergence of geopolitical tensions towards the end of the year has however now created new challenges with a sharp rise in commodity prices, leading to record high inflation and rising interest rates.

Despite these turbulences, India's GDP is expected to grow by 8.7% in FY 2021-22, compared to a 6.6% contraction registered in the previous year.

The surge in domestic demand, improvement in capacity utilization levels and much leaner corporate balance sheets are further indicating a sustained resurgence in the economic output. The IMD's prediction of yet another year of a normal monsoon has added to the positive sentiments

It is expected that the ongoing geopolitical conflict could impact supply chain dynamics and keep commodity prices elevated for a longer period. Rising interest rates across the world could also impact capital flows into the country. However, India due to its structural reforms and thoughtful fiscal stimulus and monetary support from Government & RBI respectively, is in a better position to withstand the challenges, as in the past.

A. Industry structure and developments:

·Material Handling Division (MHD)

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

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

·Engineering Products Division (EPD)

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

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

The engineering and construction industry has made a significant recovery from the 2020 recession, but it has also experienced multiple headwinds that are expected to persist. 2022 should be another rewarding—but challenging—year, and the industry looks to be poised to capture growth opportunities. In 2022, as we move into the second year of recovery, the industry has a big role in supporting the nation's growth plan. The Infrastructure Investment and Jobs Act (IIJA), with investments across health care, public safety, and other public infrastructure, is expected to bode well for the E&C firms and is likely to accelerate recovery across the non residential segment. The residential segment is expected to stay strong and exhibit similar activity as it did in 2021.

The industry has increased its investments in digital, including through mergers and acquisitions (M&A), as it prepares to shift toward connected construction capabilities. These technologies can help E&C firms support initiatives such as smart cities, urban air mobility, and climate change programs and help enhance internal operational efficiencies, reduce costs, and improve margins. 2022 is likely to be an exciting year for the engineering and construction industry

Josts Aerospace & Defense segment is expected to grow in accordance with the government's plans of executing its satellite launch missions and increasing expenditure on the modernization of aircraft & helicopter programs, various defense equipment, and system manufacturing projects. Increasing private ownership of the systems and components manufacturing sector and new product testing opportunities from both private and government labs, create a promising business potential for the company.

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

B. Opportunities and threats

With the Government of India initiating substantive policy reforms in the past 3 years and allocating higher budgets for indigenous procurement, the macro picture has become more positive for the business. The determined push by the GoI under the 'Make in India' initiative and 'Atmanirbhar vision' saw positive traction towards indigenous production. The material handling industry is expected to gain from robust demand for steel, power, mineral and other infrastructure industries.

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

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

C. Risks and concerns.

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

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

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

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

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

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

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

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

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

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

D. Financial and operational performance

- Material Handling Division (MHD)

The performance of the material handling division has improved drastically during the year. Even after the impact of COVID-19 in the first 3 months of the financial year, MHD has shown tremendous growth in the latter 9 months.

Revenue for the material handling division has increased by 34.56% against last year's revenue mainly on account of increased demand and government initiative for the make in India movement. Profit before tax has increased by 67.38% against last year due to cost optimization and an increase in volume.

Operational Review :

During the year, revenue has increased by 34.56%. Profit before tax has increased to 4% against 3% in FY21.

Financial Review :

| Particulars | FY22 | FY21 |
|-------------------------------------|-------|-------|
| Revenue (Rs in lacs) | 7,572 | 5,627 |
| Profit/Loss before tax (Rs in lacs) | 307 | 184 |
| Profit before tax (%) | 4% | 3% |

- Engineering Products Division (EPD)

EPD's revenue increased by 27% in FY22 mainly due to post covid removal of restrictions implemented globally. Our expected orders were on time due to proper movement. The delivery of imported materials was delayed because of the global supply chain disruption caused by the pandemic. Due to supply chain disruption, our margin has been impacted and reduced from 24% to 21% during the year.

Operational Review:

During the year, revenue increased by 27%. Profit before tax marginally reduced to 21% against 24% in FY22.

Financial Review:

| Particulars | FY22 | FY21 |
|--------------------------------|-------|-------|
| Revenue (Rs in lacs) | 3,776 | 2,965 |
| Profit before tax (Rs in lacs) | 797 | 715 |
| Profit before tax (%) | 21% | 24% |

E. Outlook

The Global economy recovered from the pandemic shock in 2022 on the back of supportive fiscal and monetary policies and mass vaccination programs. However, at the end of FY22, the war in Ukraine and the subsequent economic sanctions on Russia posed a large shock.

It disrupted energy markets & supply chains and added to the already evolving inflationary pressures and concerns over consumer demand. Consequently, growth forecasts have been slashed. The International Monetary Fund (IMF) now expects the world economy to grow by 3.6% in CY23, which is 0.8 percentage points lower than its pre-war projections.

With the Government's thrust on investment in infrastructure construction activity expected to pick up the pace during the coming year, the construction equipment market is expected to grow by 17%. Government initiatives in infrastructure development in roads, railways, irrigation, ports, urban and rural infrastructure, affordable housing, etc., are expected to drive demand.

Continuous investments in core manufacturing sectors drive the demand for material handling equipment products. In addition, the increased need for automation and shrinking timelines of infrastructure projects demand material handling equipment thereby resulting in an upward trend. The attractive e-commerce industry, rising labor costs, technological advancements further accelerate the growth of India's material handling equipment market. However, high initial costs, lack of awareness, and real-time technical challenges constrain market growth.

The manufacturing segment dominated the Indian material handling equipment market and will continue its dominance throughout the forecast. Make in India initiative to boost the growth of the manufacturing sector, the market is expecting to see attractive growth in manufacturing and consequently in logistics and distribution activities for the forecast duration. The total warehousing requirement in India is expected to grow at a CAGR of 7.5%. Investment in the warehouse will offer a prospect of realizing returns in the range of 12%-20% per annum to investors willing to explore the sector. India's logistic industry is expected to grow at 15% to 20% per annum.

The engineering sector is the largest of the industrial sectors in India. It accounts for 27% of the total factories in the industrial sector and represents 63% of the overall foreign collaborations. India's engineering sector has witnessed remarkable growth over the last few years driven by increased investment in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy.

The electrical equipment market is forecasted to grow at 12% CAGR to reach US\$ 72 billion by 2025 from US\$ 48-50 billion in 2021. The National Infrastructure Pipeline (NIP) was launched in 2020 with an estimated infrastructure investment of around Rs 111 lakh crore (US\$ 1.48 trillion) between FY 2020-2025, which will drive demand for capital goods.

Digital technologies have been gradually infused into the operational processes at Josts, multiple digital solutions have been seamlessly integrated into their day-to-day operations.

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

Internal control systems and their adequacy

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

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

F. Material developments in Human Resources / Industrial

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

We ensure that the work environment is conducive to the growth of employees. Significant HR initiatives were taken to ensure that the business operates without any impediments. Josts has 234 permanent employees as of 31st March 2022.

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

| Particulars | FY 22 | FY 21 | % change Y-o-Y |
|-----------------------------|-------|-------|----------------|
| Debtors Turnover Ratio | 3.75 | 3.81 | -2% |
| Inventory Turnover Ratio | 8.94 | 7.47 | 20% |
| Interest Coverage Ratio | 36.73 | 24.66 | 48.98% |
| Current Ratio | 1.18 | 1.78 | -33.71% |
| Debt Equity Ratio | 0.03 | 0.05 | -40% |
| Operating Profit Margin (%) | 37.84 | 38.59 | -0.27% |
| Net Profit Margin (%) | 3.95 | 4.76 | -2.28% |
| Return on Networth (%) | 12.84 | 13.34 | -0.50% |

Interest Coverage Ratio – EBIT has increased from 579.40 lacs to Rs 669.98 lacs. This increase is mainly due to an increase in demand after lifting of post covid restrictions and other government schemes to boost the local business.

Current Ratio – Current ratio has reduced primarily on account of an increase in current liabilities and provisions mainly due to an increase in raw material prices and effective capital management.

Debt Equity Ratio – The ratio has improved due to a decrease in total debt by Rs 64.60 lacs and equity has increased by Rs 424.66 lacs in FY 2021-22.

H. Cautionary Statement :

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

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

On behalf of the Board of Directors

Sd/-

Jai Prakash Agarwal

Chairman and Whole Time Director

DIN : 00242232

Date : 6th August 2022

Place : Thane

ANNEXURE 'F' TO THE BOARD'S REPORT

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report for Financial Year 2021-22, which forms part of Board's Report, is prepared pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR)").

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

2. BOARD OF DIRECTORS:

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

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

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

The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors, meets with the requirements of Regulation 17 of SEBI (LODR). The names and categories of Directors, the number of Directorships and Committee positions held by them in other Public Limited Companies and in the Company in terms of SEBI (LODR) as on 31st March,2022 are given below:

| Name | Designation | Category | No of Directorship in listed entities including this listed entity | No of Independent Directorship in listed entities including this listed entity | Number of membership in Audit/ Stakeholder Committee(s) including this listed entity | No of post of Chairperson in Audit/Stakeholder Committee held in listed entities including this listed entity | No. of Equity Shares held |
|--|-----------------------------------|-------------------------------|--|--|--|---|---------------------------|
| Mr. Jai Prakash Agarwal (DIN: 00242232) | Chairman & Whole Time Director | Promoter - Executive Director | 1 | 0 | 2 | 0 | 2,65,982 |
| Mr. Vishal Jain (DIN: 00709250) | Vice Chairman & Managing Director | Promoter - Executive Director | 2 | 1 | 0 | 0 | 2,36,430 |

| Name | Designation | Category | No of Directorship in listed entities including this listed entity | No of Independent Directorship in listed entities including this listed entity | Number of membership in Audit/ Stakeholder Committee(s) including this listed entity | No of post of Chairperson in Audit/Stakeholder Committee held in listed entities including this listed entity | No. of Equity Shares held |
|--|-------------|---|--|--|--|---|---------------------------|
| Mr. Shailesh Sheth (DIN: 00041713) | Director | Non- Executive Independent Director | 1 | 1 | 2 | 1 | - |
| Mr. Marco Philippus Ardeshir Wadia (DIN: 00244357) | Director | Non- Executive Independent Director | 6 | 6 | 5 | 3 | 61 |
| Mr. Farokh Kekhushroo Banatwalla (DIN: 02670802) | Director | Non- Executive Independent Director | 3 | 3 | 5 | 4 | - |
| Mrs. Shikha Jain (DIN: 06778623) | Director | Promoter - Non- Executive Director (Woman Director) | 1 | 0 | 0 | 0 | 2,25,642 |

Board Procedure

The Board meets at least once a quarter and Board Meetings are held through Video Conferencing. The Meetings of the Board are generally scheduled well in advance and the notice of each Board Meeting is sent via e-mails to each Director. The Company provides the information as set out in Regulation 17 read with Part A of schedule II of the SEBI (LODR) to the Board and the Board Committees to the extent applicable. All the items drafted in the Agenda are accompanied by notes giving comprehensive information about the related subject and in certain matters such as financial/ business plans, financial results etc., detailed presentations for the same are made. The Agenda and the relevant notes are circulated well in advance separately to each Director. The members of the Board have complete access to all information of the Company. The Board, if deem necessary and depending upon the urgency and necessity of the matter, takes up any other item of business, which does not form part of the agenda. Urgent matters are also considered and approved by passing resolution through circulation, which are noted at the next Board Meeting. To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting on the overall performance of the Company. In addition to the above, pursuant to Regulation 24 of the SEBI (LODR), the Minutes of the Board Meetings of the Company's Unlisted Subsidiary Company, namely, MHE Rentals India Private Limited and a statement of all significant transactions and arrangement entered into by the Unlisted Subsidiary Company are placed before the Board.

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

During the financial year ended March 31, 2022, Four Board Meetings were held. The gap between two Board Meetings did not exceed 120 days. The attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) is as under:

| Name of the Director | No. of Board Meetings Attended | Attendance at last AGM held on 9th September, 2021 |
|--|--------------------------------|--|
| Mr. Jai Prakash Agarwal (DIN: 00242232) | 4 | Yes |
| Mr. Vishal Jain (DIN: 00709250) | 4 | Yes |
| Mr. Shailesh Sheth (DIN: 00041713) | 4 | Yes |
| Mr. Farokh Kekhushroo Banatwalla (DIN: 02670802) | 4 | Yes |
| Mr. Marco Philippus Ardeshir Wadia (DIN: 00244357) | 4 | Yes |
| Mrs. Shikha Jain (DIN: 06778623) | 4 | Yes |

Mrs. Shikha Jain (DIN : 06778623), Non- Executive Director is the wife of Mr. Vishal Jain, Vice Chairman and Managing Director. No other Directors are related to each other. There were no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company other than the payment of sitting fees. Except Mr. Marco Philippus Ardeshir Wadia (DIN: 00244357), Independent Non-executive Director, none other Independent Director or non-promoter -Non-Executive Director holds any Equity Share or Convertible instrument in the Company. Further, the Company has not granted any stock option to any of its Non-Executive Directors.

c. Directorship of Directors in other than this Company as on March 31, 2022

| Name of Director | Directorship in other Listed Companies | Category of Directorship |
|--|--|--|
| Mr. Jai Prakash Agarwal (DIN: 00242232) | NIL | NIL |
| Mr. Vishal Jain (DIN: 00709250) | <ul style="list-style-type: none"> Career Point Limited | Non-Executive Independent Director |
| Mr. Shailesh Sheth (DIN: 00041713) | NIL | NIL |
| Mrs. Shikha Jain (DIN: 06778623) | NIL | NIL |
| Mr. Farokh Kekhushroo Banatwalla (DIN: 02670802) | <ul style="list-style-type: none"> Simmonds Marshall Limited Uni Abex Alloy Products Limited | Non-Executive Independent Director Non-Executive Independent Director |
| Mr. Marco Philippus Ardeshir Wadia (DIN: 00244357) | <ul style="list-style-type: none"> Zuari Agro Chemicals Limited Chambal Fertilizers and Chemicals Limited Paradeep Phosphates Limited Stovec Industries Limited Mangalore Chemicals & Fertilizers Limited | Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director |

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

During the financial year 2021-22, Four meetings of the Board were held on the following dates:

- 06th May, 2021;
- 07th August, 2021;
- 10th November, 2021;
- 10th February, 2022.

e. Familiarisation Programme for Independent Directors:

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

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

Familiarization module for Independent Directors:

- The Company shall facilitate an orientation programme for the Independent Directors to provide an overview of business, operations and business model of the Company.
- The programme shall also familiarize with the role, responsibilities and rights of the Independent Directors.
- The programme shall also provide an opportunity to interact with the senior leadership team of the Company and help them to understand the service and product offerings, markets, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.
- The company has imparted the familiarization program to the Independent Directors. The Familiarization program was conducted on 06th May, 21, 07th August, 2021, 10th November, 2021 and 10th February, 2022. The Weblink to access is : https://josts.com/wp-content/uploads/2022/08/Familiarisation-Programme_2021-22.pdf

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

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

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

All the present Directors of the company namely, Mr. Jai Prakash Agarwal (DIN: 00242232), Mr. Vishal Jain (DIN: 00709250), Mr. Farokh Kekhushroo Banatwalla (DIN: 02670802), Mr. Shailesh Sheth (DIN: 00041713), Mr. Marco Philippus Ardeshir Wadia (DIN: 00244357), Mrs. Shikha Jain (DIN: 06778623) possess all the above skills.

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

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

3. AUDIT COMMITTEE

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

a. Terms of Reference

Terms of Reference will include inter alia the following:

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

b. Composition of the Audit Committee

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

The quorum for the Audit Committee Meetings is Two members. During the Financial Year 2021-22, Four meetings of the Audit committee were held as follows:

- 06th May, 2021;
- 07th August, 2021;
- 10th November, 2021;
- 10th February, 2022.

The Composition of the Audit Committee and the attendance of the Committee Members at the Meetings held during the Financial Year 2021-22 is as follows :

| Name of the Director | Designation | Category | No. of Audit Committee Meetings attended |
|--|-------------|------------------------------------|--|
| Mr. Farokh Kekhushroo Banatwalla (DIN: 02670802) | Chairman | Non-Executive Independent Director | 4 |
| Mr. Shailesh Sheth (DIN: 00041713) | Member | Non-Executive Independent Director | 4 |
| Mr. Jai Prakash Agarwal (DIN: 00242232) # | Member | Promoter – Executive Director | 4 |

Executive Director w.e.f 1st April, 2021

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

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

4. NOMINATION AND REMUNERATION COMMITTEE

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

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

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

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

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

b. Composition of the Nomination and Remuneration Committee

During the Financial Year 2021-22, three meetings of the Nomination and Remuneration Committee were held on 06th May 2021, 07th August, 2021 and 10th February, 2022.

| Name of the Director | Designation | Category | No. of Audit Committee Meetings attended |
|--|-------------|------------------------------------|--|
| Mr. Shailesh Sheth (DIN: 00041713) | Chairman | Non-Executive Independent Director | 3 |
| Mr. Farokh Kekhushroo Banatwalla (DIN: 02670802) | Member | Non-Executive Independent Director | 3 |
| Mr. Marco Philippus Ardeshir Wadia (DIN: 00244357) | Member | Non-Executive Independent Director | 3 |

c. Performance evaluation criteria for independent Directors

The Independent Directors and the Board are evaluated on the basis of the following criteria's :

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

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of Section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted Corporate Social Responsibility Committee in their meeting held on 6th August, 2022. The Chairman of the Committee is Mr. Jai Prakash Agarwal (DIN:00242232), Whole Time Director of the Company.

Mr. Vishal Jain (DIN: 00709250), Managing Director, Mr. F K Banatwalla (DIN: 02670802), Independent Director of the Company are the other members of the Committee.

6. REMUNERATION OF DIRECTORS

a. Remuneration to Non-Executive Directors

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

The details of the sitting fees paid to Non-Executive Directors for the year ended 31st March, 2022 is as follows:

| Name of the Director | Sitting Fees |
|--|---------------|
| Mr. Jai Prakash Agarwal (DIN: 00242232)# | NIL |
| Mr. Shailesh Sheth (DIN: 00041713) | Rs.220,000/- |
| Mr. Farokh Kekhushroo Banatwalla (DIN: 02670802) | Rs.220,000/- |
| Mr. Marco Philippus Ardeshir Wadia (DIN: 00244357) | Rs. 120,000/- |
| Mrs. Shikha Jain (DIN: 06778623) | Rs. 120,000/- |

Executive Director w.e.f. 1st April, 2021

b. Remuneration to Executive Directors

(i) **Mr. Vishal Jain** (DIN: 00709250), was appointed as Vice Chairman and Managing Director for a period of 3 years w.e.f. 4th October, 2017 to 3rd October, 2020. He was then further re-appointed at the Board Meeting dated 15th June, 2020 for a further period of 3 years w.e.f. 4th October, 2020. The terms and conditions of appointment and remuneration are embodied in the agreement dated 26th December, 2017 and 15th June, 2020 respectively entered into between the Company and Mr. Vishal Jain. The salient terms and conditions are as under:

Remuneration

(i) Salary

| | |
|-----------------------|-------------------------|
| Basic Salary: | Rs. 130,000/- per month |
| House Rent allowance: | Rs. 65,000/-per month |
| Special Allowance: | Rs. 155,000/- per month |

Total Monthly Salary: Rs. 3,50,000/- (Subject to tax)

(ii) Perquisites:

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

b) Reimbursement of Entertainment and Travelling Expenses

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

(iii) Privilege Leave (PL):

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

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

(iv) Provident Fund and Gratuity:

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

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

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

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

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

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

(ii) **Mr. Jai Prakash Agarwal** (DIN: 00242232), was appointed as Executive Chairman for a for a period of 3 years w.e.f. 1st April, 2021. The remuneration payable to him was approved by the members of the company at their duly convened Extra Ordinary General Meeting dated 24th March, 2021

Remuneration Payable: -

(i) Salary

| | |
|-------------------------------|--------------------------|
| Basic Salary : | Rs. 2,00,000/- per month |
| House Rent allowance : | Rs. 80,000/-per month |
| City Compensatory Allowance : | Rs. 1,10,385/- per month |

Total Monthly Salary: Rs. 3,90,385/- (Subject to tax)

(ii) Perquisites:

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

(b) Reimbursement of Entertainment and Travelling Expenses

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

(iii) Privilege Leave (PL):

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

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

(iv) Gratuity:

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

7. SHARE TRANSFER AND STAKEHOLDERS RELATIONSHIP COMMITTEE

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

| Name of the Director | Designation | Category | No. of meetings attended |
|---|-------------|------------------------------------|--------------------------|
| Mr. Shailesh Sheth (DIN: 00041713) | Chairman | Non-Executive Independent Director | 4 |
| Mr. Jai Prakash Agarwal (DIN: 00242232)# | Member | Promoter – Executive Director | 4 |
| Mr. Farokh Kekhushroo Banatwalla (DIN: 02670802) | Member | Non-Executive Independent Director | 4 |

Executive Director w.e.f. 01st April, 2021

b. Name and Designation of Company Secretary and Compliance Officer

Mr. Qamar Ali, Company Secretary and Compliance officer was in the employment of the Company up to 11th February, 2022. Mr. Rohit Jain, Chief Financial Officer was appointed as the Compliance Officer of the Company with effect from 07th February, 2022.

Mrs. Babita Kumari was appointed as Company Secretary and Compliance Officer of the Company with effect from 6th August, 2022.

c. Complaints from Investors

During the year under review, the Company had not received any complaints from the investors and there were no investor complaints pending as on 31st March 2022.

d. During the Financial Year 2021-22, 4 (Four) meetings of the Share Transfer and Stakeholders Relationship Committee were held i.e. on 06th May 2021, 07th August, 2021, 10th November, 2021 and 10th February, 2022.

8. GENERAL BODY MEETINGS

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

| Financial Year | Date | Location of the Meeting | Time | Particulars of Special Resolution |
|----------------|-------------------|---|------------|--|
| 2019-20 | 14th August, 2019 | Great Social Building, 60 Sir Phirozeshah Mehta Road, Fort, Mumbai – 400001 | 04.00 P.M. | <ul style="list-style-type: none">Re-appointment of Mr. Farokh Banatwalla as Non- Executive Independent Director for a second term of 5 years with effect 1st April, 2019 to 31st March, 2024.Re-appointment of Mr. Shailesh Sheth as Non- Executive Independent Director for a second term of 5 years with effect 1st April, 2019 to 31st March, 2024.Re-appointment of Mr. Marco Wadia as Non-Executive Independent Director for a second term of 5 years with effect 1st April, 2019 to 31st March, 2024. |

| Financial Year | Date | Location of the Meeting | Time | Particulars of Special Resolution |
|----------------|---------------------|---|------------|--|
| 2020-21 | 4th September, 2020 | Through - Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM) | 04:00 P.M. | <ul style="list-style-type: none"> Approval of the members pursuant to Section 185 of the Companies Act, 2013 authorizing the Board to give Loan(s) to Company's Subsidiary namely, MHE Rentals India Private Limited. |
| 2021-22 | 9th September, 2021 | Through - Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM) | 02:00 P.M. | <ul style="list-style-type: none"> Approval for shifting of the place of keeping the Register of Members at the Address of Registrar and Share Transfer Agent, namely, M/s. Big Share Services Pvt. Ltd. At 1st Floor, Bharat Tin Works Building, Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai-400059, Maharashtra-India |

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

The details of Extraordinary General Meetings held during the last three financial years.

| Financial Year | Date | Location of the Meeting | Time | Particulars of Special Resolution |
|----------------|--|---|-----------|---|
| 2019-20 | No Extraordinary General Meetings were held | | | |
| 2020-21 | 24th March, 2020 | Through - Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM) | 4:00 P.M. | <p>Approval of the members pursuant to Section 185 of the Companies Act, 2013 authorizing the Board to give additional Loan(s) to Company's Subsidiary, namely, MHE Rentals India Private Limited.</p> <p>However, the Special resolution was not passed with requisite Majority.</p> |
| 2021-22 | No Extraordinary General Meetings were held. | | | |

c. No special resolution was passed through Postal Ballot during the financial year 2021-22.

d. No special resolution is proposed to be passed through Postal Ballot at the ensuing Annual General Meeting.

9. MEANS OF COMMUNICATION

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

10. GENERAL SHAREHOLDERS' INFORMATION

| | | |
|-----|---|--|
| 1. | Company Registration details | The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L28100MH1907PLC000252. |
| 2. | Ensuing Annual General Meeting Date, Time and Venue | Monday, 26th September, 2022 at 2:00 P.M. Through Video Conferencing or Other Audio-Visual Means. |
| 3. | Financial Year | 1st April, 2021 to 31st March, 2022. |
| 4. | Tentative Financial reporting for Financial Year 2022-2023 is as follows: (i) First Quarter (ii) Second Quarter (iii) Third Quarter (iv) Fourth Quarter | Second week of August, 2022 Second week of November, 2022 First week of February, 2023 Fourth week of May, 2023 |
| 5. | Newspapers wherein results are published. | The Free Press Journal (English Edition) and Navshakti (Marathi Edition). |
| 6. | Website where the financial results, shareholding pattern, corporate governance report and annual report, etc. are uploaded. | www.josts.com www.bseindia.com |
| 7. | Dates of Book Closure | 20th September, 2022 to 26th September, 2022 (Both days Inclusive). |
| 8. | Dividend | A dividend of Rs. 3/- per Share (60%) is recommended for the year ended 31st March, 2022. The Dividend (Subject to Tax), if approved by the Shareholders at the ensuing AGM, will be paid within the stipulated time. |
| 9. | Listing on Stock Exchanges | The Equity Shares of the Company are listed on : BSE Limited (BSE) Address: - Floor 25, P.J. Towers, Dalal Street, Fort, Mumbai-400 001 |
| 10. | Annual Listing Fees | Annual Listing Fees for Financial year 2022-23 is paid to BSE Ltd. |
| 11. | Stock Code | 505750 |
| 12. | ISIN | INE636D01025 |
| 13. | Registrar and Share Transfer Agents | M/s. Big Share Services Pvt. Ltd. Pinnacle Business Park, Office No S6-2, 6th, Mahakali Caves Rd, next to Ahura Centre, Andheri East, Mumbai, 400093 Website: https://www.bigshareonline.com Email: investor@bigshareonline.com |
| 14. | Share Transfer System | The company has appointed M/s. Big Share Services Pvt. Ltd, Registrar and Share Transfer Agent of the Company for Share Registry work (Demat as well as Physical Shares). |
| 15. | Address for Correspondence | The Company Secretary cum Compliance Officer, Registered Office: Great Social Building, 60 Sir Phirozeshah Mehta Road, Fort, Mumbai – 400001 or Factory: C-7, Road No. 12, Wagle Industrial Estate, Thane West – 400604. |

| | | |
|----|--|--|
| 16 | Dematerialization of Shares and liquidity | As on 31st March, 2022, 18,24,734 Equity Shares of the Company constituting appx. 97.80% of the Equity Share Capital are held in Dematerialized form whereas 41,012 Equity Shares constituting 2.20% are still held physically. The Company's equity shares enjoys the DEMAT facilities with NSDL as well as CDSL. |
| 17 | Electronic Clearing Services(ECS) | Members who have furnished their bank account details to the Depository Participant/Share Transfer Agent will be used to pay the dividend by ECS. |
| 18 | Investor Complaints to be addressed to | Registrar and Share Transfer Agent M/s. Big Share Services Pvt. Ltd. or to the Company Secretary of the Company at the address for correspondence given above. |
| 19 | Outstanding GDRs/ ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity. | There are no Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, which are likely to have impact on equity as at 31st March, 2022. |
| 20 | Plant Locations | C-7, Road No. 12, Wagle Industrial Estate, Thane West – 400604. |

b. Distribution of Share Holding

Face value: Rs. 5/- each (as on 31st March 2022)

| Range of Shares | Number of Shareholders | Percentage of Shareholders | Number of Shares held | Percentage of Total Capital |
|------------------|------------------------|----------------------------|-----------------------|-----------------------------|
| 1-5000 | 1986 | 92.2434 | 1,46,806 | 7.8685 |
| 5001-10000 | 82 | 3.8086 | 56,538 | 3.0303 |
| 10001-20000 | 43 | 1.9972 | 60,818 | 3.2597 |
| 20001-30000 | 7 | 0.3251 | 18,286 | 0.9801 |
| 30001-40000 | 4 | 0.1858 | 14,354 | 0.7693 |
| 40001-50000 | 1 | 0.0464 | 4,400 | 0.2358 |
| 50001-100000 | 9 | 0.4180 | 57,410 | 3.0771 |
| 100001 and above | 21 | 0.9754 | 15,07,134 | 80.7792 |
| Total | 2153 | 100.00 | 18,65,746 | 100.00 |

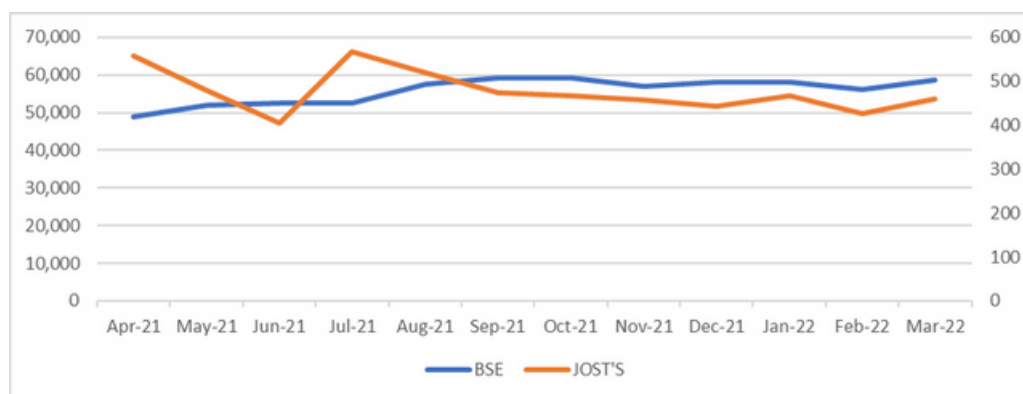
c. Shareholding Pattern as on 31st March, 2022.

| Sr. No. | Category of Shareholders | No of Shares held | Percentage of Share Holding |
|---------|---|-------------------|-----------------------------|
| A | Shareholding of Promoter and Promoter Group | - | |
| 1. | Indian | | |
| a. | Individuals / Hindu Undivided Family | 9,23,144 | 49.4785 |
| b. | Bodies Corporate | - | - |
| | Sub-Total (A) [1] | 9,23,144 | 49.4785 |

| Sr. No. | Category of Shareholders | No of Shares held | Percentage of Share Holding |
|---------|---|-------------------|-----------------------------|
| A | Shareholding of Promoter and Promoter Group | - | |
| 1. | Indian | | |
| a. | Individuals / Hindu Undivided Family | 9,23,144 | 49.4785 |
| b. | Bodies Corporate | - | - |
| | Sub-Total (A) [1] | 9,23,144 | 49.4785 |
| a. | Mutual Funds/UTI | - | - |
| b. | Financial Institutions/ Banks and Insurance Companies | 1,190 | 0.0638 |
| c. | Venture Capital Fund | - | - |
| d. | Insurance Companies | - | - |
| e. | Foreign Institutional Investors | - | - |
| f. | Central/State Government | - | - |
| | Sub Total (B) (1) | 1,190 | 0.0638 |
| 2. | Non – Institutions | | |
| a. | Bodies Corporate | 31,243 | 1.6746 |
| b. | Resident Individuals | | |
| i. | Individual shareholders holding nominal capital upto Rs.2 lakh | 3,50,515 | 18.7869 |
| ii. | Individual shareholders holding nominal capital in excess of Rs. 2 lakh | 4,68,522 | 25.1118 |
| c. | NBFCs registered with RBI | - | - |
| d. | Any Other (Specify) | - | - |
| i. | Trusts | - | - |
| ii. | Non-Residents (NRI) | 56,075 | 3.0055 |
| iii. | IEPF | 21,386 | 1.1462 |
| iv. | Clearing Members | 920 | 0.0493 |
| v. | HUF | 12,751 | 0.6834 |
| vi. | Foreign Nationals | - | - |
| | Sub- Total (B) (2) | 9,41,412 | 50.4577 |
| B. | Total Public Shareholding (B)= (B)(1) + (B) (2) | 9,42,602 | 50.5215 |
| | Grand Total | 18,65,746 | 100.00 |

d. Performance in comparison to broad based indices

BSE SENSEX VS JOST'S ENGINEERING COMPANY LIMITED SHARE PRICE



e. Market Price Data of the company

| Period | Open Price | High Price | Low Price | Close Price |
|-----------------|------------|------------|-----------|-------------|
| April, 2021 | 525.25 | 598.95 | 525.15 | 558.10 |
| May, 2021 | 575.00 | 1221.75 | 464.90 | 479.40 |
| June, 2021 | 471.30 | 495.00 | 404.20 | 405.20 |
| July, 2021 | 400.00 | 585.00 | 400.00 | 567.20 |
| August, 2021 | 542.55 | 653.75 | 512.00 | 519.15 |
| September, 2021 | 517.45 | 543.80 | 465.05 | 473.25 |
| October, 2021 | 465.60 | 497.00 | 440.00 | 467.50 |
| November, 2021 | 455.00 | 508.00 | 435.05 | 458.35 |
| December, 2021 | 440.00 | 477.00 | 410.05 | 442.50 |
| January, 2022 | 430.50 | 495.00 | 415.00 | 466.10 |
| February, 2022 | 462.20 | 502.00 | 396.10 | 427.55 |
| March, 2022 | 432.00 | 515.00 | 396.20 | 459.95 |

f. Reconciliation of Share Capital Audit

In keeping with the requirements of the SEBI and stock exchanges, a reconciliation of share capital audit by a practicing Company Secretary is carried out at the end of every quarter to reconcile the total admitted Equity capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The said audit confirms that the total issued/ paid-up Equity capital tallies with the total number of Equity shares in physical form and the total number of Dematerialised shares held with NSDL and CDSL. As on 31st March, 2022 Shares comprising 97.80% of the company's capital have been dematerialised and balance shares comprising 2.20% are held in physical form.

Bifurcation of the category of shares in physical and electronic mode as on March 31, 2022 is given below:

| Shares Held Through | No. of Shares | Percentage of Holding |
|---------------------|------------------|-----------------------|
| NSDL | 16,53,563 | 88.63 |
| CDSL | 1,71,171 | 9.17 |
| Physical | 41,012 | 2.20 |
| Total | 18,65,746 | 100.00 |

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

Details of Unpaid dividend as on 31st March,2022 is as follows:

| Financial Year | Date of Declaration | Unpaid Amount(Rs.) | Date of Transfer to Unpaid Dividend Account of the Company. | Date on which the unclaimed dividend to be transferred to IEPF. |
|----------------|---------------------|--------------------|---|---|
| 2014-15 | 14th August, 2015 | 90,805.00 | 20th September, 2015 | 20th October, 2022 |
| 2015-16 | 15th July, 2016 | 20,065.00 | 21st August, 2016 | 20th September, 2023 |
| 2016-17 | 20th July, 2017 | 18,977.00 | 26th August, 2017 | 25th September, 2024 |
| 2017-18 | 30th July, 2018 | 30,952.00 | 5th September, 2018 | 5th October, 2025 |
| 2018-19 | 14th August, 2019 | 48,738.00 | 20th September, 2019 | 20th October, 2026 |
| 2019-20 | 04th Sept, 2020 | 45,340.00 | 10th October, 2020 | 10th October, 2027 |
| 2020-21 | 09th Sept 2021 | 41,557.00 | 15th October, 2021 | 14th October, 2028 |

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

11. DISCLOSURES

a. All related party transactions that were entered into during the financial year were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the SEBI (LODR). Details of related party transactions entered into by the Company are included in the Notes to Accounts. Material individual transactions with related parties are in the normal course of business and do not have potential conflict with the interests of the Company at large. Transactions with related parties entered into by the Company in the normal course of Business are placed before the Audit Committee periodically. The policy on related party transactions as approved by the Board is uploaded on the Company's website www.josts.com.

b. The Audit Committee and the Board has adopted a Whistle-Blower policy which provides an environment where every director / employee feels free and secure to report specific incidents of unethical behaviour, actual or suspected incidents of fraud or violation of the Company's Code, investigate such reported incidents in a fair manner, taking appropriate disciplinary action against the delinquent director(s) and employee(s), ensuring that no director or employee is victimised or harassed for bringing such incidents to the attention of the Company. The Company affirms that there was no incidence of reporting unethical behaviour, actual or suspected fraud or violation of Company's code of Conduct during the Financial Year 2021-22 and also affirms that no personnel has been denied access to the Audit Committee.

c. i. The Company has complied with all the mandatory requirements of SEBI (LODR) , 2015, except:

a. Delay in submission of outcome of the meeting of the board of directors held on 6th May, 2021 to Stock Exchange :

Explanation to above delay in submission: There was certain dislocation in the administrative work due to COVID-19 pandemic.

However, the Company shall ensure that such delays are avoided in future

ii. The Company has complied with non-mandatory requirements of Part E of Schedule II of SEBI (LODR) except sending significant events to each household of shareholders.

d. The Nomination and Remuneration Committee and Board of Directors of the Company in their meeting held on August 6th, 2022 approved the Jost's Engineering Company Employee Stock Option Plan 2022 (hereinafter to be referred as the "Plan") for grant of 1,20,000 Options to Eligible Employees of the Company and recommended the same to the Shareholders of the Company for their approval.

12. The company has formulated Policy on Material Subsidiary pursuant to Regulation 16(1)(c) of SEBI (LODR) for the purpose of determining material Subsidiary to ensure Governance compliance by the Company. This policy is available on the website of the Company at www.josts.com. In terms of the above policy, the Company's Subsidiary, namely, MHE Rentals India Private Limited is considered as a Material Subsidiary.

13. The Company has adopted the policy on Related Party Transactions. This policy is available on the website of the Company at www.josts.com.

14. Disclosure of commodity price risks and commodity hedging activities - Not Applicable

15. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) – Not Applicable

16. where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof – Not Applicable

17. Details of fees paid to Statutory Auditors on Consolidated Basis: Statutory Auditors:

Singhi and Company, Chartered Accountants

a) Statutory audit and Limited Review fees – Rs. 18.25 Lakhs

b) Tax audit fee - Rs. 3.05 Lakhs

c) Other services – Rs. 4.50 Lakhs

d) Out-of-pocket expenses - Rs. 0.08 Lakhs

18. Details of Sexual Harassment complaints received and redressed

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

19. Non-compliance of requirements of Corporate Governance Report as per Schedule V of SEBI (LODR)

Nil

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

1. The listed entity has moved towards a regime of financial statements with unmodified audit opinion.
2. The internal auditor submits his internal Audit Reports directly to the audit committee.

21. COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)(B) TO (I) OF SEBI (LODR).

| Sr. No. | Regulation | Particulars | Compliance observed for the following | Compliance Status Yes / No/N.A. |
|---------|------------|---|--|------------------------------------|
| 1 | 17 | Board of Directors | <ul style="list-style-type: none"> • Composition • Meetings • Review of compliance reports • Plans for orderly succession for appointments • Code of Conduct • Fees / compensation to Non-Executive Directors • Minimum information to be placed before the Board • Compliance Certificate • Risk assessment and management - Performance evaluation of Independent Directors | Yes |
| 2 | 18 | Audit Committee | <ul style="list-style-type: none"> • Composition • Meetings • Powers of the Committee • Role of the Committee and review of information by the Committee | Yes |
| 3. | 19 | Nomination and Remuneration Committee | <ul style="list-style-type: none"> • Composition • Role of the Committee | Yes |
| 4. | 20 | Stakeholders' Relationship Committee | <ul style="list-style-type: none"> • Composition • Role of the Committee | Yes |
| 5. | 21 | Risk Management Committee | <ul style="list-style-type: none"> • Composition • Role of the Committee | Not Applicable |
| 6. | 22 | Vigil Mechanism | <ul style="list-style-type: none"> • Formulation of Vigil Mechanism for Directors and employees • Direct access to Chairperson of Audit Committee | Yes |
| 7. | 23 | Related Party Transactions | <ul style="list-style-type: none"> • Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions • Approval including omnibus approval of Audit Committee • Review of Related Party Transactions | Yes |
| 8. | 24 | Subsidiaries of the Company | <ul style="list-style-type: none"> • Appointment of Independent Director on the Board of the Subsidiary Company. • Review of financial statements of unlisted subsidiary by the Audit Committee • Significant transactions and arrangements of unlisted subsidiary | Yes |
| 9. | 25 | Obligations with respect to Independent Directors | <ul style="list-style-type: none"> • Maximum directorships and tenure • Meetings of Independent Directors • Familiarisation of Independent Directors | Yes |

| | | | | |
|----|-----------------|---|---|--|
| 8. | 24 | Subsidiaries of the Company | <ul style="list-style-type: none"> • Appointment of Independent Director on the Board of the Subsidiary Company. • Review of financial statements of unlisted subsidiary by the Audit Committee • Significant transactions and arrangements of unlisted subsidiary | Yes |
| 9. | 25 | Obligations with respect to Independent Directors | <ul style="list-style-type: none"> • Maximum directorships and tenure • Meetings of Independent Directors • Familiarisation of Independent Directors | Yes |
| 10 | 26 | Obligations with respect to Directors and Senior Management | <ul style="list-style-type: none"> • Memberships / Chairmanships in Committees • Affirmation on compliance of Code of Conduct by Directors and Senior Management. • Disclosure of shareholding by Non- Executive Directors. • Disclosures by Senior Management about potential conflicts of interest. | Yes |
| 11 | 27 | Other Corporate Governance requirements | <ul style="list-style-type: none"> • Compliance with discretionary requirements • Filing of quarterly compliance report on Corporate Governance | 1. Yes, except sending significant events to each household of shareholders. 2. Yes |
| 12 | 46(2)(b) to (i) | Website | <ul style="list-style-type: none"> • Terms and conditions for appointment of Independent Directors • Composition of various Committees of the Board of Directors • Code of Conduct of Board of Directors and Senior Management Personnel • Details of establishment of Vigil Mechanism/ Whistle Blower policy • Policy on dealing with Related Party Transactions • Policy for determining material subsidiaries • Details of familiarisation programmes imparted to Independent Directors. • Other policies as required required under the Law | Yes |

22. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT:

The Board of Directors has adopted Code of Conduct for the Board of Directors and Senior Management Personnel of the Company in terms of Regulation 17 (5) of the SEBI (LODR). All Board members and Senior Management Personnel have affirmed their compliance with the said Code for the financial year ended March 31, 2022. A declaration to this effect signed by the Vice Chairman and Managing Director is appended as Annexure – 'I' to this report. The said Code of Conduct may be viewed on the Company's website at www.josts.com.

23. CERTIFICATION FOR FINANCIAL REPORTING AND INTERNAL CONTROLS:

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

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

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

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

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

26. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT:

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

27. PARTICULARS IN RESPECT OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ENSUING 115TH ANNUAL GENERAL MEETING OF THE COMPANY, PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Mr. Jai Prakash Agarwal

Aged about 63 years, Mr. Jai Prakash Agarwal (DIN: 00242232), is a graduate in Commerce and a Fellow member of the Institute of Company Secretaries of India. He has more than 41 years of experience in manufacturing sector.

The details of his directorship and membership in Companies are given below :

| S. No. | Name of the Public Limited Company in which he is a Director | Chairman/ Director | Positions held in | | | |
|--------|--|----------------------------------|-------------------|-------------------------------------|--------------------------------------|---|
| | | | Audit Committee | Nomination & Remuneration Committee | Stakeholder's Relationship Committee | Corporate Social Responsibility Committee |
| 1. | Jost's Engineering Company Limited | Chairman and Whole Time Director | Member | - | Member | Chairman |

On behalf of the Board of Directors

Sd/-

Jai Prakash Agarwal

Chairman and Whole Time Director

DIN: 00242232

Date : 6th August 2022

Place : Thane

ANNEXURE – ‘I’ TO THE CORPORATE GOVERNANCE REPORT

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

As provided under Regulation 34 (3) read with Para D of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of Board of Directors and the Senior Management Personnel have affirmed their compliance with Jost's Code of Conduct as applicable to them, for the Financial Year ended March 31, 2022.

For Jost's Engineering Company Limited

Date : 6th August 2022

Place : Thane

Sd/-
Mr. Vishal Jain
Vice Chairman and Managing Director
DIN: 00709250

ANNEXURE – ‘II’ TO THE CORPORATE GOVERNANCE REPORT

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

The Board of Directors
Jost's Engineering Company Limited

We have reviewed the financial statements and the cash flow statement of Jost's Engineering Company Limited for the year ended March 31, 2022 and that to the best of our knowledge and belief, we state that;

(a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.

(b) there are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

(c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

(d) we have indicated to the Auditors and the Audit Committee:

(i) significant changes, if any, in the internal control over financial reporting during the year.

(ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Jost's Engineering Company Limited

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

Mr. Rohit Jain
Chief Financial Officer

Place : Thane
Date : 12th May, 2022

ANNEXURE 'III' TO THE CORPORATE GOVERNANCE REPORT

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

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

To,

The Members,

JOST'S ENGINEERING COMPANY LIMITED

Great Social Bldg., 60 Sir P. M. Road, Fort, Mumbai, MH-400001

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

We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

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

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

For **Akshay Gupta & Co.**

Company Secretaries

Sd/-

CS Akshay Gupta

Membership No : 56911

COP No : 21448

UDIN: A056911D000741309

Peer Review : 1872/2022

Date : 04/08/2022

Place : Kota

ANNEXURE 'IV' TO THE CORPORATE GOVERNANCE REPORT

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

(Pursuant to Regulation 34(3) and Schedule V Part E of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015)

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

We have examined the compliance of conditions of Corporate Governance by Jost's Engineering Company Limited (CIN ; L28100MH1907PLC000252), for the year ended on March 31, 2022 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; ("SEBI Regulations").

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

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

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

For Akshay Gupta & Co.
Company Secretaries

Sd/-
Akshay gupta
Proprietor
Membership no. 56911
COP No. 21448
Peer Review No. 1872/2022

Place: Kota
Date: 04.08.2022
UDIN: A056911D000743498

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, 2022, the Statement of Profit and Loss, including the statement of other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity and for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

INDEPENDENT AUDITOR'S REPORT

| Key Audit Matters | How our Audit Addressed the Key Audit Matter |
|---|---|
| Revenue recognition - Refer Note 3.6 of the standalone financial statements | |
| <p>The company deals in manufactured goods, traded goods, provide AMC services & representing principal on a commission basis. It sells a number of equipments and services to its customers, mainly in domestic market through its own sales & distribution network. Sales contracts contain various performance obligations and other terms, including warranties and after sales services. The determination of when significant performance obligations have been met varies, can be the key consideration for revenue recognition, service and the warranty cost.</p> <p>The company has analysed its various sales contracts and concluded on the principles for deciding in which period or periods the company's sales transactions should be recognized as revenue.</p> <p>The accounting policies and the note to the standalone financial statements provide additional information on how the company accounts for its revenue.</p> | <p>Our Audit procedure included the followings:</p> <ol style="list-style-type: none"> a. Read the Company's revenue recognition accounting policies and assessed compliance of the policies with Ind AS 115 b. Assessed the design and tested the operating effectiveness of internal controls relating to revenue recognition c. Assessed the appropriateness of Company's identification of performance obligations in its contracts with customers, its determination of transaction price, including allocation thereof to performance obligations and accounting policies for revenue recognition in accordance with the accounting principles laid down in Ind AS 115 d. Scrutinized sales ledgers to verify completeness of sales transactions e. Tested the revenue recognized, on a sample basis, including testing of cut off assertion as at the year end. Our testing included tracing the information to agreements, price lists, invoices, proof of dispatches/deliveries f. Assessed the revenue recognized with substantive analytical procedures including review of price and quantity g. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. |
| Trade receivables (Refer Note 9 of Standalone Financial Statements) | |
| <p>Trade receivable balances are significant to the Company as they amounted to Rs.3391.92 lakhs (Gross) representing 60.80% of the total current assets and 29.89% of the total revenue of the Company for the year ended 31st March 2022. During the current financial year, the Company has recognized bad debts Rs 88.18 lakhs. The collectability of trade receivables is a key element of the working capital management, which is managed on an ongoing basis by management. The determination as to whether a trade receivable is collectable involves management judgement. Specific factors management considers include the age of the balances, category of customers, existence of disputes, recent historical payments and any other available information concerning the creditworthiness of customers. Management uses the information to assist in their judgement to determine whether allowance for expected credit loss, bad debts is required.</p> | <p>Our procedures included the following:</p> <ol style="list-style-type: none"> 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. Analysis 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. |

INDEPENDENT AUDITOR'S REPORT

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

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. The Board's Report is expected to be made available to us after the date of this auditor's report.

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

Responsibilities of Management for the Standalone Financial Statements

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2022 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, (hereinafter referred to as the "Order"), we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - g. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 read with schedule V to the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 31 to the standalone financial statements;

INDEPENDENT AUDITOR'S REPORT

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.

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, if any, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, if any, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. The dividend declared or paid during the year as well as the dividend proposed (which is subject to members approval at the ensuing Annual General Meeting) by the Company are in compliance with Section 123 of the Act.

vi. MCA Vide its notification dated 31.03.2022 has extended the requirement of implementation of audit trail software to financial year commencing on or after 1st April 2023, accordingly reporting under Rule 11 (g) of Companies (Audit and Auditors) Amendment Rule 2021 is not applicable.

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

Sd/-
Sudesh Choraria
Partner

Date : 12th May 2022
Place : Mumbai

Membership No : 204936
UDIN: 22204936AIWDJV8290

ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT

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

We report that :

1. In respect of its Property Plant and Equipment and Intangible Assets:

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment and for intangible assets.
- b. As explained to us, the property, plant and equipment have been physically verified by management and no material discrepancies have been noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of company and nature of its assets.
- c. The company does not own any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Therefore, provisions of clause 3(i)(c) of the Order are not applicable to the Company
- d. The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year. Therefore, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.
- e. According to information and explanations given by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Therefore, provisions of clause 3(1)(e) of the Order are not applicable to the Company.

2. In respect of its Inventories :

- a. As per information and explanations provided to us, physical verification has been conducted by the management at reasonable intervals during the year in respect of inventory of raw materials, work in progress and finished goods and no material discrepancies were noticed on such physical verification.
- b. Based on our examination of the books of accounts of the Company, with respect to the sanctioned working capital limits availed from banks or financial institutions, the Quarterly return / statements have been regularly submitted by the company and no material discrepancies were noticed.

3. a. According to the information and explanations provided to us, the Company has made investments in, provided guarantee or security or granted loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The details of Loans granted are given below :

| Particulars | Loans Advanced (Rs in Lakhs) |
|---|---------------------------------|
| Aggregate amount granted/ provided during the year: | |
| - Subsidiaries | - |
| - Others | - |
| Balance outstanding as at balance sheet date in respect of above cases : | |
| - Subsidiaries | 70 |
| - Others | - |

b. The investments made, the securities granted and the terms and conditions of the grant of loans are, in our opinion, prima facie, not prejudicial to the company’s interest.

c. As per the information and explanation provided to us, with respect to the Loans granted to the subsidiary, the schedule of repayment of principal and payment of interest thereon are stipulated and the repayments are generally regular.

d. As per the information and explanation provided to us, there was no overdue loan amount remaining outstanding as at the year-end.

e. According to the information and explanations given to us, no amount of loan or advances has been renewed or extended or fresh loan granted to settle the overdue of existing loan given to the same parties.

f. The Company has not granted any loans during the year which are repayable on demand. Therefore, the provisions of clause 3(iii)(f) of the Order are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us and records examined by us, the Company has complied with the provision of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees as applicable.

5. According to the information and explanations given to us, the Company has not accepted any deposits from the public or amount which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) rules 2014 (as amended).

6. We have broadly reviewed the books of account maintained by the Company in respect of products for which maintenance of prescribed cost record is mandated by Government of India U/s 148 (1) of the Act and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate or complete.

7. According to the information and explanations given to us and the records of the Company examined by us :

a. According to the records of the Company examined by us, the Company has been generally regular in depositing amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable. There was no material undisputed outstanding statutory dues as at the year end, for a period of more than six months from the date they became payable.

b. There are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, except as stated below :

| Name of the statute | Name of the Dispute | Amount in Dispute (Rs in lakhs) | Period to which the amount relates | Forum where dispute is pending |
|-----------------------------|---------------------|-----------------------------------|------------------------------------|---|
| The Central Sales Tax, 1956 | Central Sales Tax | 28.97 | FY 2012-13 | Jt. Commissioner of State Tax (Appeals), Mumbai |

8. According to the information and explanation given to us, there were no transactions which have not been recorded in the books of account, which have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Therefore, provisions of clause 3(viii) of the Order are not applicable to the Company.

9. a) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank, Government or debenture holders.

b) Basis the information and explanation provided to us, the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

c) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not availed any term loans from financial institution, bank, Government or issued any debenture during the year.

d) Based on the information and explanation given to us, and the books of account examined by us, short term funds raised during the year have not been utilized for long term purposes.

e) Based on the information and explanation given to us, and the books of account examined by us, during the year, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) The Company has not raised any loan during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

10. a) According to the information and explanations given to us and based on our examination. of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provisions of clause 3(x)(a) of the order are not applicable to the Company.

b) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.

11. a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the company noticed or reported during the year nor have we been informed of any such case by the management.

b) We have not come across any instance of fraud, therefore report under sub-section 12 of section 143 of the Companies Act, 2013 is not required to be filed by us in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) As reported to us by the management, there are no whistle-blower complaints received by the Company during the year.

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

13. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under the Indian Accounting Standards (Ind AS) 24, Related Party Disclosures specified under section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

14. In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business; We have considered internal audit reports of the Company issued till date for the period under audit.

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

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

b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of clause 3(xvi)(b) of the Order are not applicable to the Company;

c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company.

d) According to the representations given by the management, the Group does not have any CIC. Therefore, the provisions of clause 3(xvi)(d) of the Order are not applicable to the Company;

17. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Therefore, the provisions of clause 3(xvii) of the Order are not applicable to the Company.

18. There has been no resignation of statutory auditors during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. According to the information and explanation provided to us, Section 135 of the Companies Act 2013 is not applicable to the Company during the year. Therefore the provisions of clause 3(xx) (a) and (b) of the Order are not applicable to the Company.

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

Sd/-
Sudesh Choraria
Partner

Date : 12th May 2022
Place : Mumbai

Membership No: 204936
UDIN: 22204936AIWDJV8290

ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 (f) of the Independent Auditors’ Report of even date to the members of JOST’S ENGINEERING COMPANY LIMITED on the Standalone financial Statements as of and for the year ended March 31, 2022)

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

1. We have audited the internal financial controls over financial reporting of Jost’s Engineering Company Limited (‘the Company’) as of 31st March 2022 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

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

Auditor’s Responsibility

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

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

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

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

6. A Company’s internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting with respect to financial statements includes those policies and procedures that

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

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

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
Sudesh Choraria
Partner

Membership No : 204936
UDIN: 22204936AIWDJV8290

Date : 12th May, 2022
Place : Mumbai

STANDALONE STATEMENT OF ASSETS AND LIABILITIES

for the year ended 31st March, 2022

Rs. (in lakhs)

| STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31ST 2022 | | | |
|---|----------|------------------------|------------------------|
| Particulars | Note No. | As at 31st March, 2022 | As at 31st March, 2021 |
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 4A | 361.64 | 290.11 |
| (b) Capital work-in-progress | 4A | 21.84 | 21.84 |
| (c) Right of use assets | 4B | 67.48 | 10.23 |
| (d) Intangible assets | 4C | 13.55 | 18.28 |
| (e) Investment in subsidiary | 5A | 601.80 | 601.80 |
| (f) Financial assets | | | |
| (i) Investments | 5B | 1.00 | 1.00 |
| (ii) Other financial assets | 6A | 75.39 | 26.11 |
| (g) Deferred tax assets (net) | 6B | 127.71 | 130.57 |
| Total Non-Current Assets | | 1,270.41 | 1,099.94 |
| Current Assets | | | |
| (a) Inventories | 7 | 1,077.72 | 1,114.03 |
| (b) Financial Assets | | | |
| (i) Investments | 8 | 114.08 | 13.50 |
| (ii) Trade receivables | 9 | 3,266.78 | 2,790.31 |
| (iii) Cash and cash equivalents | 10A | 133.80 | 227.55 |
| (iv) Other balances with bank | 10B | 209.99 | 195.53 |
| (v) Loans | 11 | 70.00 | 101.37 |
| (vi) Other financial assets | 12 | 15.48 | 12.26 |
| (c) Other current assets | 13 | 691.32 | 506.69 |
| Total Current Assets | | 5,579.17 | 4,961.24 |
| TOTAL ASSETS | | 6,849.58 | 6,061.18 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 14 | 93.29 | 93.29 |
| Other equity | 15 | 3,396.49 | 2,971.83 |
| Total Equity | | 3,489.78 | 3,065.12 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | | - | - |
| (ia) Lease Liabilities | 16A | 53.88 | 4.62 |
| (b) Provisions | 17 | 169.11 | 168.02 |
| (c) Other non-current liabilities | 18 | 36.85 | 35.85 |
| Total Non-Current Liabilities | | 259.84 | 208.49 |
| Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 19 | 102.09 | 166.69 |
| (ia) Lease Liabilities | 16B | 17.97 | 6.37 |
| (ii) Trade Payables | 20 | | |
| Total outstanding dues of micro and small enterprises | | 162.32 | 123.87 |
| Total outstanding dues of creditors other than micro and small enterprise | | 1,673.84 | 1,688.58 |
| (iii) Other financial liabilities | 21 | 131.18 | 139.63 |
| (b) Other current liabilities | 22 | 873.39 | 539.69 |

STANDALONE STATEMENT OF ASSETS AND LIABILITIES

for the year ended 31st March, 2022

Rs. (in lakhs)

| Particulars | Note No. | As at 31st March, 2022 | As at 31st March, 2021 |
|-------------------------------------|----------|---------------------------|---------------------------|
| (c) Provisions | 23A | 131.64 | 100.42 |
| (d) Current tax liabilities (Net) | 23B | 7.53 | 22.32 |
| Total Current Liabilities | | 3,099.96 | 2,787.58 |
| Total Liabilities | | 3,359.80 | 2,996.06 |
| TOTAL EQUITY AND LIABILITIES | | 6,849.58 | 6,061.18 |

Significant Accounting Policies

3

The accompanying notes are an integral part of Standalone financial statements

As per our report of even date attached

For and on behalf of Board of Directors

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Sd/-

Sudesh Choraria

Partner

Membership No. 204936

Place: Mumbai

Date: 12th May 2022

Sd/-

Jai Prakash Agarwal

Chairman

DIN - 00242232

Sd/-

Vishal Jain

Vice Chairman & Managing Director

DIN - 00709250

Sd/-

Rohit Jain

Chief Financial Officer

Place: Thane

Date: 12th May 2022

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2022

Rs. (in lakhs)

| STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2022 | | | | |
|--|---|-----------|--------------------------------|--------------------------------|
| | Particulars | Note No. | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
| | INCOME | | | |
| | Revenue from operations | 24 | 11,348.16 | 8,592.36 |
| | Other income | 25 | 40.12 | 56.19 |
| I | Total Income | | 11,388.28 | 8,648.55 |
| | EXPENSES | | | |
| | Cost of materials consumed | 26A | 4,613.09 | 3,081.32 |
| | Purchases of stock-in-trade | 26B | 2,542.76 | 1,949.91 |
| | Changes in inventories of finished goods, stock-in-trade and work-in-progress | 27 | (76.82) | 280.01 |
| | Employee benefits expense | 28 | 1,869.04 | 1,396.89 |
| | Finance costs | 29 | 45.41 | 49.07 |
| | Depreciation and amortisation expense | 4A,4B, 4C | 98.62 | 89.85 |
| | Other expenses | 30 | 1,644.44 | 1,245.60 |
| II | Total Expenses | | 10,736.54 | 8,092.65 |
| III | Profit/(Loss) Before Exceptional Items and Tax (I-II) | | 651.74 | 555.90 |
| IV | Exceptional Items | | - | - |
| V | Profit/(Loss) Before Tax (III-IV) | | 651.74 | 555.90 |
| | Less: Tax Expense | | | |
| | (1) Current Tax | | 201.51 | 165.20 |
| | (2) Deferred Tax | | 1.04 | (2.17) |
| | (3) Short/(Excess) provision for tax of earlier years | | 1.24 | (15.96) |
| VI | Total Tax Expense | | 203.79 | 147.07 |
| VII | Profit/(Loss) for the Year | | 447.95 | 408.83 |
| VIII | Other Comprehensive Income (OCI) | | | |
| | (i) Items that will not be reclassified to profit or loss | | | |
| | (a) Measurement of defined employee benefit plan | | 6.56 | 21.53 |
| | (b) Income tax relating to above items | | (1.82) | (5.99) |
| | Total Other Comprehensive Income/(Loss) | | 4.74 | 15.54 |
| IX | Total Comprehensive Income/(Loss) for the Year (VII-VIII) | | 452.69 | 424.37 |
| X | Basic and Diluted Earning per share (Rs.) | | 24.01 | 21.91 |

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS

FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2022

Significant Accounting Policies

3

The accompanying notes are an integral part of Standalone financial statements

As per our report of even date attached

For and on behalf of Board of Directors

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Sd/-

Sudesh Choraria

Partner

Membership No. 204936

Place: Mumbai

Date: 12th May 2022

Sd/-

Jai Prakash Agarwal

Chairman

DIN - 00242232

Sd/-

Rohit Jain

Chief Financial Officer

Place: Thane

Date: 12th May 2022

Sd/-

Vishal Jain

Vice Chairman & Managing Director

DIN - 00709250

STANDALONE STATEMENT OF CHANGES IN EQUITY

a. Equity Share Capital

Rs. (in lakhs)

| Particulars | Note No. | Amount |
|---------------------------------|----------|--------|
| As at 1st April 2020 | | 93.29 |
| Changes in equity share capital | 15 | - |
| As at 31st March 2021 | | 93.29 |
| Changes in equity share capital | 15 | - |
| As at 31st March 2022 | 15 | 93.29 |

*There were no changes in Equity Share Capital due to prior period errors

a. Other Equity

Rs. (in lakhs)

| Particulars | Reserves and Surplus | | | Items of Other Comprehensive Income | Total |
|---|----------------------------|-------------------|-----------------|---|-----------------|
| | Securities Premium Reserve | Retained Earnings | General Reserve | Reimbursement of Defined Benefit Plan (OCI) | |
| As at 1st April 2020 | 1,063.85 | 1,327.65 | 229.78 | (45.84) | 2,575.44 |
| Other Comprehensive Income for the year ended 31st March 2021 | - | - | - | 15.54 | 15.54 |
| Dividends including Dividend Distribution Tax | - | (28.00) | - | - | (28.00) |
| Profit/(Loss) for the year | - | 408.83 | - | - | 408.83 |
| Balance as at 31st March 2021 | 1,063.85 | 1,708.48 | 229.78 | (30.30) | 2,971.83 |
| Other Comprehensive Income for the year ended 31st March 2022 | - | - | - | 4.73 | 4.73 |
| Dividends including Dividend Distribution Tax | - | (28.00) | - | - | (28.00) |
| Profit/(Loss) for the year | - | 447.95 | - | - | 447.95 |
| Balance as at 31st March 2022 | 1,063.85 | 2,128.43 | 229.78 | (25.57) | 3,396.49 |

As per our report of even date attached

For and on behalf of Board of Directors

For Singhi & Co.

Chartered Accountants
Firm Registration No. 302049E

Sd/-

Sudesh Choraria

Partner
Membership No. 204936
Place: Mumbai
Date: 12th May 2022

Sd/-

Jai Prakash Agarwal

Chairman
DIN - 00242232

Sd/-

Rohit Jain

Chief Financial Officer
Place: Thane
Date: 12th May 2022

Sd/-

Vishal Jain

Vice Chairman & Managing Director
DIN - 00709250

STANDALONE STATEMENT OF CASH FLOW

for the year ended 31st March, 2022

Rs. (in lakhs)

| STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2022 | | | | |
|--|--|----------|------------------------------------|------------------------------------|
| | Particulars | | For year ended 31st March, 2022 | For year ended 31st March, 2021 |
| A. | CASH FLOW FROM OPERATING ACTIVITIES | | 651.74 | 555.90 |
| | NET PROFIT/(LOSS) BEFORE TAX AND AFTER EXCEPTIONAL ITEM | | | |
| | ADJUSTMENTS FOR: | | | |
| | Depreciation | | 98.62 | 89.85 |
| | (Profit)/Loss on scale of assets | | (0.60) | 1.98 |
| | Fair value gain on mutual fund investment | | - | (0.79) |
| | Income on termination of lease | | - | (8.49) |
| | Dividend income | | (0.57) | (0.79) |
| | Interest expense | | 11.80 | 20.24 |
| | Interest income | | (27.54) | (15.46) |
| | Provision for doubtful debts | | (45.58) | 36.50 |
| | Bad debts and deposits written off during the year | | 88.18 | 96.62 |
| | Unrealised gain (loss) during the year | | 1.87 | (2.32) |
| | Sundry balances written off/back | | 12.57 | (0.22) |
| | OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | | 790.49 | 773.02 |
| | Adjustments for: | | | |
| | Trade receivables | | (519.08) | 244.56 |
| | Inventories | | 36.30 | 394.76 |
| | Trade Payables | | 23.70 | (205.22) |
| | Other current financial assets | | (3.21) | 17.48 |
| | Other current financial liabilities | | 8.28 | (17.18) |
| | Other current liabilities | | 315.88 | (225.00) |
| | Other current assets | | (184.63) | 251.17 |
| | Loans | | 31.37 | (101.37) |
| | Other non-current liabilities | | 1.00 | 5.80 |
| | Other non-current assets | | (49.28) | 0.75 |
| | Change in provision | | 32.32 | (50.37) |
| | Change in tax asset/liability | | (14.79) | 12.35 |
| | CASH GENERATED FROM OPERATIONS | | 468.35 | 1,100.75 |
| | Tax Paid (Net of refunds) | | (200.41) | (61.05) |
| | NET CASH GENERATED FROM OPERATING ACTIVITIES | A | 267.94 | 1,039.70 |
| B | CASH FLOW FROM INVESTING ACTIVITIES | | | |
| | Purchase of Property, Plant and Equipment, Intangible assets and Capital WIP | | (150.94) | (21.83) |
| | Sale of Property, Plant and Equipment | | 0.94 | 7.30 |
| | Investment in deposits | | - | - |
| | Purchase of Investments | | (100.58) | |
| | Interest received | | 27.54 | 15.46 |
| | Dividend received | | 0.57 | 0.79 |
| | NET CASH USED IN INVESTING ACTIVITIES | B | (222.47) | 1.72 |

| | | | | |
|----------|--|------------|-----------------|-----------------|
| C | CASH FLOW FROM FINANCING ACTIVITIES | | | |
| | Proceeds from borrowings | | - | - |
| | Repayment of borrowings | | (58.21) | (393.99) |
| | Dividend paid (including tax) | | (28.00) | (28.00) |
| | Repayment of lease liability | | (20.37) | (12.80) |
| | Interest paid | | (11.80) | (20.24) |
| | NET CASH USED IN FINANCING ACTIVITIES | C | (118.38) | (455.02) |
| | NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | A+B | (72.90) | 586.40 |
| | Add: Cash and cash equivalents at the beginning of the year | +C | 416.69 | (169.71) |
| | Cash and cash equivalents at the end of the year | | 343.79 | 416.69 |
| | Cash and cash equivalents as per above comprises of the following : | | | |
| | Cash and cash equivalent | | 133.80 | 227.55 |
| | Other bank balances | | 209.99 | 195.53 |
| | | | 343.79 | 423.08 |
| | Bank Overdraft | | - | (6.39) |
| | Balances as per Statement of Cash Flows | | 343.79 | 416.69 |
| | Significant Accounting Policies | 3 | | |
| | Debt reconciliation statement in accordance with Ind AS 7 | | | |
| | Borrowing | | | |
| | Opening Balance | | 160.30 | 554.29 |
| | Movement | | (58.21) | (393.99) |
| | Closing Balance | | 102.09 | 160.30 |

Cash Credit facility are part of above debt reconciliation

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

1. The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard '7' on "Statement of Cash Flows".

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

Significant Accounting Policies

3

The accompanying notes are an integral part of Standalone financial statements

As per our report of even date attached

For and on behalf of Board of Directors

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Sd/-

Sudesh Choraria

Partner

Membership No. 204936

Place: Mumbai

Date: 12th May 2022

Sd/-

Jai Prakash Agarwal

Chairman

DIN - 00242232

Sd/-

Vishal Jain

Vice Chairman & Managing Director

DIN - 00709250

Sd/-

Rohit Jain

Chief Financial Officer

Place: Thane

Date: 12th May 2022

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

1 Corporate Information

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

The financial statements of the Company for the year ended March 31, 2022 were approved for issue in accordance with the resolution of the Board of Directors on May 12, 2022.

2 Basis for preparation of financial statements

2.1 Statement of Compliance:

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

2.2 Basis of Preparation:

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

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

2.3 Basis of measurement:

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative financial instruments) that are measured at fair value at the end of each reporting period.

Historical cost is generally based on the fair value of the considerations given in exchange for goods and services.

2.4 Current or Non-current classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is :

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

All the other assets are classified as non-current.

A liability is current when :

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

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

2.5 Key Accounting Estimates and Judgements:

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

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

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organization with an adverse impact on the economy and business. Global solutions are needed to overcome the challenges – businesses & business models have transformed to create a new work order. The swift transition to remote working was facilitated by the Company.

In the first three months of FY 2021-22, the second wave of the pandemic overwhelmed India's medical infrastructure. The company was facing temporary disruption in its operations, due to lockdown enforced across different parts of the country.

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

The Company has considered the possible effects that may result from COVID-19 in the preparation of these Standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these Standalone financial statements.

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 reasonable 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. 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

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

(b) Derecognition of Assets:

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

(c) Depreciation:

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

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

The estimated useful lives of PPE are as follows:

| Sr. No. | Particulars | Useful Life |
|---------|--|-------------|
| 1 | Factory Building-Main Premises | 60 Years |
| 2 | Factory Building-Major 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 |

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 |

3.3 Leases

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

The Company recognises a right-of-use asset ("ROU") at the

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

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

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

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

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

3.4 Impairment of Property, Plant and Equipment and Intangible assets

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing, value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the

time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

3.5 Inventories

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

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

3.6 Revenue recognition

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

(a) Sale of goods

Sales are recorded net of trade discounts, quantity discounts, rebates, indirect taxes. Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer which generally coincides with dispatch of goods from

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

factory/stock points, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods to the degree usually associated with the ownership, and the amount of revenue can be measured reliably, regardless of when the payment is being made. Sales also include, sales of scrap, waste, rejection etc.

(b) Interest income

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

3.7 Foreign currencies:

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

3.8 Employee Benefits:

Short-term Employee Benefits:

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

Other long-term employee benefits

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

the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

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. 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

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 Taxes on Income:

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

Current tax

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

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

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference

arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the 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

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Product warranty

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

3.11 Contingent liabilities and contingent assets

Contingent liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognized 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 recognized when the Company becomes a party to the contractual provisions of the instruments and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Financial assets

Classification and subsequent measurement

Loans and receivables

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

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

Impairment

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

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

De-recognition

The Company derecognizes financial asset when the contractual right to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

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

Financial liabilities

Classification

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

Equity instruments

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

Subsequent measurement

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

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

Foreign exchange gains and losses

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at fair value through profit or loss,

the foreign exchange component forms part of the fair value gains or losses and is recognized in the Statement of Profit and Loss.

De-recognition

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

3.13 Cash and cash equivalents

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

3.14 Earnings per share

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

3.15 Segment Reporting

The Company's business activity falls within two segments viz. Material Handling and Engineering Products.

Segments are organized based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

Investments, tax related assets and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as “ Unallocable”

3.16 Borrowing Cost

Borrowings costs that are attributable to the acquisition or construction of qualifying assets up to the date when they are ready for their intended use and other borrowing costs are charged to profit and loss account. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.17 Investments in Subsidiaries

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

3.18 Dividend to Equity Shareholders

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

3.19 Business Combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognized at fair values on their acquisition date.

The Company recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

4A Property, Plant and Equipment

Rs. (in lakhs)

| | Building | Computer & Peripheral | Furniture and Fixture | Office Equipment | Plant & Machinery | Vehicle | Total | Capital Work in Progress |
|--|--------------|-----------------------|-----------------------|------------------|-------------------|--------------|---------------|--------------------------|
| Gross Carrying Amount | | | | | | | | |
| Balances as at 1st April, 2020 | 18.58 | 85.96 | 72.04 | 14.35 | 393.38 | 45.49 | 629.80 | |
| Additions | - | 0.55 | - | - | 21.28 | - | 21.83 | |
| Sale/Disposal | - | - | - | - | 9.68 | 19.03 | 28.71 | |
| Balances as at 31st March, 2021 | 18.58 | 86.51 | 72.04 | 14.35 | 404.98 | 26.46 | 622.92 | |
| Additions | - | 32.83 | 5.61 | 4.14 | 93.49 | 13.56 | 149.63 | |
| Sale/Disposals | - | - | - | - | 1.98 | 6.86 | 8.84 | |
| Balances as at 31st March, 2022 | 18.58 | 119.34 | 77.65 | 18.49 | 496.49 | 33.16 | 763.71 | |
| Accumulated Depreciation | | | | | | | | |
| Balances as at 1st April, 2020 | 6.95 | 68.36 | 40.03 | 10.19 | 132.85 | 19.80 | 278.18 | |
| Changes for the year | 1.09 | 8.02 | 7.67 | 1.40 | 49.77 | 5.09 | 73.04 | |
| Sale/Disposals | - | - | - | - | 8.67 | 9.74 | 18.41 | |
| Balances as at 31st March, 2021 | 8.04 | 76.38 | 47.70 | 11.59 | 173.95 | 15.15 | 332.81 | |
| Changes for the year | 0.98 | 11.51 | 6.72 | 2.42 | 50.91 | 4.42 | 76.96 | |
| Sale/Disposals | - | - | - | - | 1.18 | 6.52 | 7.70 | |
| Balances as at 31st March, 2022 | 9.02 | 87.89 | 54.42 | 14.01 | 223.68 | 13.05 | 402.07 | |
| Net Block | | | | | | | | |
| Balances as at 31st March, 2021 | 10.54 | 10.13 | 24.34 | 2.76 | 231.03 | 11.31 | 290.11 | 21.84 |
| Balances as at 31st March, 2022 | 9.56 | 31.45 | 23.23 | 4.48 | 272.81 | 20.11 | 361.64 | 21.84 |

Notes:

- As per Ind AS 16 assets in the course of development are reflected in capital work in progress. Costs associated with the development are capitalised when the asset is ready to use. Revenue generated from production during the trial period will be credited to capital work in progress.
- Capital work in progress as at 31st March 2022 primarily represents other expenses incurred in relation to purchase of land at Murbad, Thane. The Company does not own any immovable property other than property where the Company is the lessee and the lease agreements are duly executed in favour of the lessee.

Capital Work in Progress (CWIP) ageing schedule:

As at March 31, 2022

| CWIP | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 Years | More than 3 years | |
| Projects in progress | - | 0.48 | - | 21.36 | 21.84 |
| Projects temporarily suspended | - | - | - | - | - |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

Capital Work in Progress (CWIP) ageing schedule:

As at March 31, 2021

| CWIP | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 Years | More than 3 years | |
| Projects in progress | 0.48 | - | 21.36 | - | 21.84 |
| Projects temporarily suspended | - | - | - | - | - |

4B: Right of Use Assets

Rs. (in lakhs)

| | Building |
|--|---------------|
| Gross Block | |
| Balances as at 1st April, 2020 | 97.78 |
| Addition | - |
| Deduction - Termination of Lease | 52.14 |
| Balances as at 1st April, 2021 | 45.64 |
| Addition | 74.60 |
| Deduction - Termination of Lease | - |
| Balances as at 31st March, 2022 | 120.24 |
| Accumulated Depreciation | |
| Balances as at 1st April, 2020 | 28.21 |
| Addition | 11.04 |
| Deduction - Termination of Lease | 3.84 |
| Balances as at 1st April, 2021 | 35.41 |
| Addition | 17.35 |
| Deduction - Termination of Lease | - |
| Balances as at 31st March, 2022 | 52.76 |
| Net Block | |
| Balances as at 1st April, 2021 | 10.23 |
| Balances as at 31st March, 2022 | 67.48 |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

4C: Intangible Asset

Rs. (in lakhs)

| Computer Software & Licenses | |
|---|--------------|
| Gross Block | |
| Balances as at 1st April, 2020 | 51.47 |
| Addition | - |
| Sale/Disposals | - |
| Balances as at 31st March, 2021 | 51.47 |
| Addition | 1.31 |
| Sale/Disposals | 7.13 |
| Balances as at 31st March, 2022 | 45.65 |
| Accumulated Depreciation | |
| Balances as at 1st April, 2020 | 27.42 |
| Changes for the year | 5.77 |
| Sale/Disposals | - |
| Balances as at 1st April, 2021 | 33.19 |
| Changes for the year | 4.32 |
| Sale/Disposals | 5.41 |
| Balances as at 31st March, 2022 | 32.10 |
| Net Block | |
| Balances as at 31st March, 2021 | 18.28 |
| Balances as at 31st March, 2022 | 13.55 |

Ageing of Intangible assets under development -

| | |
|-----------------------|-----|
| As at 31st March 2022 | Nil |
| As at 31st March 2021 | Nil |

5A: Investment in Subsidiary

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | | | As at 31st March, 2021 | |
|---|------------------------|------------------------|---------------|------------------------|---------------|
| | Number | Face Value (In Rs.) | Amount | Number | Amount |
| Equity shares fully paid in subsidiary company (At amortised cost) MHE Rentals India Pvt Ltd | 6,018,000 | 10 | 601.80 | 6,018,000 | 601.80 |
| Total | | | 601.80 | | 601.80 |

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

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

5B: Non-Current Investments

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | | | As at 31st March, 2021 | |
|---|------------------------|---------------------|-------------|------------------------|-------------|
| | Number | Face Value (In Rs.) | Amount | Number | Amount |
| Investments at Cost (a) Investment in Equity Shares (Unquoted) (Fully Paid up) Zoroastrian Co-Operative Bank Ltd. | 4,000 | 25 | 1.00 | 4,000 | 1.00 |
| Total | | | 1.00 | | 1.00 |

Aggregate Book Value of Non-Current Investments

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|-------------------|------------------------|------------------------|
| Unquoted- At Cost | 602.80 | 602.80 |

6A: Other Non-Current financial assets

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| Security Deposit (Unsecured, considered good unless otherwise stated) | 24.05 | 25.69 |
| Fixed Deposits* | 50.94 | - |
| Prepaid lease hold land | 0.40 | 0.42 |
| Total | 75.39 | 26.11 |

(*) Original maturity of more than twelve months

6B: Deferred Tax (Liability)/Asset

Rs. (in lakhs)

| Deferred Tax Asset/Liabilities | As at 31st March, 2022 | As at 31st March, 2021 |
|---------------------------------|------------------------|------------------------|
| Deferred Tax Assets | 127.71 | 130.57 |
| Deferred Tax Liabilities | - | - |
| Deferred Tax Asset (net) | 127.71 | 130.57 |

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | (Charged)/Credited to profit & loss | (Charged)/ Credited to other Comprehensive Income | As at 31st March, 2021 |
|--------------------------------------|------------------------|-------------------------------------|---|------------------------|
| Nature of Timing Difference : | | | | |
| <u>Deferred Tax Assets</u> | | | | |
| On depreciable assets | 10.07 | (4.53) | - | 5.54 |
| On provision for gratuity | 44.49 | 4.35 | (1.82) | 47.02 |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

Rs. (in lakhs)

| | | | | |
|---|---------------|---------------|---------------|---------------|
| On provision for doubtful debts | 47.50 | (12.68) | - | 34.82 |
| On provision for Other Employee Benefits | 17.86 | 8.33 | - | 26.19 |
| On provision for warranty | 12.07 | 3.02 | - | 15.09 |
| On accounting of timing difference on leased assets | (1.42) | 0.47 | - | (0.95) |
| Deferred Tax Asset | 130.57 | (1.04) | (1.82) | 127.71 |

a) The Company has recognised Deferred tax asset as the Company is estimating future taxable profits against which the Deferred tax asset can be set off.

b) The Company has utilised MAT credit amounting to Rs Nil for the year ended 31st March 2022 and recognised MAT credit entitlement amounting to Rs 37.11 lakhs for the year ended 31st March 2021.

7. Inventories

Valued at lower of cost and net realisable value

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---------------------------|------------------------|------------------------|
| a. Raw Materials | 383.53 | 482.07 |
| b. Work-in-progress | 57.80 | 91.09 |
| c. Finished Goods | 352.26 | 148.84 |
| d. Stock-in-trade | 297.34 | 390.66 |
| e. Stores and Spares | 14.29 | 1.37 |
| | 1,105.22 | 1,114.03 |
| Less :Provision for Stock | (27.50) | - |
| Total | 1,077.72 | 1,114.03 |

8 Current Investments

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | | As at 31st March, 2022 | As at 31st March, 2021 |
|---|-------------------------------------|-----------------------------------|------------------------|------------------------|
| | Unit value | Number of units | | |
| (a) Investments in Mutual Funds values at fair value through P & L account: | | | | |
| Nippon India Mutual Fund- Direct Plan Daily IDCW Plan Reinvestment | 1009.06 (Previous year- 1008.88) | 960.64 (Previous year- 918.60) | 9.69 | 9.28 |
| Nippon India Mutual Fund- Daily IDCW Plan Reinvestment | 1008.97 (Previous year- 1010.55) | 433.66 (Previous year- 417.37) | 4.38 | 4.22 |
| Edelweiss Liquid Funds- Regular Plan Growth | 2709.73 (Previous year- Nil) | 3690.92 (Previous year- Nil) | 100.01 | - |
| Total | | | 114.08 | 13.50 |
| Aggregate Book Value of Investments | | | 114.08 | 13.50 |
| Aggregate Market Value of Quoted Investments | | | 114.08 | 13.50 |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

9 Trade Receivables

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| At amortised cost: | | |
| - Trade Receivables considered good- Secured | 8.50 | 12.25 |
| - Trade Receivables considered good- Unsecured | 3,258.28 | 2,778.06 |
| - Trade Receivables which have significant increase in credit risk | - | - |
| - Trade Receivables- credit impaired | 125.14 | 170.73 |
| Sub-Total | 3,391.92 | 2,961.04 |
| Less: Loss Allowance | (125.14) | (170.73) |
| Break up | | |
| - Receivables from related parties | 27.14 | 52.76 |
| - Others | 3,239.64 | 2,737.55 |
| Total | 3,266.78 | 2,790.31 |

1. Certain Receivables are secured against security deposits and bank guarantees taken from customers.
2. For Lien/ charge details against trade receivables, Refer Note 19

Rs. (in lakhs)

| Particulars | Outstanding from due date of payment as on 31st March, 2022 | | | | | | Total |
|--|---|-----------------|-----------------|---------------|--------------|-------------------|-----------------|
| | Not Due | Upto 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed | | | | | | | |
| Considered Good | 1,568.83 | 1,369.99 | 205.76 | 80.56 | 12.40 | 29.25 | 3,266.78 |
| Which have significant increase in credit risk | | | | | | | |
| Credit impaired | 0.23 | 2.52 | 4.64 | 41.36 | 13.99 | 27.66 | 90.40 |
| Disputed | | | | | | | |
| Considered good | | | | | | | |
| Which have significant increase in credit risk | | | | | | | |
| Credit impaired | - | - | - | 0.51 | - | 34.23 | 34.74 |
| | 1,569.06 | 1,372.51 | 210.40 | 122.43 | 26.39 | 91.14 | 3,391.92 |
| Less: Loss Allowance | | | | | | | (125.14) |
| Total | | | | | | | 3,266.78 |

Rs. (in lakhs)

| Particulars | Outstanding from due date of payment as on 31st March, 2021 | | | | | | Total |
|--|---|---------------|-----------------|-----------|-----------|-------------------|-----------------|
| | Not Due | Upto 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed | | | | | | | |
| Considered Good | 1,521.74 | 822.56 | 212.19 | 82.83 | 92.52 | 58.47 | 2,790.31 |
| Which have significant increase in credit risk | | | | | | | |
| Credit impaired | - | - | - | - | - | - | - |
| | 8.28 | 16.44 | 11.91 | 51.00 | 10.73 | 43.75 | 142.11 |
| Disputed | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk | | | | | | | |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

Rs. (in lakhs)

| | | | | | | | |
|----------------------|-----------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| Credit impaired | - | - | - | - | 28.62 | - | 28.62 |
| | 1,530.02 | 839.00 | 224.10 | 133.83 | 131.86 | 102.22 | 2961.04 |
| Less: Loss allowance | | | | | | | (170.73) |
| Total | | | | | | | 2,790.31 |

10A Cash and cash equivalents

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---------------------------|------------------------|------------------------|
| Cash on hand | 2.73 | 1.26 |
| Balance with Banks | | |
| In current account | 131.07 | 225.87 |
| In EEFC account | - | 0.42 |
| Total | 133.80 | 227.55 |

10B Other Bank Balances

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| Earmarked balances with banks (unclaimed dividend account) | 2.97 | 4.42 |
| Bank Deposits as Margin Money against LC & BG* | 207.02 | 191.11 |
| Total | 209.99 | 195.53 |

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

11 Current Loans

Unsecured, considered good unless otherwise stated

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|------------------------------------|------------------------|------------------------|
| Loans and Advances to a subsidiary | 70.00 | 101.37 |
| Total | 70.00 | 101.37 |

Note: The terms and conditions have been stipulated w.r.t. the loans advanced to the subsidiary

12 Other Current Financial Assets

Unsecured, considered good unless otherwise stated

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|----------------------|------------------------|------------------------|
| Duty Recoverable | 3.81 | 3.81 |
| Security Deposit | - | 0.68 |
| Interest Receivables | 11.67 | 7.78 |
| Total | 15.48 | 12.26 |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

13 Other Current Assets

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--------------------------------------|------------------------|------------------------|
| Balances with government authorities | | |
| a) VAT Deposit* | 24.41 | 72.28 |
| Prepaid Expense | 41.15 | 11.11 |
| Tender Deposits | 103.99 | 65.54 |
| Advance to Employees | 70.12 | 3.14 |
| Advance to Creditors | 199.62 | 86.30 |
| Capital Advances (Refer Note no. 32) | 252.02 | 268.32 |
| Total | 691.32 | 506.69 |

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

14 Equity Share Capital

(Refer Note (b) below)

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | | As at 31st March, 2021 | |
|--|------------------------|--------|------------------------|--------|
| | Number | Amount | Number | Amount |
| <u>Authorised:</u> | | | | |
| Equity Shares of Rs. 5/- (PY- Rs. 10) each | 2,000,000 | 100.00 | 1,000,000 | 100.00 |
| <u>Issued:</u> | | | | |
| Equity Shares of Rs. 5/- (PY- Rs. 10) each | 1,865,746 | 93.29 | 932,873 | 93.29 |
| <u>Subscribed and Fully Paid up:</u> | | | | |
| Equity Shares of Rs. 5/- (PY- Rs. 10) each | 1,865,746 | 93.29 | 932,873 | 93.29 |

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

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | | As at 31st March, 2021 | |
|--|------------------------|--------|------------------------|--------|
| | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year: | 932,873 | 93.29 | 932,873 | 93.29 |
| Stock split during the year (Refer Note (b) below) | 932,873 | - | - | - |
| Issue of right shares during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares Outstanding at the end of the year | 1,865,746 | 93.29 | 932,873 | 93.29 |

b) Pursuant to the approval of the shareholders accorded on 24th March, 2021 at the Extra Ordinary General meeting through Video Conferencing/Other Audio-Visual Means conducted by the Company, each equity share of face value of Rs. 10/- per share was split into two equity shares of face value of Rs. 5/- per share, with effect from 21st May, 2021.

c) The company has only one class of issued shares i.e Equity Shares having par value of Rs. 5/ each. The Equity Shares of the Company have voting rights and are subject to the restrictions as prescribed under the Companies Act, 2013. Each holder of equity share is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of directors is subject to approval of shareholders in the ensuing Annual general meeting.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

d) Details of Promoter Shareholding:

| Promotor Name | As at 31st March, 2022 | | As at 31st March, 2021 | | % Change during the year |
|------------------------------------|------------------------|-------------------|------------------------|-------------------|--------------------------|
| | No. of Shares* | % of Total Shares | No. of Shares* | % of Total Shares | |
| Mr. Jai Prakash Agarwal | 265,982 | 14.26 | 132,991 | 14.26 | NA |
| Mrs. Anita Agarwal | 41,480 | 2.22 | 20,740 | 2.22 | NA |
| Jai Prakash Agarwal and sons (HUF) | 14,530 | 0.78 | 7,265 | 0.78 | NA |
| Mrs. Krishna Agarwal | 97,600 | 5.23 | 48,800 | 5.23 | NA |
| Mr. Rajendra Kumar Agarwal | 41,480 | 2.22 | 20,740 | 2.22 | NA |
| Mrs. Shikha Jain | 225,642 | 12.09 | 112,821 | 12.09 | NA |
| Mr. Vishal Jain | 236,430 | 12.67 | 118,215 | 12.67 | NA |
| Total | 9,23,144 | 49.47 | 4,61,572 | 49.47 | NA |

*Refer Note (b) above

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

| Name of Shareholder | As at 31st March, 2022 | | As at 31st March, 2021 | |
|-------------------------|------------------------|-------------------|------------------------|-------------------|
| | No. of Shares held* | % of Total Shares | No. of Shares held* | % of Total Shares |
| Mr. Jai Prakash Agarwal | 265,982 | 14.26 | 132,991 | 14.26 |
| Mrs. Krishna Agarwal | 97,600 | 5.23 | 48,800 | 5.23 |
| Mrs. Shikha Jain | 225,642 | 12.09 | 112,821 | 12.09 |
| Mr. Vishal Jain | 236,430 | 12.67 | 118,215 | 12.67 |
| Mr. Sharad K. Shah | 158,120 | 8.34 | 77,765 | 8.34 |

*Refer Note (b) above

f) 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.

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

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

15 Other Equity

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--------------------------------------|------------------------|------------------------|
| a. Securities Premium Account | | |
| Balance at the beginning of the year | 1,063.85 | 1063.85 |
| Add: | | |
| Received during the year | - | - |
| Closing Balance | 1063.85 | 1063.85 |
| b. General Reserve | | |
| Balance at the beginning of the year | 229.78 | 229.78 |
| Add | | |
| Transferred during the year | - | - |
| Closing Balance | 229.78 | 229.78 |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

Rs. (in lakhs)

| | | |
|---|-----------------|-----------------|
| c. Retained Endings | | |
| Balance at the beginning of the year | 1,708.48 | 1,327.65 |
| Add: | | |
| Profit/(Loss) for the year | 447.95 | 408.83 |
| Less: | | |
| Dividend paid for the previous year (including Dividend Distribution Tax) | (28.00) | (28.00) |
| Closing Balance | 2,128.43 | 1,708.48 |
| d. Other comprehensive income (OCI) | | |
| Balance at the beginning of the year | (30.30) | (45.84) |
| Add: | | |
| Remeasurement of defined benefit plan (Net of tax) | 4.73 | 15.54 |
| Closing Balance | (25.57) | (30.30) |
| Total | 3,396.49 | 2,971.83 |

16 Lease Liabilities

16A Non- Current Lease Liabilities

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--------------------------------|------------------------|------------------------|
| Lease Liabilities- Non Current | 53.88 | 4.62 |
| Total | 53.88 | 4.62 |

16B Current Lease Liabilities

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|----------------------------|------------------------|------------------------|
| Lease Liabilities- Current | 17.97 | 6.37 |
| Total | 17.97 | 6.37 |

17 Non-Current Provisions

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---------------------------------------|------------------------|------------------------|
| Provision for Employee Benefit | | |
| Superannuation | 16.23 | 16.23 |
| Gratuity | 111.56 | 118.38 |
| Leave Encashment | 41.32 | 33.41 |
| Total | 169.11 | 168.02 |

18 Other Non-current Financial Liabilities

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|-----------------|------------------------|------------------------|
| Dealer Deposits | 36.85 | 35.85 |
| Total | 36.85 | 35.85 |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

19 Current Borrowings

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| Secured: | | |
| Current Maturity of term loan (*) | | |
| - Vehicle Loan | - | 3.64 |
| From Banks (Repayable on demand) | | |
| (a) Cash Credit | 102.09 | 156.66 |
| (b) Bank Overdraft | - | 6.39 |
| Total | 102.09 | 166.69 |

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

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 passubasis. Interest rates at 11% p.a. to 11.90 % p.a.

20 Trade Payables

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| At amortised cost | | |
| - Total outstanding dues of micro enterprises and small enterprises (Note (a)) | 162.32 | 123.87 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 1673.84 | 1688.58 |
| Total | 1,836.16 | 1812.45 |

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

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| (i) (a) Principal amount and the interest due thereon remaining unpaid to any supplier | 162.32 | 123.87 |
| (b) Interest on (i) (a) above | - | - |
| The amount of interest paid along with the principal payment made to | | |
| (ii) 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 | 162.32 | 123.87 |
| - Principal | - | - |
| - Interest | - | - |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

Note (b) Trade Payables Ageing Schedule

Rs. (in lakhs)

| Particulars | Outstanding from due date of payment as on 31st March, 2022 | | | | | |
|--|---|---------------|--------------|-----------|-------------------|----------------|
| | Not Due | Upto 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Total outstanding dues of micro enterprises and small enterprises | 162.32 | - | - | - | - | 162.32 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 667.44 | 951.37 | 55.03 | - | - | 1,673.84 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| Total | 829.76 | 951.37 | 55.03 | - | - | 1836.16 |

Rs. (in lakhs)

| Particulars | Outstanding from due date of payment as on 31st March, 2021 | | | | | |
|--|---|---------------|--------------|-----------|-------------------|-----------------|
| | Not Due | Upto 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Total outstanding dues of micro enterprises and small enterprises | 123.87 | - | - | - | - | 123.87 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 813.62 | 849.53 | 25.43 | - | - | 1,688.58 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| Total | 937.49 | 849.53 | 25.43 | - | - | 1,812.45 |

21 Other Current Financial Liabilities

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---------------------------|------------------------|------------------------|
| Unpaid Dividend | 2.96 | 4.42 |
| Salary and Reimbursements | 128.22 | 135.21 |
| Total | 131.18 | 139.63 |

22 Other Current Liabilities

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| 1) Statutory dues payable | | |
| (a) Tax deducted at source | 19.61 | 17.95 |
| (b) Provident fund and other employee deductions | 13.82 | 13.01 |
| (c) GST | 78.53 | 17.12 |
| 2) Revenue received in advance | 82.49 | 99.57 |
| 3) Provision for expense | 177.64 | 121.85 |
| 4) Advances from customers | 355.67 | 213.56 |
| 5) Creditors for other liabilities | 145.63 | 56.63 |
| Total | 873.39 | 539.69 |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

23A Current Provisions

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| Provision for warranty claims | 54.25 | 43.38 |
| Provision for employee benefits | | |
| Superannuation | - | - |
| Gratuity | 57.46 | 41.56 |
| Leave Encashment | 19.93 | 15.48 |
| Total | 131.64 | 100.42 |

23B Current Tax Liabilities (Net)

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| Current Tax Liabilities (net of tax paid / refund) | 7.53 | 22.32 |
| Total | 7.53 | 22.32 |

24 Revenue from Operations

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| (a) Sale of Products | | |
| Sale of manufactured goods (*) | 6,381.20 | 4,736.38 |
| Sale of traded goods | 3,420.26 | 2,538.14 |
| Total (A) | 9,801.46 | 7,274.52 |
| (b) Sale of Services | | |
| Sale of services | 875.21 | 652.79 |
| Total (B) | 875.21 | 652.79 |
| (c) Other Operating Revenues | | |
| Commission income | 656.92 | 660.21 |
| Scrap & sundry sales | 10.59 | 3.71 |
| Other operating income | 3.98 | 1.13 |
| Total (C) | 671.49 | 665.05 |
| Total (A+B+C) | 11,348.16 | 8,592.36 |

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

25 Other Income

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|--|-------------------------------------|-------------------------------------|
| Interest Income | 27.54 | 15.46 |
| Dividend Income | 0.57 | 0.79 |
| VAT Interest Received | 0.26 | 6.90 |
| Interest on IT Refund | 1.68 | 1.62 |
| Commission Income | 9.26 | 22.93 |
| Other Income | 0.81 | - |
| Gain on termination of lease liabilities | - | 8.49 |
| Total | 40.12 | 56.19 |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

26A Cost of Materials Consumed

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|----------------------------------|-------------------------------------|-------------------------------------|
| Raw Material consumed | | |
| Opening stock | 482.07 | 595.65 |
| Purchases | 4,514.54 | 2,967.74 |
| Closing Stock | 383.52 | 482.07 |
| Cost of Material Consumed | 4,613.09 | 3,081.32 |

Breakup of cost of material consumed

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|--|-------------------------------------|-------------------------------------|
| Cost of material consumed | | |
| Steel | 239.71 | 111.39 |
| Batteries | 953.95 | 747.06 |
| Others (Tyres, Controller, motor, battery charger, etc.) | 3,419.43 | 2,222.87 |
| Total | 4,613.09 | 3,081.32 |

26B Purchase of Stock in Trade

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|-------------------------------------|-------------------------------------|
| Purchase of Traded Goods | | |
| Engineered Equipment | 1,887.87 | 1,309.33 |
| Other components, accessories, spares, etc. | 654.89 | 640.58 |
| Total | 2,542.76 | 1,949.91 |

27 Changes in Inventories

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|--|-------------------------------------|-------------------------------------|
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade | | |
| Opening Stocks: | | |
| Finished Goods- Manufactured | 148.84 | 233.05 |
| Finished Goods- Traded | 390.66 | 391.80 |
| Work-in-Progress | 91.08 | 285.74 |
| | 630.58 | 910.59 |
| Less: Closing Stocks | | |
| Finished Goods- Manufactured | 352.26 | 148.84 |
| Finished Goods- Traded | 297.34 | 390.66 |
| Work-in-Progress | 57.80 | 91.08 |
| | 707.40 | 630.58 |
| Total | (76.82) | 280.01 |

28 Employee Benefit Expense

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|-------------------------------------|-------------------------------------|
| Salaries, Wages and Bonus | 1,749.68 | 1,318.18 |
| Contributions to provident fund, gratuity and other funds | 56.27 | 54.16 |
| Staff welfare expenses | 63.09 | 24.55 |
| Total | 1,869.04 | 1,396.89 |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

29 Finance Costs

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|-------------------------------------|-------------------------------------|
| Interest expense on term loan, cash credit & bank overdraft | 11.62 | 15.47 |
| Interest expense on other loans | 0.18 | 4.77 |
| Bank Charges | 27.17 | 25.57 |
| Interest on Lease Liabilities | 6.44 | 3.26 |
| Total | 45.41 | 49.07 |

30 Other Expenses

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|-------------------------------------|-------------------------------------|
| Subcontract and labour charges | 248.10 | 154.77 |
| Stores and spare parts consumed | 22.45 | 16.45 |
| Fuel and power | 33.16 | 29.59 |
| Repairs & maintenance (factory and office) | 25.60 | 23.87 |
| Repairs to machinery | 8.75 | 2.47 |
| Rent | 35.96 | 31.41 |
| Rates and Taxes | 10.30 | 10.57 |
| Sales tax of earlier year write off (Incl. interest and tax amount) | 16.66 | 4.31 |
| Insurances | 12.32 | 11.68 |
| Travelling expenses | 112.44 | 45.18 |
| Postage, Telephone and Internet | 22.85 | 35.44 |
| Commission Expense | 13.57 | 17.52 |
| Testing and calibration | 66.47 | 43.83 |
| Priting and stationery | 10.73 | 8.95 |
| Legal and professional charges | 68.74 | 141.02 |
| Audit fees (refer note (a) below) | 25.88 | 17.01 |
| Conveyance expenses | 195.27 | 125.22 |
| Provision for doubtful debts (Net of Reversal) | (45.58) | 36.50 |
| Bad debts written off | 88.18 | 96.62 |
| Loss on assets discarded | 1.12 | 1.98 |
| Freight on sales | 275.94 | 167.37 |
| Motor vehicle expenses | 4.97 | 3.64 |
| Directors' fees | 6.80 | 8.80 |
| Net loss on foreign currency transactions and translation | 0.58 | 4.66 |
| Provision for Slow/Non-moving stocks | 27.50 | - |
| Stock written-off | 16.71 | 26.53 |
| Miscellaneous expenses | 338.97 | 180.21 |
| Total | 1,644.44 | 1,245.60 |

Note (a): Auditor's Remuneration

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|-------------------------------------|-------------------------------------|
| (a) Audit Fees | 18.25 | 11.69 |
| (b) Tax audit fees | 3.05 | 2.10 |
| (c) Other services | 4.50 | 3.09 |
| (d) Reimbursement of out-of-pocket expenses | 0.08 | 0.13 |
| Total | 25.88 | 17.01 |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

31 Contingent Liabilities

Rs. (in lakhs)

| Sr No. | Particulars | As at 31st March, 2022 | As at March 31st, 2021 |
|--------|--|------------------------|------------------------|
| a) | Claims against company not acknowledged as debts | | |
| i) | Sales Tax Demands (Net) | 28.97 | 130.56 |
| b) | On account of corporate guarantee to bankers on behalf of subsidiary for facilities availed by them (amount outstanding at close of the year) | 1,997.84 | 1,848.49 |

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

32 Capital Commitments

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

| Particulars | As at 31st March, 2022 | As at March 31st, 2021 |
|---|------------------------|------------------------|
| Capital Commitment | | |
| Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for. | 302.00 | 302.00 |
| Other Commitment | | |
| Letter of Credit (LC) issued to vendors | 31.14 | 56.15 |

Note:

1) The Company is in the process of acquiring leasehold land including building at a price of Rs 554.00 lacs and has entered into an agreement on April 12, 2018. The land is located at MIDC Murbad, District Thane. The rationale behind investment is for expansion of Company's manufacturing activities.

33 Capital Management

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

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

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

Total debt includes all long and short-term debts as disclosed in notes 19 to the financial statements. The gearing ratio at the end of the reporting period was as follows:

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at March 31st, 2021 |
|-----------------------------|------------------------|------------------------|
| Total Debt | 102.09 | 166.69 |
| Total Equity | 3,489.78 | 3,065.12 |
| Debt to Equity Ratio | 0.03 | 0.05 |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

34 Disclosure of Financial Instruments: Fair Value Measurement

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

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

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

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

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Accounting classification and fair value:

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

Financial Instrument by Category:

Rs. (in lakhs)

| Particulars | Note No. | 31st March, 2022 | | | Fair Value | | |
|------------------------------------|----------|---|---------------------------|-----------------|---------------|----------|----------|
| | | Fair Value Routed Through Profit & Loss | Carried at Amortised Cost | Total | Level 1 | Level 2 | Level 3 |
| FINANCIAL ASSETS | | | | | | | |
| Non-Current Assets | | | | | | | |
| (i) Investments | 5B | - | 1.00 | 1.00 | - | - | - |
| (ii) Others | 6A | - | 75.39 | 75.39 | - | - | - |
| Investments in Subsidiary | 5A | | 601.80 | 601.80 | | | |
| Current Assets | | | | | | | |
| (i) Investments | 8 | 114.08 | - | 114.08 | 114.08 | - | - |
| (ii) Trade Receivables | 9 | - | 3,266.78 | 3,266.78 | - | - | - |
| (iii) Cash and cash equivalents | 10A | - | 133.80 | 133.80 | - | - | - |
| (iv) Other Bank Balances | 10B | - | 209.99 | 209.99 | - | - | - |
| (v) Loans | 11 | - | 70.00 | 70.00 | - | - | - |
| (vi) Other Financial Assets | 12 | - | 15.48 | 15.48 | - | - | - |
| Total Financial Assets | | 114.08 | 4,374.24 | 4,488.32 | 114.08 | - | - |
| FINANCIAL LIABILITIES | | | | | | | |
| Non-Current Liabilities | | | | | | | |
| (i) Borrowings | - | - | - | - | - | - | - |
| (ii) Lease Liabilities | 16A | - | 53.88 | 53.88 | - | - | - |
| Current Liabilities | | | | | | | |
| (i) Borrowings | 19 | - | 102.09 | 102.09 | - | - | - |
| (ii) Lease Liabilities | 16B | - | 17.97 | 17.97 | - | - | - |
| (iii) Trade payables | 20 | - | 1,836.16 | 1,836.16 | - | - | - |
| (iv) Other financial liabilities* | 21 | - | 131.18 | 131.18 | - | - | - |
| Total Financial Liabilities | | - | 2,141.27 | 2,141.27 | - | - | - |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

Financial Instrument by category:

Rs. (in lakhs)

| Particulars | Note No. | 31st March, 2021 | | | Fair Value | | |
|------------------------------------|----------|---|---------------------------|-----------------|--------------|---------|---------|
| | | Fair Value Routed Through Profit & Loss | Carried at Amortised Cost | Total | Level 1 | Level 2 | Level 3 |
| FINANCIAL ASSETS | | | | | | | |
| Non-Current Assets | | | | | | | |
| (i) Investments | 5B | - | 1.00 | 1.00 | - | - | - |
| (ii) Others | 6A | - | 26.11 | 26.11 | - | - | - |
| Investments in Subsidiary | 5A | | 601.80 | 601.80 | | | |
| Current Assets | | | | | | | |
| (i) Investments | 8 | 13.50 | - | 13.50 | 13.50 | - | - |
| (ii) Trade Receivables | 9 | - | 2,790.31 | 2,790.31 | - | - | - |
| (iii) Cash and cash equivalents | 10A | - | 227.55 | 227.55 | - | - | - |
| (iv) Other Bank Balances | 10B | - | 195.53 | 195.53 | - | - | - |
| (v) Loans | 11 | - | 101.37 | 101.37 | - | - | - |
| (vi) Other Financial Assets | 12 | - | 12.26 | 12.26 | - | - | - |
| Total Financial Assets | | 13.50 | 3,955.93 | 3,969.43 | 13.50 | - | - |
| FINANCIAL LIABILITIES | | | | | | | |
| Non-Current Liabilities | | | | | | | |
| (i) Borrowings | | - | - | - | - | - | - |
| (ii) Lease Liabilities | 16A | - | 4.62 | 4.62 | - | - | - |
| Current Liabilities | | | | | | | |
| (i) Borrowings | 19 | - | 166.69 | 166.69 | - | - | - |
| (ii) Lease Liabilities | 16B | - | 6.37 | 6.37 | - | - | - |
| (ii) Trade payables | 20 | - | 1,812.45 | 1,812.45 | - | - | - |
| (iii) Other financial liabilities* | 21 | - | 139.63 | 139.63 | - | - | - |
| Total Financial Liabilities | | - | 2,129.76 | 2,129.76 | - | - | - |

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

35 Financial Risk Management Network

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

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

Trade Receivables

Rs. (in lakhs)

| | Effect on Profit Before Tax | | Effect on Pre-Tax Equity | |
|------------------------|-----------------------------|-----------|--------------------------|-----------|
| | Strengthening | Weakening | Strengthening | Weakening |
| March 31, 2022 | | | | |
| USD (Movement by 10%) | 3.89 | (3.89) | 3.89 | (3.89) |
| Euro (Movement by 10%) | 19.43 | (19.43) | 19.43 | (19.43) |
| March 31, 2021 | | | | |
| USD (Movement by 10%) | 5.08 | (5.08) | 5.08 | (5.08) |
| Euro (Movement by 10%) | 14.47 | (14.47) | 14.47 | (14.47) |

Trade Payables:

Rs. (in lakhs)

| | Effect on Profit Before Tax | | Effect on Pre-Tax Equity | |
|------------------------|-----------------------------|-----------|--------------------------|-----------|
| | Strengthening | Weakening | Strengthening | Weakening |
| March 31, 2022 | | | | |
| USD (Movement by 10%) | 7.65 | (7.65) | 7.65 | (7.65) |
| Euro (Movement by 10%) | 7.73 | (7.73) | 7.73 | (7.73) |
| March 31, 2021 | | | | |
| USD (Movement by 10%) | 7.61 | (7.61) | 7.61 | (7.61) |
| Euro (Movement by 10%) | 22.38 | (22.38) | 22.38 | (22.38) |

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

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

Rs. (in lakhs)

| Particulars | 31st March, 2022 | | 31st March 2021 | |
|-------------------|------------------|--------|-----------------|--------|
| | USD | EUR | USD | EUR |
| Trade Payables | 76.50 | 77.30 | 76.07 | 223.82 |
| Trade Receivables | 38.90 | 194.28 | 50.75 | 144.73 |

Interest Rate Risk:

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

Exposure to Interest Rate Risk:

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|----------------------------------|------------------------|------------------------|
| Fixed Rate Instruments | | |
| Financial Liabilities | - | 3.64 |
| Variable Rate Instruments | | |
| Financial Liabilities | 102.09 | 163.05 |

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)

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

| Particulars | 31st March, 2022 | | 31st March 2021 | |
|----------------------------------|----------------------|---------------------------|----------------------|---------------------------|
| | Sensitivity Analysis | Impact on Profit and Loss | Sensitivity Analysis | Impact on Profit and Loss |
| Variable Rate Borrowings: | | | | |
| Interest Rate Increase by | 1.00% | 1.02 | 1.00% | 1.63 |
| Interest Rate Decrease by | 1.00% | 1.02 | 1.00% | 1.63 |

Credit Risk:

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

Liquidity Risk:

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

Maturity Analysis for financial liabilities:

The following are the remaining contractual maturities of financial liabilities as at 31st March 2022:

Rs. (in lakhs)

| Particulars | Note No. | 31st March, 2022 | | |
|------------------------------------|----------|------------------|------------------|-----------------|
| | | 0-1 Years | More than 1 Year | Total |
| FINANCIAL LIABILITIES | | | | |
| Non-Current Liabilities | | | | |
| (i) Borrowings | | - | - | - |
| (ii) Lease Liabilities | 16A | - | 53.88 | 53.88 |
| Current liabilities | | | | |
| (i) Borrowings | 19 | 102.09 | - | 102.09 |
| (ii) Lease Liabilities | 16B | 17.97 | - | 17.97 |
| (iii) Trade payables | 20 | 1,836.16 | - | 1,836.16 |
| (iv) Other financial liabilities | 21 | 131.18 | - | 131.18 |
| Total Financial Liabilities | | 2,087.39 | 53.88 | 2,141.27 |

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

Rs. (in lakhs)

| Particulars | Note No. | 31st March, 2021 | | |
|------------------------------------|----------|------------------|------------------|-----------------|
| | | 0-1 Years | More than 1 Year | Total |
| FINANCIAL LIABILITIES | | | | |
| Non-Current Liabilities | | | | |
| (i) Borrowings | | - | - | - |
| (ii) Lease Liabilities | 16A | - | 4.62 | 4.62 |
| Current liabilities | | | | |
| (i) Borrowings | 19 | 166.69 | - | 166.69 |
| (ii) Lease Liabilities | 16B | 6.37 | - | 6.37 |
| (iii) Trade payables | 20 | 1,812.45 | - | 1,812.45 |
| (iv) Other financial liabilities | 21 | 139.63 | - | 139.63 |
| Total Financial Liabilities | | 2,125.14 | 4.62 | 2,129.76 |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

36 Employee Benefits :

A. Defined Contribution Plan

The Group has recognized Rs. 18.19 lakh for provident fund contribution in the Statement of Profit and Loss for the year ended March 31, 2022 (March 31, 2021 - Rs. 12.94 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:

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|------------------------|------------------------|
| i) Reconciliation of defined benefit obligation | | |
| Defined Benefit Obligation at the beginning of the year | 205.59 | 237.04 |
| Current Service Cost | 13.32 | 15.46 |
| Interest cost | 8.67 | 10.94 |
| <u>Actuarial losses/(gains) arising from:</u> | | |
| Demographic assumption | - | - |
| Financial assumption | (2.10) | (8.59) |
| Experience Gain/(Loss) on Plan Assets | (8.22) | (16.40) |
| Benefits Paid | (28.20) | (32.86) |
| Defined benefit obligation at the end of the year | 189.07 | 205.59 |
| ii) Reconciliation of Fair Value of Plan Asset | | |
| Fair value of the Plan assets at the beginning of the year | 45.65 | 41.34 |
| Expected return on plan Assets | 5.46 | 5.68 |
| Contribution | 0.89 | 34.96 |
| Benefits Paid | (28.20) | (32.86) |
| Actuarial Gain/ (Loss) on plan assets | (3.76) | (3.47) |
| Fair value of plan asset at the end of the year | 20.05 | 45.65 |
| iii) Expenses recognized in statement of profit or loss under the head employee benefit expenses | | |
| Current Service Cost | 13.32 | 15.46 |
| Interest Expense on DBO | 3.21 | 5.26 |
| Expenses recognized in Statement of Profit or Loss | 16.53 | 20.72 |
| iv) Re-measurement for the period | | |
| Experience Gain/(Loss) on Plan Liabilities | 8.22 | 16.40 |
| Demographic Gain/(Loss) on Plan Liabilities | - | 0.01 |
| Financial Gain/(Loss) on Plan Liabilities | 2.10 | 8.59 |
| Actuarial Gain/ (Loss) on plan assets | (3.76) | (3.47) |
| Total Actuarial Gain/(Loss) included in OCI | 6.56 | 21.53 |
| v) Amount recognized in Other Comprehensive Income(OCI) | | |
| Opening Amount recognized in OCI | 43.39 | 64.91 |
| Re-measurement for the period – Plan Assets(gain)/loss | 3.76 | 3.46 |
| Experience adjustments | (8.22) | (16.40) |
| Changes in financial assumptions | (2.10) | (8.58) |
| Changes in demographic assumptions | - | - |
| Total re-measurement cost/(credit) for the period recognized in OCI | - | - |
| Closing Amount recognized in OCI | 36.83 | 43.39 |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

Rs. (in lakhs)

| | | |
|--|----------------------------|----------------------------|
| vi) Principal Actuarial Assumptions | | |
| Financial Assumptions | | |
| Discount Rate | 5.75% | 5.35% |
| Salary Escalation | 5.00% | 5.00% |
| Demographic Assumptions | | |
| Mortality Rate | IALM (2006-08) Ultimate | IALM (2006-08) Ultimate |
| Withdrawal Rate | 0.00965 | 0.00965 |
| Retirement Age | 58 | 58 |

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|------------------------|------------------------|
| Amount recognised in Balance Sheet | | |
| Present value of defined benefit obligation | 189.07 | 205.59 |
| Fair value of plan assets | 20.05 | 45.65 |
| Net (liability)/Asset recognised in the Balance Sheet | 169.02 | 159.94 |

(a) The discount rate is based on the prevailing market yields of Indian government Securities as at the balance sheet date for the estimated terms of the obligations.

(b) Expected Return on Plan Assets (as certified by the actuary): This is based on the expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of obligations.

(c) Salary Escalation Rate: The estimates of future salary increase considered taking into the account the inflation.

(d) Category of Plan Assets:

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|------------------------|------------------------|------------------------|
| Unquoted | - | 11.46 |
| Insurer Managed Funds* | 20.05 | 34.20 |

*The Company maintains gratuity fund, which is being administered by Life insurance corporation. Fund Value confirmed by Life Insurance corporation as at March 31, 2022 is considered to be the fair value. A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:

| Particulars | 31st March, 2022 | | 31st March 2021 | |
|---|------------------|----------|-----------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Sensitivity Analysis | | | | |
| Discount rate (0.5% movement) | -1.36% | 1.41% | 1.37% | 1.41% |
| Defined benefit obligation (Rs. in Lakhs) | 186.53 | 191.71 | 202.84 | 208.49 |
| Future salary growth (0.5% movement) | 1.41% | -1.38% | 1.43% | 1.40% |
| Defined benefit obligation (Rs. in Lakhs) | 191.71 | 186.50 | 208.49 | 202.77 |

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

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

37 Segment Reporting

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

Primary Segmentin formation (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.

Rs. (in lakhs)

| Particulars | For the Year Ended 31st March, 2022 | | | For the Year Ended 31st March, 2021 | | |
|---|-------------------------------------|---------------------|------------------|-------------------------------------|---------------------|-----------------|
| | Material Handling | Engineered Products | Total | Material Handling | Engineered Products | Total |
| Segment Revenue | | | | | | |
| Sale of Products | 7,352.59 | 2,448.87 | 9,801.46 | 5,396.59 | 1,877.93 | 7,274.52 |
| Sale of Services | 205.05 | 670.16 | 875.21 | 226.05 | 426.74 | 652.79 |
| Commission Income | 0.17 | 656.75 | 656.92 | - | 660.21 | 660.21 |
| Other Income | 14.57 | - | 14.57 | 4.84 | - | 4.84 |
| | 7,572.38 | 3,775.78 | 11,348.16 | 5,627.48 | 2,964.88 | 8,592.36 |
| Unallocated Income | | | 62.23 | | | 56.19 |
| Total | | | 11,410.39 | | | 8,648.55 |
| Segment Results | | | | | | |
| Segment results/ operating Profit /(Loss) | 307.48 | 797.12 | 1,104.60 | 183.70 | 714.83 | 898.53 |
| Unallocated income (including income from interest/dividend) | | | 62.23 | | | 56.19 |
| Unallocated expenses | | | 469.68 | | | 349.75 |
| Interest Expenses | | | 45.41 | | | 49.07 |
| Profit/ (Loss) before tax | | | 651.74 | | | 555.90 |
| Provision for taxation – current tax | | | 201.51 | | | 165.20 |
| Excess Provisions for Income Tax in respect of earlier years | | | 1.24 | | | (15.96) |
| Deferred Tax | | | 1.04 | | | (2.17) |
| Profit after Tax | | | 447.95 | | | 408.83 |
| Other Information | | | | | | |
| Segment Assets | 3,285.88 | 1,843.13 | 5,129.01 | 2,888.42 | 1,636.50 | 4,524.92 |
| Unallocated Assets | | | 1,720.57 | | | 1,536.26 |
| Total Assets | | | 6,849.58 | | | 6,061.18 |
| Segment Liabilities | 1,899.46 | 1,122.70 | 3,022.16 | 1,638.22 | 1,272.18 | 2,910.40 |
| Unallocated Liabilities (including share capital and reserves) | | | 3,827.42 | | | 3,150.78 |
| Total Liabilities | | | 6,849.58 | | | 6,061.18 |
| Cost incurred during the financial year to acquire segment fixed assets | 99.45 | 45.75 | 145.20 | 8.10 | 13.73 | 21.83 |
| Cost incurred during the financial year to acquire segment fixed assets (Unallocated) | | | 5.74 | | | - |
| Depreciation | 44.44 | 31.92 | 76.35 | 45.22 | 26.57 | 71.79 |
| Depreciation (Unallocated) | | | 22.27 | | | 18.06 |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

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 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. Jai Prakash Agarwal, Chairman and Director | Key Management Personnel |
| 2 | Mr. Vishal Jain, Vice Chairman & Managing Director | |
| 3 | Mr. Rohit Jain, Chief Financial Officer (CFO) | |
| 4 | Mr. Qamar Ali, Company Secretary (from 07.05.21 till 11.02.22) | |
| 5 | MHE Rentals India Private Limited | Subsidiary |
| 6 | Mr. Farokh Kekhushroo Banatwalla, Independent Director | Independent Director |
| 7 | Mr. Shailesh Rajnikant Sheth, Independent Director | |
| 8 | Mr. Marco Philippus Ardeshir Wadia, Independent Director | |
| 9 | Mrs. Shikha Jain, Woman Director | Wife of Managing Director |
| 10 | Ms Anshu Agarwal | Relative of Chairman |
| 11 | Amphenol Interconnect India Private Limited | Private company having common director |
| 12 | Amphenol Omniconnect India Private Limited | |
| 13 | KNF Pumps + Systems (India) Pvt. Ltd | |
| 14 | Chambal Fertilizer and Chemicals Limited | Public company having common director |
| 15 | Stovec Industries Limited | |
| 16 | Simmonds Marshall Limited | |

B. Names of related parties and description of relationship :

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

Rs. (in lakhs)

| Sr.No | Name of related party | Nature of Transaction | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|-------|--|-----------------------------|---------------------------------------|---------------------------------------|
| 1 | Stovec Industries Ltd. | Sale of Goods (Gross) | 1.66 | 7.59 |
| 2 | Chambal Fertilizer and Chemicals Limited | Sale of Goods (Gross) | 14.07 | 6.77 |
| 3 | MHE Rentals India Private Limited | Sale of Goods (Gross) | 210.98 | 73.31 |
| 4 | MHE Rentals India Private Limited | Commission Received (Gross) | 10.92 | 27.05 |
| 5 | MHE Rentals India Private Limited | Corporate Guarantee Given | 1,997.84 | 1,848.49 |
| 6 | MHE Rentals India Private Limited | Loan Given | 80.00 | 100.00 |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

Rs. (in lakhs)

| Sr.No | Name of related party | Nature of Transaction | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|-------|---|-------------------------|---------------------------------------|---------------------------------------|
| 7 | MHE Rentals India Private Limited | Repayment of Loan Given | 110.00 | - |
| 8 | MHE Rentals India Private Limited | Interest on Loan Given | 9.30 | 1.37 |
| 9 | MHE Rentals India Private Limited | Purchase of Goods | 3.35 | 37.47 |
| 10 | Simmonds Marshall Limited | Receipt against sales | - | 2.31 |
| 11 | KNF Pumps + Systems (India) Pvt Ltd | Purchase of Goods | - | 2.48 |
| 12 | Amphenol Interconnect India Private Limited | Sales of Goods (Gross) | - | 3.75 |
| 13 | Mr. Jai Prakash Agarwal | Dividend Payment | 3.99 | 3.99 |
| 14 | Mr. Vishal Jain | Dividend Payment | 3.55 | 3.55 |
| 15 | Mr. Shikha Jain | Dividend Payment | 3.38 | 3.38 |
| 16 | Mr. Marco Philippus Ardeshir Wadia | Dividend Payment | - | - |
| 17 | Ms. Anshu Agarwal | Salary Payment | 13.02 | 10.29 |

C. Sitting Fees

Rs. (in lakhs)

| Name of the Directors | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|-------------------------|---------------------------------------|---------------------------------------|
| 1) Mr. J. P. Agarwal | - | 2.15 |
| 2) Mr. Marco Wadia | 1.20 | 1.30 |
| 3) Mr. F. K. Banatwalla | 2.20 | 2.15 |
| 4) Mr. Shailesh Sheth | 2.20 | 2.15 |
| 5) Mrs. Shikha Jain | 1.20 | 1.05 |
| Total | 6.80 | 8.80 |

D. Compensation of Key Managerial Personnel:

Rs. (in lakhs)

| Name of KMP | Designation | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|--------------------|---|---------------------------------------|---------------------------------------|
| Mr. Qamar Ali | Company Secretary (from 07.05.21 till 11.02.22) | 5.41 | - |
| Ms. Prajakta Patil | Company Secretary (from 11.12.20 till 30.04.21) | 0.45 | 1.88 |
| Mr. Rohit Jain | Chief Financial Officer | 20.16 | 5.71 |
| Mr. J. P. Agarwal | Chairman and Director | | |
| | a.Short Term benefits | 43.96 | - |
| | b.Post Employments benefits | 2.88 | - |
| Mr. Vishal Jain | Vice Chairman and Managing Director | | |
| | a.Short Term benefits | 42.00 | 19.48 |
| | b.Post Employments benefits | 1.88 | 0.91 |

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

Rs. (in lakhs)

| Year End Balances | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|--|---------------------------------------|---------------------------------------|
| Receivable | | |
| MHE Rentals India Pvt Ltd. - Loan Advances | 70.00 | 101.37 |
| MHE Rentals India Pvt Ltd. - Trade Receivables | 26.23 | 52.42 |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

Rs. (in lakhs)

| Year End Balances | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|--|------------------------------------|------------------------------------|
| Corporate Guarantee Given | 1,997.84 | 1,848.49 |
| Stovec Industries Limited | 0.07 | 0.06 |
| Chambal Fertiliser and Chemicals Limited | 0.84 | 0.28 |

39 Leases

Lease Liability- Maturity Analysis

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---------------------------|------------------------|------------------------|
| Not later than one year | 17.97 | 6.36 |
| Between one to five years | 53.88 | 4.62 |
| Later than five years | - | - |

40 Earnings Per Share

Rs. (in lakhs)

| Particulars | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|--|------------------------------------|------------------------------------|
| a. Net Profit attributable to shareholders | 447.95 | 408.83 |
| b. Weighted average number of Equity Shares | 18.66 | 18.66 |
| Basic EPS (In Rs.) | 24.01 | 21.91 |
| c. Weighted average number of Equity Shares (in lakhs) | 18.66 | 18.66 |
| Diluted EPS (In Rs.) | 24.01 | 21.91 |

41 Events Occurring after Balance Sheet Date

The Board in its meeting held on May 12, 2022 has recommended a dividend of Rs. 3 per share on a share of Rs. 5 each to the shareholders of the company. This amount is to be paid after approval from shareholders in the ensuing annual general meeting.

42 Income Tax

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

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|--|-------------------------------------|-------------------------------------|
| (a) Amount recognised in Statement of Profit & Loss | | |
| Current tax | | |
| Current tax on profits for the year | 201.51 | 165.20 |
| Income Tax for Earlier Years | 1.24 | (15.96) |
| Total Current Tax Expense (A) | 202.75 | 149.24 |
| Deferred Tax | | |
| (Increase) in deferred tax assets | 1.04 | (2.17) |
| Total deferred tax expense/ (credit) (B) | 1.04 | (2.17) |
| Income tax expense reported in the Statement of Profit & Loss (A+B) | 203.79 | 147.07 |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

(b) Reconciliation of effective tax rate

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|--|--|
| Profit before income tax expense | 651.74 | 555.90 |
| Statutory income tax rate | 25.17% | 27.82% |
| Amount of tax at statutory income tax rate (I) | 164.03 | 154.65 |
| Adjustments: | | |
| Income Tax for Earlier Years | 1.24 | (15.96) |
| Difference in property, plant and equipment as per books and Income tax Act, 1961 | 1.13 | 1.78 |
| Deferred tax | 1.04 | (2.17) |
| Various allowance/ disallowance of expenses | 29.17 | 31.09 |
| Others | 7.18 | (22.32) |
| Adjustments (II) | 39.76 | (7.58) |
| Total Adjustment (I+II) | 203.79 | 147.07 |

43. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labor and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

44. Balances of Certain Debtors/ Creditors and advances are subject to confirmation and reconciliation. In the opinion of the Management balances are stated at realizable value and no adjustments will be required.

45. The Company Secretary appointed by the Company had resigned prior to the Board Meeting and her replacement was appointed post the Board meeting. Hence the financials could not be signed by the Company Secretary.

46. Additional Regulatory Information

The following additional disclosures are made pursuant to notification of Ministry of Corporate Affairs dated 24th March 2021.

i) Title deeds of Immovable Properties

The company does not own any immovable properties other than Leasehold properties.

ii) Revaluation of Property, Plant & Equipment

The company has not revalued any of its Property, Plant & Equipment during the year.

iii) Loans / Advances in the nature of loans to Promoters, Directors, KMP's and Related Parties

The Company has advanced Loans to its subsidiary for which terms and conditions have been stipulated and the same are not repayable on demand.

iv) Details of Benami Property held

No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

v) Wilful Defaulter

None of the banks, financial institutions or other lenders from whom the company has borrowed funds has declared the company as a wilful defaulter at any time during the current year or in previous year.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

vi) Relationship with Struck off Companies *

The company has not undertaken any transactions with companies struck off under section 248 of the Companies Act 2013 or section 560 of Companies Act 1956 during the current year or in previous year.

* based on information available as on the date of reporting.

vii) Registration of charges or satisfaction with Registrar of Companies (ROC)

All the charges or satisfaction of which is required to be registered with Registrar of Companies(ROC) have been duly registered within the statutory time limit provided under the provisions of Companies Act 2013 and rules made thereunder.

viii) Compliance with number of layers of companies

The Company has complied with number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction of number of layers) Rules, 2017.

ix) Compliance with Approved Scheme of Arrangements

The Company has not carried out any Scheme which is approved by regulatory authorities during the year, hence compliance with provisions of sections 230 to 237 of the act is not applicable.

x) Borrowing from Banks and Financial Institutions for Specific Purpose

All the borrowings from banks and financial institutions have been used for the specific purposes for which they have been obtained.

xi) Utilisation of Borrowed funds and Share Premium

a) The company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) The company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding, whether recorded in writing or otherwise, that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

xii) There were no transactions which have not been recorded in the books of account, have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

xiii) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

xiv) Borrowings on the basis of security of Current Assets

The Company has working capital facilities from banks on the basis of security of current assets & are submitting periodical Financial Information as per the terms & conditions of sanction letters. There are no material discrepancies in the amount of current assets between Financial Information and books of accounts, having regard to the items of reconciliation state below :

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

Inventories

Rs (in lakhs)

| Particulars | June'21 | Sept'21 | Dec'21 | Mar'22 |
|--------------------------------------|--|----------|----------|----------|
| Amount as per FFR submitted to Banks | 1,274.62 | 1,422.73 | 1,435.61 | 1,161.39 |
| Amount as per books of accounts | 1,149.90 | 1,440.69 | 1,383.12 | 1,105.22 |
| Difference | (124.72) | 17.96 | (52.49) | (56.17) |
| Reasons | Company has submitted data to banks as per agreed timelines. However accounts got finalised after due reconciliation and review by auditors. Moreover, the utilization of the working capital limits was much lower than the drawing power / sanctioned limits throughout the year. | | | |

Trade Receivables

Rs (in lakhs)

| Particulars | June'21 | Sept'21 | Dec'21 | Mar'22 |
|--------------------------------------|---|----------|----------|----------|
| Amount as per FFR submitted to Banks | 2,548.28 | 2,832.50 | 3,232.98 | 3,421.45 |
| Amount as per books of accounts | 2,547.24 | 2,849.07 | 3,193.92 | 3,391.92 |
| Difference | (1.04) | 16.57 | (39.06) | (29.53) |
| Reasons | Company has submitted data to banks as per agreed timelines. However accounts got finalised after due reconciliation and review by auditors | | | |

Trade Payables

Rs (in lakhs)

| Particulars | June'21 | Sept'21 | Dec'21 | Mar'22 |
|--------------------------------------|---|----------|----------|----------|
| Amount as per FFR submitted to Banks | 1,717.44 | 1,788.09 | 1,825.98 | 1,794.84 |
| Amount as per books of accounts | 1,661.38 | 1,818.72 | 1,925.43 | 1,836.16 |
| Difference | (56.06) | 30.63 | 99.45 | 41.32 |
| Reasons | Company has submitted data to banks as per agreed timelines. However accounts got finalised after due reconciliation and review by auditors | | | |

4.7 Ratio Analysis and its elements

| Ratio | Numerator | Denominator | Current Year | Previous Year | % Variance | Reason for Variance |
|-----------------------------|--|---|--------------|---------------|------------|---|
| Current Ratio | Current Assets | Current Liability | 1.80 | 1.78 | 1.12% | |
| Debt-equity ratio | Total Debt | Shareholder's Equity | 0.03 | 0.05 | -46.21% | Reduction in Borrowings |
| Debt service coverage ratio | Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments | Debt service = Interest & Lease Payments + Principal Repayments | 7.88 | 0.52 | 1,411.48% | Due to substantial reduction in borrowings the ratio improved in current year |
| Return on equity ratio | Net Profits after taxes – Preference Dividend (if any) | Average Shareholder's Equity | 0.1367 | 0.1426 | -4.16% | |

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2022

| Ratio | Numerator | Denominator | Current Year | Previous Year | % Variance | Reason for Variance |
|----------------------------------|--|---|--------------|---------------|------------|--|
| Inventory Turnover Ratio | Cost of goods sold OR sales | Average inventory = (Opening + Closing balance / 2) | 8.94 | 7.47 | 19.67% | |
| Trade Receivables Turnover Ratio | Net Credit Sales= Gross credit sales minus sales return. Trade receivables includes sundry debtors and bill's receivables. | Average trade debtors = (Opening + Closing balance / 2) | 3.75 | 2.89 | 29.81% | Lower Sales and higher Trade Receivables in previous period due to COVID-19 |
| Trade Payables Turnover Ratio | Net Credit Purchases =Gross credit purchases minus purchase return | Average Trade Payables = (Opening + Closing balance / 2) | 3.87 | 2.57 | 50.54% | Lower Purchases and higher Trade Payables in previous period due to COVID-19 |
| Net Capital Turnover Ratio | Net Sales=Gross sales minus sales returns. | Working Capital =Current assets minus current liabilities. | 4.58 | 3.95 | 15.80% | |
| Net Profit Ratio | Net Profit shall be after tax | Net Sales =Gross sales minus sales returns | 0.04 | 0.05 | -17.04% | |
| Return on Capital Employed | Earning before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 0.1829 | 0.1787 | 2.35% | |
| Return on Investment | Return on Investment | Average Cost of Investment | 0.00 | 0.00 | - | |

48 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

Sd/-

Sudesh Choraria

Partner

Membership No.204936

Place : Mumbai

Date : 12th May 2022

For and on behalf of Board of Directors

Sd/-

Jai Prakash Agarwal

Sd/-

Vishal Jain

Sd/-

Rohit Jain

Chairman & Whole Time Director

DIN - 00242232

Vice Chairman & Managing Director

DIN - 00709250

Chief Financial Officer

Place : Thane

Date : 12th May 2022

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 (Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss, including the statement of other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, its consolidated profit including other comprehensive income, its consolidated cash flows and the consolidated changes in equity and for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the report of other auditor on separate financial statements and on other financial information of the subsidiary, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

INDEPENDENT AUDITOR'S REPORT

| Key Audit Matters | How our Audit Addressed the Key Audit Matter |
|--|--|
| Revenue recognition - Refer Note 3.6 of the Consolidated financial statements | |
| <p>The Group Company deals in manufactured goods, traded goods, provide AMC services & representing principal on a commission basis and material handling rental business. It sells a number of equipment's and services to its customers, mainly in domestic market through its own sales & distribution network. Sales contracts contain various performance obligations and other terms, including warranties and after sales services. The determination of when significant performance obligations have been met varies, can be the key consideration for revenue recognition, service and the warranty cost.</p> <p>The Group has analysed its various sales contracts and concluded on the principles for deciding in which period or periods the Company's sales transactions should be recognized as revenue.</p> <p>The accounting policies and the note to the consolidated financial statements provide additional information on how the Group accounts for its revenue.</p> | <p>Our Audit procedure included the followings:</p> <ol style="list-style-type: none"> a. Read the Group revenue recognition accounting policies and assessed compliance of the policies with Ind AS 115 b. Assessed the design and tested the operating effectiveness of internal controls relating to revenue recognition c. Assessed the appropriateness of Group's identification of performance obligations in its contracts with customers, its determination of transaction price, including allocation thereof to performance obligations and accounting policies for revenue recognition in accordance with the accounting principles laid down in Ind AS 115. d. Scrutinized sales ledgers to verify completeness of sales transactions e. Tested the revenue recognized, on a sample basis, including testing of cut off assertion as at the year end. Our testing included tracing the information to agreements, price lists, invoices, proof of dispatches/deliveries f. Assessed the revenue recognized with substantive analytical procedures including review of price and quantity g. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. |
| Trade receivables (Refer Note 9 of Consolidated Financial Statements) | |
| <p>Trade receivable balances are significant to the Group as they amounted to Rs 3618.69 lakhs representing 63.23% of the total current assets and 29.10% of the total revenue of the Group for the year ended 31st March 2022. During the current financial year, the group Company has recognized bad debts Rs 92.04 lakhs. The collectability of trade receivables is a key element of the working capital management, which is managed on an ongoing basis by management. The determination as to whether a trade receivable is collectable involves management judgement. Specific factors management considers include the age of the balances, category of customers, existence of disputes, recent historical payments and any other available information concerning the creditworthiness of customers. Management uses the information to assist in their judgement to determine whether allowance for expected credit loss, bad debts is required.</p> | <p>Our procedures included the following:</p> <ol style="list-style-type: none"> a. Obtained an understanding of the group's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers. b. On a sample basis, requesting trade receivable confirmations and evidence of receipts from the customers subsequent to balance sheet date. c. Analysis 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. |

INDEPENDENT AUDITOR'S REPORT

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

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. The Board's Report is expected to be made available to us after the date of this auditor's report.

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

Responsibilities of Management for the consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating

effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of consolidated financial statements by the Directors of Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity within the Group to express an opinion on the Consolidated financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company included in the Consolidated financial Statements of which we are the independent auditor. For the Subsidiary Company included in the Consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 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.

INDEPENDENT AUDITOR'S REPORT

Other Matter

We did not audit the financial statements of the subsidiary company, MHE Rentals India Private Limited, included in the consolidated financial statements whose financial statements reflect total assets of Rs. 2072.43 lakhs as at March 31, 2022, total revenues of Rs 1267.93 lakhs, total profit after tax of Rs.15.54 lakhs and total comprehensive Income of Rs 14.48 lakhs for the year ended March 31, 2022 respectively, and net cash inflow of Rs 14.95 lakhs for the year ended March 31, 2022 as considered in the consolidated financial statements. These financial statements have been audited, by the other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of subsidiary is based solely on the report of other auditor.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, (hereinafter referred to as the "Order"), to report on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable, we report that there have not been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in these consolidated financial statements.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial

statements have been kept so far it appears from our examination of those books;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained by Holding Company and its subsidiary including relevant records for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditor of its Subsidiary Company, none of the directors of the Group Companies is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary Company with reference to these consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;

(g) With respect to the matter to be included in the Auditor's Report under section 197(16): In our opinion and according to the information and explanations given to us the remuneration paid during the current year by the Holding Company and its subsidiary companies, where applicable, to its directors is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under 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 and based on the consideration of the reports of the other auditor on separate financial statements of the subsidiary as noted in the 'Other Matters' paragraph:

INDEPENDENT AUDITOR'S REPORT

i. The Consolidated Financial Statements has disclosed the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group – Refer Note 32 to the consolidated financial statements;

ii. The Group has accounted for material foreseeable losses, if any, for long-term contracts including derivative contracts, during the year end March 31, 2022.

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 incorporated in India during the year ended 31 March 2022;

iv. The Management has represented that, to the best of its knowledge and belief:

a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies) including foreign entities (“Intermediaries”) with the understanding, recorded in writing or otherwise, that the intermediary shall, either directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) No funds have been received by the Group from any person(s) or entity(ies) including foreign entities (“Funding Parties”), with the understanding, recorded in writing or otherwise, that the Group shall, either directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on audit procedures, as considered reasonable and appropriate in the circumstances, performed by us and the auditors of the subsidiaries, we report that nothing has come to our notice that has caused us to believe that the representations as above contain any material mis-statement.

v. The dividend declared or paid during the year as well as the dividend proposed (which is subject to members approval at the ensuing Annual General Meeting) by the Holding Company and its Indian subsidiaries are in compliance with Section 123 of the Act.

vi. MCA Vide its notification dated 31.03.2022 has extended the requirement of implementation of audit trail software to financial year commencing on or after 1st April 2023, accordingly reporting under Rule 11 (g) of Companies (Audit and Auditors) Amendment Rule 2021 is not applicable.

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

Sd/-
Sudesh Choraria
Partner

Date: May 12, 2022
Place: Mumbai

Membership No: 204936
UDIN: 22204936AIWDQG6254

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID CONSOLIDATED FINANCIAL STATEMENTS UNDER SECTION 143(3)(I) OF THE COMPANIES ACT, 2013

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

1. In conjunction with our audit of the consolidated financial statements of the **Jost’s Engineering Company Limited** (‘the Holding Company’) as of and for the year ended 31st March 2022, we have audited the internal financial controls over financial reporting of Jost’s Engineering Company Limited (‘the Holding Company’) and its Subsidiary Company, as of that date, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

3. Our responsibility is to express an opinion on the Internal Financial Controls over Financial Reporting of the Holding Company and its Subsidiary Company with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the ‘Guidance Note’) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

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

5. A Company’s internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

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

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Consolidated Financial Statements

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

Opinion

7. In our opinion, the Holding Company and its Subsidiary company incorporated in India has, in all material respects, an adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

8. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the Subsidiary Company, is based on the corresponding report of the auditor of such company, incorporated in India. Our opinion is not modified in respect of this matter.

For Singhi & Co.

Chartered Accountants

Firm Registration Number: 302049E

Sd/-

Sudesh Choraria

Partner

Date: May 12, 2022

Place: Mumbai

Membership No: :204936

UDIN: 22204936AIWDQG6254

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

for the year ended 31st March, 2022

Rs. (in lakhs)

| CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2022 | | | |
|---|-----------------|-------------------------------|-------------------------------|
| Particulars | Note No. | As at 31st March, 2022 | As at 31st March, 2021 |
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 4A | 2,135.22 | 2,099.86 |
| (b) Capital work-in-progress | 4A | 21.84 | 21.84 |
| (c) Right of use assets | 4B | 67.48 | 10.23 |
| (d) Intangible assets | 4C | 13.95 | 19.35 |
| (e) Financial assets | | | |
| (i) Investments | 5 | 1.03 | 1.03 |
| (ii) Other financial assets | 6A | 76.54 | 30.42 |
| (f) Deferred tax assets (net) | 6B | 127.71 | 130.57 |
| Total Non-Current Assets | | 2,443.77 | 2,313.30 |
| Current Assets | | | |
| (a) Inventories | 7 | 1,077.72 | 1,118.96 |
| (b) Financial Assets | | | |
| (i) Investments | 8 | 114.08 | 13.50 |
| (ii) Trade receivables | 9 | 3,427.32 | 3,004.79 |
| (iii) Cash and cash equivalents | 10A | 161.02 | 239.81 |
| (iv) Other balances with bank | 10B | 216.58 | 201.82 |
| (v) Loans | 11 | - | 0.60 |
| (vi) Other financial assets | 12 | 15.48 | 12.26 |
| (c) Current tax assets | 13 | 14.82 | 35.60 |
| (d) Other current assets | 14 | 695.65 | 544.69 |
| Total Current Assets | | 5,722.67 | 5,172.03 |
| TOTAL ASSETS | | 8,166.44 | 7,485.33 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 15 | 93.29 | 93.29 |
| Other equity | 16 | 3,205.03 | 2,785.09 |
| Equity attributable to owners of the company | | 3,298.32 | 2,878.38 |
| Non-controlling interest | | 303.99 | 298.33 |
| Total Equity | | 3,602.31 | 3,176.71 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 17A | 455.82 | 469.92 |
| (i) Lease liabilities | 18A | 53.88 | 4.62 |
| (b) Provisions | 19 | 197.08 | 187.44 |
| (c) Other non-current liabilities | 20 | 36.85 | 35.85 |
| Total Non-Current Liabilities | | 743.63 | 697.83 |

| | | | |
|---|-----|-----------------|-----------------|
| Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 17B | 672.99 | 795.12 |
| (ia) Lease liabilities | 18B | 17.97 | 6.36 |
| (ii) Trade Payables | 21 | | |
| Total outstanding dues of micro and small enterprises | | 136.09 | 123.87 |
| Total outstanding dues of creditors other than micro and small enterprise | | 1,720.37 | 1,734.34 |
| (iii) Other financial liabilities | 22 | 229.04 | 237.18 |
| (b) Other current liabilities | 23 | 908.59 | 591.13 |
| (c) Provisions | 24A | 135.46 | 100.47 |
| (d) Current tax liabilities (net) | 24B | - | 22.32 |
| Total Current Liabilities | | 3,820.50 | 3,610.79 |
| Total Liabilities | | 4,564.13 | 4,308.62 |
| TOTAL EQUITY AND LIABILITIES | | 8,166.44 | 7,845.33 |

Significant Accounting Policies

3

The accompanying notes are an integral part of consolidated financial statements

As per our report of even date attached

For and on behalf of Board of Directors

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

Sd/-
Jai Prakash Agarwal
Chairman
DIN - 00242232

Sd/-
Vishal Jain
Vice Chairman & Managing Director
DIN - 00709250

Sd/-
Sudesh Choraria
Partner
Membership No. 204936
Place: Mumbai
Date: 12th May 2022

Sd/-
Rohit Jain
Chief Financial Officer
Place: Thane
Date: 12th May 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2022

Rs. (in lakhs)

| CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022 | | | | |
|---|---|------------|------------------------|------------------------|
| | Particulars | Note No. | Year ended 31st March, | Year ended 31st March, |
| | | | 2022 | 2021 |
| | | | Audited | Audited |
| | INCOME | | | |
| | Revenue from operations | 25 | 12,434.74 | 9,611.84 |
| | Other income | 26 | 25.16 | 35.57 |
| I | Total Income | | 12,459.90 | 9,647.41 |
| | EXPENSES | | | |
| | Cost of materials consumed | 27A | 4,458.22 | 3,034.46 |
| | Purchases of stock-in-trade | 27B | 2,546.05 | 1,963.62 |
| | Changes in inventories of finished goods, stock-in-trade and work-in-progress | 28 | (76.82) | 280.01 |
| | Employee benefits expense | 29 | 2,577.81 | 2,003.78 |
| | Finance costs | 30 | 152.50 | 182.29 |
| | Depreciation and amortisation expense | 4A, 4B, 4C | 283.39 | 276.71 |
| | Other expenses | 31 | 1,857.86 | 1,410.70 |
| II | Total Expenses | | 11,799.01 | 9,151.57 |
| III | Profit/(Loss) Before Exceptional Items and Tax (I-II) | | 660.89 | 495.84 |
| IV | Exceptional Items | | - | - |
| V | Profit/(Loss) Before Tax (III-IV) | | 660.89 | 495.84 |
| | Less: Tax Expense | | | |
| | (1) Current Tax | | 201.51 | 165.20 |
| | (2) Deferred Tax | | 1.04 | (2.17) |
| | (3) Short/(Excess) provision for tax of earlier years | | 1.24 | (15.96) |
| VI | Total Tax Expense | | 203.79 | 147.07 |
| VII | Profit/(Loss) for the year | | 457.10 | 348.77 |
| VIII | Other Comprehensive Income (OCI) | | | |
| | (i) Items that will not be reclassified to profit or loss | | | |
| | (a) Measurement of defined employee benefit plan | | 5.50 | 40.61 |
| | (b) Income tax relating to above items | | (1.82) | (5.99) |
| | Total Other Comprehensive Income/(Loss) | | 3.68 | 34.62 |
| IX | Total Comprehensive Income/(Loss) for the Year (VII+VIII) | | 460.78 | 383.39 |
| X | Profit for the period attributable to: | | | |
| | Shareholders of the Company | | 450.92 | 372.24 |
| | Non-controlling interest | | 6.18 | (23.47) |
| | Profit for the Year | | 457.10 | 348.77 |

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2022

| | | | | |
|-------------|--|--|---------------|---------------|
| XI | Other Comprehensive Income Attributable To: | | | |
| | Shareholders of the Company | | 4.10 | 27.02 |
| | Non-controlling interests | | (0.42) | 7.60 |
| | Other Comprehensive Income for the Year | | 3.68 | 34.62 |
| XII | Total Comprehensive Income Attributable To: | | | |
| | Shareholders of the company | | 455.02 | 399.26 |
| | Non-controlling interests | | 5.76 | (15.87) |
| | Total Comprehensive Income for the Year | | 460.78 | 383.39 |
| XIII | Basic and diluted earning per share (Rs.) | | 24.17 | 19.95 |

Significant Accounting Policies

3

The accompanying notes are an integral part of consolidated financial statements

As per our report of even date attached

For and on behalf of Board of Directors

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Sd/-

Sudesh Choraria

Partner

Membership No. 204936

Place: Mumbai

Date: 12th May 2022

Sd/-

Jai Prakash Agarwal

Chairman

DIN - 00242232

Sd/-

Rohit Jain

Chief Financial Officer

Place: Thane

Date: 12th May 2022

Sd/-

Vishal Jain

Vice Chairman & Managing Director

DIN - 00709250

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 31st March, 2022

Rs. (in lakhs)

| CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2022 | | | | |
|---|--|----------|--|--|
| | Particulars | | For year ended 31st March, 2022 | For year ended 31st March, 2021 |
| A. | CASH FLOW FROM OPERATING ACTIVITIES | | | |
| | NET PROFIT/(LOSS) BEFORE TAX AND AFTER EXCEPTIONAL ITEM | | 660.89 | 495.84 |
| | ADJUSTMENTS FOR: | | | |
| | Depreciation | | 283.39 | 276.71 |
| | (Profit)/Loss on scale of assets | | 10.40 | 9.92 |
| | Fair value gain on mutual fund investment | | - | (0.79) |
| | Income on termination of lease | | - | (8.49) |
| | Dividend income | | (0.57) | (0.79) |
| | Interest expense | | 116.22 | 154.68 |
| | Interest income | | (21.84) | (19.13) |
| | Provision for doubtful debts | | (15.58) | 46.50 |
| | Bad debts and deposits written off during the year | | 92.04 | 96.88 |
| | Unrealised gain (loss) during the year | | 1.87 | (2.00) |
| | Sundry balances written off/back | | 12.57 | (0.22) |
| | OPERATING PROFIT BEFORE CAPITAL CHANGES | | 1,139.38 | 1,049.11 |
| | Adjustments for: | | | |
| | Trade receivables | | (498.99) | 242.87 |
| | Inventories | | 41.24 | 392.97 |
| | Trade Payables | | (1.75) | (224.87) |
| | Other current financial assets | | (3.22) | 25.68 |
| | Other current financial liabilities | | 3.46 | (126.57) |
| | Other current liabilities | | 298.17 | (169.19) |
| | Other current assets | | (150.96) | 334.73 |
| | Loans | | 0.60 | (101.37) |
| | Other non-current liabilities | | 49.91 | 5.80 |
| | Other non-current assets | | (46.12) | 0.75 |
| | Change in provision | | 44.63 | (52.34) |
| | Change in tax asset/liability | | (43.10) | 12.35 |
| | CASH GENERATED FROM OPERATIONS | | 833.26 | 1,389.94 |
| | Tax Paid (Net of refunds) | | (200.41) | (60.05) |
| | NET CASH GENERATED FROM OPERATING ACTIVITIES | A | 632.85 | 1,329.89 |
| B. | CASH FLOW FROM INVESTING ACTIVITIES | | | |
| | Purchase of property, plant and equipment, intangible assets and capital WIP | | (322.66) | (111.81) |
| | Sale of property, plant and equipment | | 17.57 | 40.72 |
| | Investment in deposits | | - | (0.34) |
| | Purchase of investments | | (100.59) | - |
| | Interest received | | 21.84 | 19.13 |
| | Dividend received | | 0.57 | 0.79 |
| | NET CASH USED IN INVESTING ACTIVITIES | B | (383.27) | (51.51) |

| | | | | |
|-----------|--|------------|-----------------|-----------------|
| C. | CASH FLOW FROM FINANCING ACTIVITIES | | | |
| | Proceeds from borrowings | | 411.21 | 368.53 |
| | Repayment of borrowings | | (553.83) | (842.18) |
| | Dividend paid (including tax) | | (28.00) | (28.00) |
| | Repayment of lease liability | | (20.37) | (12.80) |
| | Interest paid | | (116.22) | (154.68) |
| | NET CASH USED IN FINANCING ACTIVITIES | C | (307.21) | (669.13) |
| | NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | (57.64) | 609.25 |
| | Add: Cash and cash equivalents at the beginning of the year | A+B | 435.24 | (174.01) |
| | Cash and cash equivalents at the end of the year | +C | 377.60 | 435.24 |
| | Cash and cash equivalents as per above comprise of the following: | | | |
| | Cash and cash equivalent | | 161.02 | 239.81 |
| | Other bank Balances | | 216.58 | 201.82 |
| | | | 377.60 | 441.63 |
| | Bank Overdraft | | - | (6.39) |
| | Balances as per Statement of Cash Flows | | 377.60 | 435.24 |
| | Significant Accounting Policies | | | |
| | Debt reconciliation statement in accordance with Ind AS 7 | | | |
| | Borrowings | | | |
| | Opening Balances | | 1,258.65 | 2,100.83 |
| | Movement | | (129.84) | (842.18) |
| | Closing Balance | | 1,128.81 | 1,258.65 |

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

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

1. The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard '7' on "Statement of Cash Flows".

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

As per our report of even date attached

For and on behalf of Board of Directors

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Sd/-

Sudesh Choraria

Partner

Membership No. 204936

Place: Mumbai

Date: 12th May 2022

Sd/-

Jai Prakash Agarwal

Chairman

DIN - 00242232

Sd/-

Vishal Jain

Vice Chairman & Managing Director

DIN - 00709250

Sd/-

Rohit Jain

Chief Financial Officer

Place: Thane

Date: 12th May 2022

CONSOLIDATION OF CHANGE IN EQUITY

for the year ended 31st March, 2022

a. Equity Share Capital

Rs. (in lakhs)

| Particulars | Note No. | Amount |
|---------------------------------|----------|--------------|
| As at 1st April 2020 | | 93.29 |
| Changes in equity share capital | 15 | - |
| As at 31st March 2021 | | 93.29 |
| Changes in equity share capital | 15 | - |
| As at 31st March 2022 | | 93.29 |

b. Other Equity

Rs. (in lakhs)

| Particulars | Reserves and Surplus | | | Items of Other Comprehensive Income | Total Other Equity | Non-Controlling Interest | Total |
|---|----------------------------|-------------------|-----------------|---------------------------------------|--------------------|--------------------------|-----------------|
| | Securities Premium Reserve | Retained Earnings | General Reserve | Reimbursement of Defined Benefit Plan | | | |
| As at 1st April 2020 | 1,063.85 | 1,165.54 | 229.78 | (46.47) | 2,412.70 | 314.11 | 2,726.81 |
| Other Comprehensive Income for the year ended 31st March 2021 | - | - | - | 27.02 | 27.02 | - | 27.02 |
| Dividends including Dividend Distribution Tax | - | (28.00) | - | - | (28.00) | - | (28.00) |
| Transfer to retained earnings | - | - | - | - | - | (23.47) | (23.47) |
| Movement of OCI on Non-controlling interest | - | - | - | - | - | 7.60 | 7.60 |
| Others | - | 1.11 | - | - | 1.11 | 0.09 | 1.20 |
| Addition during the year | | | | | | | |
| Profit/(Loss) for the year | - | 372.24 | - | - | 372.24 | - | 372.24 |
| Balance as at 31st March 2021 | 1,063.85 | 1,510.89 | 229.78 | (19.45) | 2,785.09 | 298.33 | 3,083.40 |
| Other Comprehensive Income for the year ended 31st March 2022 | - | - | - | 4.10 | 4.10 | - | 4.10 |
| Dividends including Dividend Distribution Tax | - | (28.00) | - | - | (28.00) | - | (28.00) |
| Transfer to retained earnings | - | - | - | - | - | 6.18 | 6.18 |
| Movement of OCI on Non-controlling interests | - | - | - | - | - | (0.42) | (0.42) |
| Others | - | (7.06) | - | - | (7.06) | (0.10) | (7.16) |
| Addition during the year | | | | | | | |
| Profit/(Loss) for the year | - | 450.92 | - | - | 450.92 | - | 450.92 |
| Balance as at 31st March 2022 | 1,063.85 | 1,926.75 | 229.78 | (15.35) | 3,205.03 | 303.99 | 3,509.02 |

As per our report of even date attached

For and on behalf of Board of Directors

For Singhi & Co.

Chartered Accountants
Firm Registration No. 302049E

Sd/-

Sudesh Choraria

Partner
Membership No. 204936
Place: Mumbai
Date: 12th May 2022

Sd/-

Jai Prakash Agarwal

Chairman
DIN - 00242232

Sd/-

Vishal Jain

Vice Chairman & Managing Director
DIN - 00709250

Sd/-

Rohit Jain

Chief Financial Officer

Place: Thane

Date: 12th May 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

1 Corporate Information

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

The consolidated financial statements of the Group for the year ended March 31, 2022 were approved for issue in accordance with the resolution of the Board of Directors on May 12, 2022

2 Basis for preparation of financial statements

2.1 Statement of Compliance:

The Consolidated Financial Statements ("the financial statements") relate to the Company and its subsidiary (collectively "the group"). These Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

2.2 Basis of Preparation:

The Consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use. The Group has prepared these Financial Statements as per the format prescribed in Schedule III to the Companies Act, 2013. The consolidated financial statements are presented in ('INR') which is the group's functional currency and all the values are rounded off to the nearest lakh except when otherwise indicated.

2.3 Basis of measurement:

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

2.4 Principles of Consolidation:

I. The Consolidated Financial Statements incorporates the Financial Statements of the Holding Company and its subsidiary. For this purpose, an entity which is, directly or indirectly, controlled by the Holding Company is treated as subsidiary. The Holding Company together with its subsidiaries constitute the Group. Control exists when the Holding Company, directly or indirectly, having power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

II. Consolidation of a subsidiary begins when the Holding Company, directly or indirectly, obtains control over the subsidiary and ceases when the Holding Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed off during the year are included in the Consolidated Statement of Profit and Loss from the date the Holding Company, directly or indirectly, gains control until the date when the Holding Company, directly or indirectly, ceases to control the subsidiary.

III. The Consolidated Financial Statements of the Group combines the Financial Statements of the Holding Company and its subsidiary line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealized profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiary have been harmonized 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

The Consolidated Financial Statements have been presented to the extent possible, in the same manner as Holding Company's standalone financial statements. Profit or loss and each component of other comprehensive income are attributed to the owners of the Holding Company and to the non-controlling interests and have been shown separately in the financial statements.

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

2.5 Current or Non-current classification:

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

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

All the other assets are classified as non-current. A liability is current when:

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

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

2.6 Key Accounting Estimates and Judgements:

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

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

- a. Estimated useful life of PPE & intangible assets - Refer note no 4A & 4C
- b. Probable outcome of matters included under Contingent liabilities - Refer note no. 32
- c. Estimation of Defined benefit obligation - Refer note no. 37
- d. Estimation of Tax expense and tax payable - Refer note no. 43
- e. Measurement of Lease liabilities and Right of Use Asset (ROUA) - Refer Note 4B, 18A & 18B

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

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organization with an adverse impact on the economy and business. Global solutions are needed to overcome the challenges – businesses & business models have transformed to create a new work order. The swift transition to remote working was facilitated by the Group.

In the first three months of FY 2022, the second wave of the pandemic overwhelmed India's medical infrastructure. The Group was facing temporary disruption in its operations, due to lockdown enforced across different parts of the country.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

The Group has considered the possible effects that may result from COVID-19 in the preparation of these Consolidated financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these Consolidated financial statements

2.6.1 Impairment of property, plant and equipment

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

2.6.2 Useful lives of property, plant and equipment

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

2.6.3 Provision for litigations and contingencies

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

Due to the judgements involved in such estimations the provisions are sensitive to the actual outcome in future periods.

2.6.4 Recognition of deferred tax assets

Deferred Tax resulting from "temporary difference" between the carrying amount of an asset or liability in the balance sheet and its tax base book profit and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable 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 CONSOLIDATED FINANCIAL STATEMENT

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(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 |
|---------------------|-----------------------------------|
| Plant and Machinery | 10 years for refurbished machines |
| Plant and Machinery | 15 years for new machines |
| Spares | 5 years |
| Tools and Tackles | 3 years |

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

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

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

3.2. Intangible Assets

(a) Recognition and measurement:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization. The estimated useful life, the amortization method and the amortization period are reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

(b) Derecognition of Assets:

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

(c) Amortization:

The Group recognizes amortization on a Written Down Value (WDV) basis over their estimated useful lives, which reflects the pattern in which the asset's economic benefits are consumed. Intangible assets that are not available for use are amortized from the date they are available for use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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The estimated useful life are as follows :

| Sr. No. | Particulars | Useful Life |
|---------|--------------------------------------|-------------|
| 1 | Intangible Assets- Software Licenses | 2 years |
| 2 | Intangible Assets- 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 Assets- Software Licenses | 3 years |

3.3 Leases:

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

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

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

The lease liability is recognized at the date of initial application.

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

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

3.5 Inventories:

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

Raw materials, stores 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 realizable value represents the estimated selling price for inventories less all estimated cost of completion and costs necessary to make the sale.

3.6 Revenue recognition:

The Group derives revenue from sale of material handling, industrial finishing and engineered products.

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

(a) Sale of goods

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

(b) Interest income

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

3.7 Foreign currencies:

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

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

3.8 Employee Benefits:

Short-term Employee Benefits:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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Other long-term employee benefits:

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

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

Post-employment benefits:

(a) Defined contribution plans

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

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

(b) Defined benefit plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Re-measurements, comprising actuarial gains and losses, the effect of changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income are reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of Profit and Loss in the period of plan amendment.

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

3.9 Taxes on Income:

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

Current tax

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

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

Deferred tax

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

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

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

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

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

Current tax and deferred tax for the year

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

3.10 Provisions:

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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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 recognized 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 recognized 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 recognized immediately in the Statement of Profit and Loss.

Financial assets

Classification and subsequent measurement

Loans and receivables:

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

Impairment

The Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, other contractual right to receive cash or other financial assets not designated at fair value through profit or loss. The loss allowance for a financial instrument is equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses. 12 month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if the default occurs within 12 months after the reporting date. For trade receivables or any contractual right to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses. The Group has used a practical expedient permitted by Ind AS 109 and determines the expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

De-recognition

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

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If the Group retains substantially all the risks and rewards of ownership of the transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

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

Financial liabilities

Classification

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

Equity instruments

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

Subsequent measurement

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

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

Foreign exchange gains and losses

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

For financial liabilities that are measured at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognized in the Statement of Profit and Loss.

Derecognition

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

3.13 Cash and cash equivalents:

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

3.14 Earnings per share:

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

3.15 Segment Reporting:

The Group business activity falls within two segments viz. Material Handling and Engineering Products.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

Segments are organized based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods. These segments are reported in a manner consistent with the internal reporting. The Group has identified its Managing Director as CODM which assesses the operational performance and position of the Group and makes strategic decisions.

3.16 Borrowing Cost:

Borrowings costs that are attributable to the acquisition or construction of qualifying assets up to the date when they are ready for their intended use and other borrowing costs are charged to profit and loss account. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.17 Dividend to Equity Shareholders:

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

3.18 Business Combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognized at fair values on their acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognized in the Statement of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognized in the Statement of Profit and Loss. There is no financial impact on consolidated financial statements of the Group.

4A Property, Plant and Equipment

| | Building | Computer and Peripheral | Furniture and Fixture | Office Equipment | Plant & Machinery | Vehicle | Total | Capital Work in Progress |
|---------------------------------------|--------------|-------------------------|-----------------------|------------------|-------------------|--------------|-----------------|--------------------------|
| Gross Carrying Amount | | | | | | | | |
| Balances as at 1st April, 2020 | 18.58 | 85.92 | 72.04 | 14.35 | 2,647.98 | 45.49 | 2,884.36 | |
| Additions | - | 0.99 | - | - | 110.82 | - | 111.81 | |
| Sales/Disposals | - | - | - | - | 59.16 | 19.03 | 78.19 | |
| Balances as at 31st March 2021 | 18.58 | 86.91 | 72.04 | 14.35 | 2,699.64 | 26.46 | 2,917.98 | |
| Additions | - | 32.83 | 5.61 | 4.14 | 266.52 | 13.56 | 322.66 | |
| Sales/Disposals | - | - | - | - | 34.86 | 6.86 | 41.72 | |
| Balances as at 31st March 2022 | 18.58 | 119.74 | 77.65 | 18.49 | 2,931.30 | 33.16 | 3,198.92 | |
| Accumulated Depreciation | | | | | | | | |
| Balances as at 1st April, 2020 | 6.95 | 68.36 | 40.03 | 10.19 | 442.85 | 19.80 | 588.18 | |
| Changes for the year | 1.09 | 8.07 | 7.67 | 1.40 | 235.40 | 5.09 | 258.72 | |
| Sales/Disposals | - | - | - | - | 19.04 | 9.74 | 28.78 | |
| Balances as at 31st March 2021 | 8.04 | 76.43 | 47.70 | 11.59 | 659.21 | 15.15 | 818.12 | |
| Changes for the year | 0.98 | 11.65 | 6.72 | 2.42 | 234.86 | 4.42 | 261.05 | |
| Sales/Disposals | - | - | - | - | 8.95 | 6.52 | 15.47 | |
| Balances as at 31st March 2022 | 9.02 | 88.08 | 54.42 | 14.01 | 885.12 | 13.05 | 1,063.70 | |
| Net Block | | | | | | | | |
| Balances as at 31st March 2021 | 10.54 | 10.48 | 24.34 | 2.76 | 2,040.43 | 11.31 | 2,099.86 | 21.84 |
| Balances as at 31st March 2022 | 9.56 | 31.66 | 23.23 | 4.48 | 2,046.18 | 20.11 | 2,135.22 | 21.84 |

Notes:

- As per Ind AS 16 assets in the course of development are reflected in capital work in progress. Costs associated with the development are capitalised when the asset is ready to use. Revenue generated from production during the trial period will be credited to capital work in progress
- Capital work in progress as at 31st March 2022 primarily represents other expenses incurred in relation to purchase of land at Murbad, Thane.
- The Group does not own any immovable property other than property where the Company is the lessee and the lease agreements are duly executed in favour of the lessee.

Capital Work in Progress (CWIP) ageing schedule - Based on the requirements of Amended Schedule III

As at March 31st 2022

| CWIP | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 Years | More than 3 years | |
| Projects in progress | | 0.48 | | 21.36 | 21.84 |
| Projects temporarily suspended | | | | | |

As at March 31st 2022

| CWIP | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 Years | More than 3 years | |
| Projects in progress | 0.48 | | 21.36 | | 21.84 |
| Projects temporarily suspended | | | | | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

4B Right of Use Assets

Rs. (in lakhs)

| | Building |
|--|-----------------|
| Gross Block | |
| Balances as at 1st April, 2020 | 97.78 |
| Change in Accounting Policies | - |
| Addition | - |
| Deduction - Termination of Lease | 52.14 |
| Balances as at 1st April, 2021 | 45.64 |
| Change in Accounting Policies | - |
| Addition | 74.60 |
| Deduction - Termination of Lease | - |
| Balances as at 31st March, 2022 | 120.24 |
| Accumulated Depreciation | |
| Balances as at 1st April, 2020 | 28.21 |
| Change in Accounting Policies | - |
| Addition | 11.04 |
| Deduction - Termination of Lease | 3.84 |
| Balances as at 1st April, 2021 | 35.41 |
| Change in Accounting Policies | - |
| Addition | 17.35 |
| Deduction - Termination of Lease | - |
| Balances as at 31st March, 2022 | 52.76 |
| Net Block | |
| Balances as at 1st April, 2021 | 10.23 |
| Balances as at 31st March, 2022 | 67.48 |

4C Intangible Assets

Rs. (in lakhs)

| | Computer Software and Licenses |
|---------------------------------------|---------------------------------------|
| Gross Block | |
| Balances as at 1st April 2020 | 56.27 |
| Additions | - |
| Sales/Disposals | - |
| Balances as at 31 March 2021 | 56.27 |
| Additions | 1.31 |
| Sales/Disposals | 7.13 |
| Balances as at 31st March 2022 | 50.45 |
| Accumulated Depreciation | |
| Balances as at 1st April 2020 | 29.97 |
| Changes for the year | 6.95 |
| Sales/Disposals | - |
| Balances as at 31st March 2021 | 36.92 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

Rs. (in lakhs)

| | Computer Software and Licenses |
|---------------------------------------|--------------------------------|
| Changes for the year | 4.99 |
| Sales/Disposals | 5.41 |
| Balances as at 31st March 2022 | 36.50 |
| Net Block | |
| Balances as at 31st March 2021 | 19.35 |
| Balances as at 31st March, 2022 | 13.95 |

Ageing of Intangible assets under development -

| | |
|-----------------------|-----|
| As at 31st March 2022 | NIL |
| As at 31st March 2021 | NIL |

5 Non-Current Investments

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | | | As at 31st March, 2021 | |
|---|------------------------|---------------------|-------------|------------------------|-------------|
| | Number | Face Value (In Rs.) | Amount | Number | Amount |
| Investments at Cost | | | | | |
| (a) Investment in Equity Shares (Unquoted) (Fully Paid up) Zoroastrian Co-Operative Bank Ltd. | 4,100 | 25 | 1.03 | 4,100 | 1.03 |
| Total | | | 1.03 | | 1.03 |

Aggregate Book Value of Non-Current Investments

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|-------------------|------------------------|------------------------|
| Unquoted- At cost | 1.03 | 1.03 |

6A Non-Current Financial Assets

Rs. (in lakhs)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|-----------------------|-----------------------|
| 1. Security Deposit | | |
| Unsecured, considered good unless otherwise stated | 25.20 | 30.00 |
| 2. Fixed Deposits as Margin Money against LC & BG* | 50.94 | - |
| 3. Prepaid lease hold land | 0.40 | 0.42 |
| Total | 76.54 | 30.42 |

(*) Original maturity of more than twelve months

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

6B Deferred Tax (Liability)/Asset

Rs. (in lakhs)

| Deferred Tax Asset/Liabilities | As at 31st March 2022 | As at 31st March 2021 |
|---------------------------------|-----------------------|-----------------------|
| Deferred Tax Assets | 127.71 | 130.57 |
| Deferred Tax Liabilities | - | - |
| Deferred Tax Asset (Net) | 127.71 | 130.57 |

| Particulars | As at 31st March 2021 | (Charged)/credited to Profit & Loss | (Charged)/credited to Other Comprehensive Income | As at 31st March 2022 |
|--|-----------------------|-------------------------------------|--|-----------------------|
| Nature of timing difference: | | | | |
| <u>Deferred tax asset</u> | | | | |
| On depreciable assets | 10.07 | (4.53) | - | 5.54 |
| On provision of gratuity | 44.49 | 4.35 | (1.82) | 47.02 |
| On provision for doubtful debts | 47.50 | (12.68) | - | 34.82 |
| On provision for Other Employee benefits | 17.86 | 8.33 | - | 26.19 |
| On provision for warranty | 12.07 | 3.02 | - | 15.09 |
| On account of timing difference on leased asset | (1.42) | 0.47 | - | (0.95) |
| On expense allowable on payment/actual basis U/s 43B | - | - | - | - |
| Deferred Tax Asset | 130.57 | (1.04) | (1.82) | 127.71 |

(a) The Company has recognised Deferred tax asset as the Company is estimating future taxable profits against which the Deferred tax asset can be set off.

b) The Company has utilised MAT credit amounting to Rs Nil for the year ended 31st March 2022 and recognised MAT credit entitlement amounting to Rs 37.11 lakhs for the year ended 31st March 2021.

7 Inventories Valued at Lower of Cost and Net Realisable Value

Rs. (in lakhs)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|----------------------------------|-----------------------|-----------------------|
| a. Raw materials | 383.52 | 482.07 |
| b. Work-in-progress | 57.80 | 91.09 |
| c. Finished goods | 352.27 | 148.84 |
| d. Stock-in-trade | 297.34 | 390.66 |
| e. Stores and spares | 14.29 | 6.30 |
| | 1105.22 | 1118.96 |
| Less: Provision for Stock | (27.50) | - |
| Total | 1,077.72 | 1,118.96 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

8 Current Investments

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | | As at 31st March, 2022 | As at 31st March, 2021 |
|---|--------------------------------------|------------------------------------|------------------------|------------------------|
| | Unit value | Number of units | | |
| (a) Investments in Mutual Funds values at fair value through P & L account: | | | | |
| Nippon India Mutual Fund- Direct Plan Daily ISCW Plan Reinvestment | 1009.06 (Previous year - 1008.88) | 960.64 (Previous year - 918.60) | 9.69 | 9.28 |
| Nippon India Mutual Fund- Daily ISCW Plan Reinvestment | 1008.97 (Previous year - 1010.55) | 433.66 (Previous year - 417.37) | 4.38 | 4.22 |
| Edelweiss Liquid Funds- Regular Plan Growth | 2709.73 (Previous year - Nil) | 3690.92 (Previous year - Nil) | 100.01 | - |
| Total | | | 114.08 | 13.50 |

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| Aggregate Book Value of Investments | 114.08 | 13.50 |
| Aggregate Market Value of Quoted Investments | 114.08 | 13.50 |

9 Trade Receivables

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| At amortised cost: | | |
| - Trade Receivables considered good- Secured | 8.50 | 12.25 |
| - Trade Receivables considered good- Unsecured | 3,445.05 | 2,992.54 |
| - Trade Receivables which have significant increase in credit risk | - | |
| - Trade Receivables- credit impaired | 165.14 | 180.73 |
| Subtotal | 3,618.69 | 3,185.52 |
| Less: Loss Allowance | (165.14) | (180.73) |
| Total Trade Receivables | 3,453.55 | 3,004.79 |
| <u>Break up</u> | | |
| - Receivables from related parties | 1.99 | 0.34 |
| - Others | 3,451.56 | 3004.45 |
| Total Trade Receivables | 3,453.55 | 3,004.79 |

(1) Certain Receivables are secured against security deposits and bank guarantees taken from customers.

(2) For Lien/ charge details against trade receivables, Refer Note 17B

| Particulars | Outstanding from due date of payment as on March 31, 2022 | | | | | | |
|--|---|-----------------|-------------------|---------------|--------------|-------------------|-----------------|
| | Not Due | Upto 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed | | | | | | | |
| Considered good | 1,568.83 | 1,555.30 | 207.21 | 80.56 | 12.40 | 29.25 | 3,453.55 |
| Which have significant increase in credit risk | | | | | | | |
| Credit impaired | 0.23 | 2.52 | 4.64 | 41.36 | 13.99 | 27.66 | 90.40 |
| Disputed | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk | | | | | | | |
| Credit impaired | - | - | - | 0.51 | 14.04 | 60.19 | 74.74 |
| | 1,569.06 | 1,557.82 | 211.85 | 122.43 | 40.43 | 117.10 | 3,618.69 |
| Less: Loss allowance | | | | | | | (165.14) |
| Total | | | | | | | 3,453.55 |

| Particulars | Outstanding from due date of payment as on March 31, 2022 | | | | | | |
|--|---|-----------------|-------------------|---------------|---------------|-------------------|-----------------|
| | Not Due | Upto 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed | | | | | | | |
| Considered good | 1,476.56 | 1,041.90 | 215.53 | 85.34 | 126.99 | 58.47 | 3,004.79 |
| Which have significant increase in credit risk | | | | | | | |
| Credit impaired | 8.28 | 16.44 | 11.91 | 51 | 10.73 | 43.75 | 142.11 |
| Disputed | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk | | | | | | | |
| Credit impaired | - | - | - | - | 28.62 | 10.00 | 38.62 |
| | 1,484.84 | 1,058.34 | 227.44 | 136.34 | 166.34 | 112.22 | 3,185.52 |
| Less: Loss allowance | | | | | | | (180.73) |
| Total | | | | | | | 3,004.79 |

10A Cash and cash equivalents

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---------------------------|------------------------|------------------------|
| Cash on hand | 2.73 | 1.26 |
| Balance with Banks | | |
| In current account | 158.29 | 238.13 |
| In EEFC account | - | 0.42 |
| Total | 161.02 | 239.81 |

10B Other Bank Balances

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| Earmarked balances with banks (unclaimed dividend account) | 2.96 | 4.42 |
| Bank Deposits as Margin Money against LC & BG* | 213.62 | 197.40 |
| Total | 216.58 | 201.82 |

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

11 Current Loans

Unsecured, considered good unless otherwise stated

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--------------|------------------------|------------------------|
| Advances | - | 0.60 |
| Total | - | 0.60 |

12 Other Current Financial Assets

Unsecured, considered good unless otherwise stated

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|----------------------|------------------------|------------------------|
| Duty Recoverable | 3.81 | 3.81 |
| Security Deposit | - | 0.68 |
| Interest Receivables | 11.67 | 7.77 |
| Total | 15.48 | 12.26 |

13 Current Tax Assets

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|------------------------|------------------------|
| Advance tax and tax deducted at source less provision | 14.82 | 35.60 |
| Total | 14.82 | 35.60 |

14 Other Current Assets

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|------------------------|------------------------|
| Balances with government authorities | | |
| a) VAT Deposit* | 24.41 | 72.27 |
| b) Others | - | 24.82 |
| Prepaid Expense | 43.29 | 14.02 |
| Tender Deposits | 103.99 | 65.54 |
| Other advances | 1.36 | - |
| Advance to Employees | 70.83 | 7.37 |
| Advance to Creditors | 199.75 | 90.00 |
| Capital Advances (Refer Note no. 32) | 252.02 | 268.32 |
| Subsidy receivable | - | 2.35 |
| Total | 695.65 | 544.69 |

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

15 Equity Share Capital

(Refer Note (b) below)

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|------------------------|--------|------------------------|--------|
| | Number | Amount | Number | Amount |
| <u>Authorised:</u> | | | | |
| Equity Shares of Rs. 5/- (PY- Rs.10) each | 20,00,000 | 100.00 | 10,00,000.00 | 100.00 |
| <u>Issued:</u> | | | | |
| Equity Shares of Rs. 5/- (PY- Rs.10) each | 18,65,746 | 93.29 | 9,32,873 | 93.29 |
| <u>Subscribed and Fully Paid up:</u> | | | | |
| Equity Shares of Rs. 5/- (PY- Rs.10) each | 18,65,746 | 93.29 | 9,32,873 | 93.29 |

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

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | | As at 31st March, 2021 | |
|--|------------------------|--------|------------------------|--------|
| | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year: | 9,32,873 | 93.29 | 9,32,873 | 93.29 |
| Stock split during the year (Refer Note (b) below) | 9,32,873 | - | - | - |
| Issue of right shares during the year | - | - | - | - |
| Shared bought back during the year | - | - | - | 93.29 |
| Shares Outstanding at the end of the year | 18,65,746 | 93.29 | 9,32,873 | |

b. Pursuant to the approval of the shareholders accorded on 24th March, 2021 at the Extra Ordinary General meeting through Video Conferencing /Other Audio-Visual Means conducted by the Company, each equity share of face value of Rs. 10/- per share was split into two equity shares of face value of Rs. 5/- per share, with effect from 21st May, 2021.

c. The company has only one class of issued shares i.e Equity Shares having par value of Rs. 5/ each. The Equity Shares of the Company have voting rights and are subject to the restrictions as prescribed under the Companies Act, 2013. Each holder of equity share is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of directors is subject to approval of shareholders in the ensuing Annual general meeting.

d. Details of Promoters shareholding :

| Promoter name | As at March 31, 2022 | | As at March 31, 2021 | | % Change during the year |
|------------------------------------|----------------------|-------------------|----------------------|-------------------|--------------------------|
| | No. of shares * | % of total shares | No. of shares * | % of total shares | |
| Mr. Jai Prakash Agarwal | 2,65,982 | 14.26 | 1,32,991 | 14.26 | NA |
| Mrs. Anita Agarwal | 41,480 | 2.22 | 20,740 | 2.22 | NA |
| Jai Prakash Agarwal and Sons (HUF) | 14,530 | 0.78 | 7,265 | 0.78 | NA |
| Mrs. Krishna Agarwal | 97,600 | 5.23 | 48,800 | 5.23 | NA |
| Mr. Rajendra Kumar Agarwal | 41,480 | 2.22 | 20,740 | 2.22 | NA |
| Mrs. Shikha Jain | 2,25,642 | 12.09 | 1,12,821 | 12.09 | NA |
| Mr. Vishal Jain | 2,36,430 | 12.67 | 1,18,215 | 12.67 | NA |
| Total | 9,23,144 | 49.47 | 4,61,572 | 49.47 | NA |

* Refer Note (b) above

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

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

Rs. (in lakhs)

| Name of Shareholder | As at March 31, 2022 | | As at March 31, 2021 | |
|-------------------------|----------------------|--------------|----------------------|--------------|
| | No. of Shares held * | % of Holding | No. of Shares held * | % of Holding |
| Mr. Jai Prakash Agarwal | 2,65,982 | 14.26 | 1,32,991 | 14.26 |
| Mrs. Krishna Agarwal | 97,600 | 5.23 | 48,800 | 5.23 |
| Mrs. Shikha Jain | 2,25,642 | 12.09 | 1,12,821 | 12.09 |
| Mr. Vishal Jain | 2,36,430 | 12.67 | 1,18,215 | 12.67 |
| Mr. Sharad K. Shah | 1,58,120 | 8.34 | 77,765 | 8.34 |

* Refer Note (b) above

f. 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.

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

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

16: Other Equity

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---------------------------|---------------------------|
| a. Securities Premium Account | | |
| Balance at the beginning of the year | 1,063.85 | 1,063.85 |
| Add: | | |
| Received during the year | - | - |
| Closing Balance | 1,063.85 | 1,063.85 |
| b. General Reserve | | |
| Balance at the beginning of the year | 229.78 | 229.78 |
| Add: | | |
| Transferred during the year | - | - |
| Closing Balance | 229.78 | 229.78 |
| c. Retained Earnings | | |
| Balance at the beginning of the year | 1,510.89 | 1,165.54 |
| Add: | | |
| Profit/ (loss) for the year | 450.92 | 372.24 |
| Less: | | |
| Dividend paid for the previous year (including Dividend Distribution Tax) | (28.00) | (28.00) |
| Others | (7.06) | 1.11 |
| Closing Balance | 1,926.75 | 1,510.89 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|---------------------------|---------------------------|
| d. Other comprehensive income (OCI) | | |
| Balance at the beginning of the year | (19.45) | (46.47) |
| Add: | | |
| Remeasurement of defined benefit plan | 4.10 | 27.02 |
| Closing Balance | (15.35) | (19.45) |
| TOTAL | 3,205.03 | 2,785.09 |

17A Non-Current Borrowings

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| Secured: | | |
| Vehicle Loan from bank (*) | - | - |
| Loans from bank and financial institutions | 455.82 | 469.92 |
| Total | 455.82 | 469.92 |

(Loans from banks and financial institutions are secured by hypothecation of specific underlying fixed assets. These loans carry a rate of interest @ 8.5% to 12% repayable in monthly instalments which varies from 48 to 60 months)

17B Current Borrowings

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|------------------------|------------------------|
| Secured: | | |
| From Banks (repayable on demand) | | |
| (a) Cash Credit | 146.59 | 205.39 |
| (b) Bank Overdraft | 47.90 | 35.20 |
| Current maturity of term loans (*) (Refer Note 17A) | | |
| (a) Vehicles | - | 3.64 |
| (b) Machineries | 318.05 | 450.18 |
| Unsecured: | | |
| Loan from Director | 160.45 | 100.71 |
| Total | 672.99 | 795.12 |

Details of terms of repayments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

18: Lease Liabilities

18A: Non Current Lease Liabilities

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--------------------------------|------------------------|------------------------|
| Lease Liabilities- Non Current | 53.88 | 4.62 |
| Total | 53.88 | 4.62 |

18B: Current Lease Liabilities

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|----------------------------|------------------------|------------------------|
| Lease Liabilities- Current | 17.97 | 6.36 |
| Total | 17.97 | 6.36 |

19 Non-Current Provisions

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---------------------------------------|------------------------|------------------------|
| Provision for Employee Benefit | | |
| Superannuation | 16.23 | 16.23 |
| Gratuity | 139.53 | 137.80 |
| Leave Encashment | 41.32 | 33.41 |
| Total | 197.08 | 187.44 |

20 Other Non-current Financial Liabilities

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|-----------------|------------------------|------------------------|
| Dealer Deposits | 36.85 | 35.85 |
| Total | 36.85 | 35.85 |

21 Trade Payables

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|------------------------|------------------------|
| At amortised cost | | |
| '- Total outstanding dues of micro enterprises and small enterprises (Note a) | 162.32 | 123.87 |
| '- Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,694.14 | 1,734.34 |
| Total | 1,856.46 | 1,858.21 |

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 | 162.32 | 123.87 |
| (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 | - | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

| | | |
|---|--------|--------|
| (iv) Amount of further interest remaining due and payable for the earlier years | - | - |
| (v) Total outstanding dues of Micro and Small Enterprises | - | - |
| - Principal | 162.32 | 123.87 |
| - Interest | - | - |

Note(b) Trade Payables Ageing Schedule

| Particulars | Outstanding as on March 31, 2022 from due date of payment | | | | | Total |
|--|---|---------------|--------------|-----------|-------------------|-----------------|
| | Not Due | Upto 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | |
| Total outstanding dues of micro enterprises and small enterprises | 162.32 | - | - | - | - | 162.32 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 667.44 | 964.73 | 57.46 | - | 4.51 | 1,694.14 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| Total | 829.76 | 964.73 | 57.46 | - | 4.51 | 1,856.46 |

| Particulars | Outstanding as on March 31, 2021 from due date of payment | | | | | Total |
|--|---|---------------|--------------|-------------|-------------------|-----------------|
| | Not Due | Upto 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | |
| Total outstanding dues of micro enterprises and small enterprises | 123.87 | - | - | - | - | 123.87 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 761.57 | 922.78 | 48.45 | 1.53 | - | 1,734.34 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| Total | 885.44 | 922.78 | 48.45 | 1.53 | - | 1,858.21 |

22 Other Current Financial Liabilities

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--------------------------------|------------------------|------------------------|
| Unpaid Dividend | 2.96 | 4.42 |
| Creditors for Capital Purchase | 18.31 | 29.45 |
| Salary and Reimbursements | 207.76 | 203.31 |
| Total | 229.03 | 237.18 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

23 Other Current Liabilities

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| 1) Statutory dues payable | | |
| (a) Tax deducted at source | 19.61 | 17.95 |
| (b) Provident fund and other employee deductions | 26.53 | 22.82 |
| (c) GST | 78.53 | 17.12 |
| (d) VAT, Service tax, Excise duty | 13.67 | - |
| (e) Others | - | 35.71 |
| 2) Revenue received in advance | 82.49 | 99.57 |
| 3) Provision for expense | 183.67 | 127.77 |
| 4) Other Current Liability | 0.21 | 0.03 |
| 5) Advances from customers | 355.68 | 213.56 |
| 6) Creditors for other liabilities | 148.20 | 56.60 |
| Total | 908.59 | 591.13 |

24A Current Provisions

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| Provision for warranty claims | 54.25 | 43.38 |
| Provision for employee benefits | | |
| Gratuity | 61.28 | 41.61 |
| Leave Encashment | 19.93 | 15.48 |
| Total | 135.46 | 100.47 |

24B Current Tax Liabilities

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| Current Tax Liabilities (net of tax paid / refund) | - | 22.32 |
| Total | - | 22.32 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

25 Revenue from Operations

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| (a) Sale of Products | | |
| Sale of manufactured goods | 6,202.69 | 4,675.39 |
| Sale of traded goods | 3,424.11 | 2,546.28 |
| Total (A) | 9,626.80 | 7,221.67 |
| (b) Sale of Services | | |
| Sale of services | 2,136.45 | 1,725.12 |
| Total (B) | 2,136.45 | 1,725.12 |
| (c) Other Operating Revenues | | |
| Commission income | 656.92 | 660.21 |
| Scrap & sundry sales | 10.59 | 3.71 |
| Other operating income | 3.98 | 1.13 |
| Total (C) | 671.49 | 665.05 |
| Total (A+B+C) | 12,434.74 | 9,611.84 |

26 Other Income

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|--|-------------------------------------|-------------------------------------|
| Interest Income | 21.84 | 17.77 |
| Dividend Income | 0.57 | 0.79 |
| Subsidy receivable | 0.26 | 6.90 |
| Other Income | 0.81 | - |
| Interest on IT Refund | 1.68 | 1.62 |
| Gain on termination of lease liabilities | - | 8.49 |
| Total | 25.16 | 35.57 |

27A Cost of Materials Consumed

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|----------------------------------|-------------------------------------|-------------------------------------|
| Raw Material consumed | | |
| Opening stock | 482.07 | 595.65 |
| Purchases | 4,359.67 | 2,920.88 |
| Closing Stock | 383.52 | 482.07 |
| Cost of Material Consumed | 4,458.22 | 3,034.46 |

Breakup of cost of material consumed

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|--|-------------------------------------|-------------------------------------|
| Cost of material consumed | | |
| Steel | 239.71 | 111.39 |
| Batteries | 953.95 | 747.06 |
| Others (Tyres, Controller, motor, battery charger, etc.) | 3,264.56 | 2,176.01 |
| Total | 4,458.22 | 3,034.46 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

27B Purchase of Stock in Trade

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|-------------------------------------|-------------------------------------|
| Purchase of Traded Goods | | |
| Engineered Equipment | 1,887.87 | 1,309.33 |
| Other components, accessories, spares, etc. | 658.18 | 654.29 |
| Total | 2,546.05 | 1,963.62 |

28 Changes in Inventories

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|--|-------------------------------------|-------------------------------------|
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade | | |
| Opening Stocks: | | |
| Finished Goods- Manufactured | 148.84 | 233.05 |
| Finished Goods- Traded | 390.66 | 391.80 |
| Work-in-Progress | 91.08 | 285.74 |
| | 630.58 | 910.59 |
| Less: Closing Stocks | | |
| Finished Goods- Manufactured | 352.27 | 148.84 |
| Finished Goods- Traded | 297.34 | 390.66 |
| Work-in-Progress | 57.79 | 91.08 |
| | 707.40 | 630.58 |
| Total | (76.82) | 280.01 |

29 Employee Benefit Expense

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|-------------------------------------|-------------------------------------|
| Salaries, Wages and Bonus | 2,373.40 | 1,849.24 |
| Contributions to provident fund, gratuity and other funds | 131.60 | 122.80 |
| Staff welfare expenses | 72.81 | 31.74 |
| Total | 2,577.81 | 2,003.78 |

30 Finance Costs

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|-------------------------------------|-------------------------------------|
| Interest expense on term loan, cash credit & bank overdraft | 115.02 | 143.41 |
| Interest expense on other loans | 1.20 | 7.00 |
| Bank Charges | 29.84 | 28.62 |
| Interest on Lease Liabilities | 6.44 | 3.26 |
| Total | 152.50 | 182.29 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

31 Other Expenses

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|-------------------------------------|-------------------------------------|
| Subcontract and labour charges | 248.10 | 154.77 |
| Stores and spare parts consumed | 27.64 | 28.00 |
| Equipment Hiring Charges | 11.24 | 9.56 |
| Fuel and power | 35.34 | 31.29 |
| Repairs & maintenance (factory and office) | 25.60 | 23.87 |
| Repairs to machinery | 97.47 | 69.97 |
| Rent | 49.88 | 47.79 |
| Rates and taxes | 10.30 | 11.61 |
| Sales tax of earlier year write off (incl interest and tax amt) | 16.66 | 7.23 |
| Insurances | 16.17 | 15.65 |
| Travelling expenses | 119.29 | 53.35 |
| Postage, telephone and internet | 25.78 | 38.59 |
| Commission Expense | 13.57 | 17.52 |
| Testing and calibration | 66.47 | 43.83 |
| Printing and stationery | 11.53 | 9.87 |
| Legal and professional charges | 74.87 | 143.94 |
| Audit fees (Refer note (a) below) | 27.88 | 19.01 |
| Conveyance expenses | 202.68 | 132.50 |
| Provision for doubtful debts (Net of Reversal) | (15.58) | 46.50 |
| Bad Debts written off | 92.04 | 96.87 |
| Loss on assets discarded | 10.40 | 1.98 |
| Freight on sales | 293.37 | 181.79 |
| Motor vehicle expenses | 4.97 | 3.64 |
| Directors' fees | 7.45 | 9.50 |
| Net loss on foreign currency transactions and translation | 0.58 | 4.67 |
| Provision for Slow/ Non moving Stocks | 27.50 | - |
| Stock Write-off | 16.71 | 26.53 |
| Miscellaneous expenses | 339.95 | 180.87 |
| Total | 1,857.86 | 1,410.70 |

Note (a):

Auditor's Remuneration

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|-------------------------------------|-------------------------------------|
| (a) Audit Fees | 20.25 | 13.69 |
| (b) Tax audit fees | 3.05 | 2.10 |
| (c) Other services | 4.50 | 3.09 |
| (d) Reimbursement of out-of-pocket expenses | 0.08 | 0.13 |
| Total | 27.88 | 19.01 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

32 Contingent liabilities

Rs. (in lakhs)

| Sr. No. | Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|----------|---|------------------------|------------------------|
| a) i) | Claims against company not acknowledged as debts Sales Tax demands (Net) | 28.97 | 130.56 |

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

33 Capital Commitments

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

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| Capital Commitment | | |
| Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for | 302.00 | 302.00 |
| Other Commitment | | |
| Letter of Credit (LC) issued to vendors | 31.14 | 56.15 |
| Total | 333.14 | 358.15 |

Note:

1) The Parent Company is in the process of acquiring leasehold land including building at a price of Rs 554.00 lacs and has entered into an agreement on April 12, 2018. The land is located at MIDC Murbad, District Thane. The rationale behind investment is for expansion of Company's manufacturing activities.

34 Capital Management

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|-----------------------------|------------------------|------------------------|
| Total Debt | 1,128.81 | 1,265.04 |
| Total Equity* | 3,602.31 | 3,176.71 |
| Debt to Equity Ratio | 0.31 | 0.40 |

*Total Equity consist of Equity attributable to owners of Company and Non Controlling Interest

35 Disclosure of Financial Instruments

Fair Value Measurement

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

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other financial liabilities, short term loans from banks approximate their carrying amounts largely due to short term maturities of these instruments. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Accounting classification and fair value:

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

Financial Instrument by category

Rs. (in lakhs)

| Particulars | Note No. | 31st March, 2022 | | | Fair Value | | |
|------------------------------------|----------|---|---------------------------|-----------------|---------------|----------|----------|
| | | Fair Value Routed Through Profit & Loss | Carried at Amortised Cost | Total | Level 1 | Level 2 | Level 3 |
| FINANCIAL ASSETS | | | | | | | |
| Non-Current Assets | | | | | | | |
| (i) Investments | 5 | - | 1.03 | 1.03 | - | - | - |
| (ii) Others | 6A | - | 76.54 | 76.54 | - | - | - |
| Current Assets | | | | | | | |
| (i) Investments | 8 | 114.08 | - | 114.08 | 114.08 | - | - |
| (ii) Trade Receivables | 9 | - | 3,427.32 | 3,427.32 | - | - | - |
| (iii) Cash and cash equivalents | 10A | - | 161.02 | 161.02 | - | - | - |
| (iv) Other Bank Balances | 10B | - | 216.58 | 216.58 | - | - | - |
| (v) Loans | 11 | - | - | - | - | - | - |
| (vi) Other Financial Assets | 12 | - | 15.48 | 15.48 | - | - | - |
| Total Financial Assets | | 114.08 | 3,897.97 | 4,012.05 | 114.08 | - | - |
| FINANCIAL LIABILITIES | | | | | | | |
| Non-Current Liabilities | | | | | | | |
| (i) Borrowings | 17A | - | 455.82 | 455.82 | - | - | - |
| (ii) Lease Liabilities | 18A | - | 53.88 | 53.88 | - | - | - |
| Current Liabilities | | | | | | | |
| (i) Borrowings | 17B | - | 672.99 | 672.99 | - | - | - |
| (ii) Lease Liabilities | 18B | - | 17.97 | 17.97 | - | - | - |
| (iii) Trade payables | 21 | - | 1,856.46 | 1,856.46 | - | - | - |
| (iv) Other financial liabilities* | 22 | - | 229.04 | 229.04 | - | - | - |
| Total Financial Liabilities | | - | 3,286.16 | 3,286.16 | - | - | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

The Group has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

Financial Instrument by category

Rs. (in lakhs)

| Particulars | Note No. | 31st March, 2021 | | | Fair Value | | |
|------------------------------------|----------|---|---------------------------|-----------------|--------------|----------|----------|
| | | Fair Value Routed Through Profit & Loss | Carried at Amortised Cost | Total | Level 1 | Level 2 | Level 3 |
| FINANCIAL ASSETS | | | | | | | |
| Non-Current Assets | | | | | | | |
| (i) Investments | 5 | - | 1.03 | 1.03 | - | - | - |
| (ii) Others | 6A | - | 30.42 | 30.42 | - | - | - |
| Current Assets | | | | | | | |
| (i) Investments | 8 | 13.50 | - | 13.50 | 13.50 | - | - |
| (ii) Trade Receivables | 9 | - | 3,004.79 | 3,004.79 | - | - | - |
| (iii) Cash and cash equivalents | 10A | - | 239.81 | 239.81 | - | - | - |
| (iv) Other Bank Balances | 10B | - | 201.82 | 201.82 | - | - | - |
| (v) Loans | 11 | - | 0.60 | 0.60 | - | - | - |
| (vi) Other Financial Assets | 12 | - | 12.26 | 12.26 | - | - | - |
| Total Financial Assets | | 13.50 | 3,490.73 | 3,504.23 | 13.50 | - | - |
| FINANCIAL LIABILITIES | | | | | | | |
| Non-Current Liabilities | | | | | | | |
| (i) Borrowings | 17A | - | 469.92 | 469.92 | - | - | - |
| (ii) Lease Liabilities | 18A | - | 4.62 | 4.62 | - | - | - |
| Current Liabilities | | | | | | | |
| (i) Borrowings | 17B | - | 795.12 | 795.12 | - | - | - |
| (ii) Lease Liabilities | 18B | - | 6.36 | 6.36 | - | - | - |
| (iii) Trade payables | 21 | - | 1,858.21 | 1,858.21 | - | - | - |
| (iv) Other financial liabilities* | 22 | - | 237.18 | 237.18 | - | - | - |
| Total Financial Liabilities | | - | 3,371.41 | 3,371.41 | - | - | - |

The Group has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

36 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

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:

Rs. (in lakhs)

| | Effect on Profit Before Tax | | Effect on Pre-Tax Equity | |
|------------------------|-----------------------------|-----------|--------------------------|-----------|
| | Strengthening | Weakening | Strengthening | Weakening |
| March 31, 2022 | | | | |
| USD (Movement by 10%) | 3.89 | (3.89) | 3.89 | (3.89) |
| Euro (Movement by 10%) | 19.43 | (19.43) | 19.43 | (19.43) |
| March 31, 2021 | | | | |
| USD (Movement by 10%) | 5.08 | (5.08) | 5.08 | (5.08) |
| Euro (Movement by 10%) | 14.47 | (14.47) | 14.47 | (14.47) |

Trade Payables:

Rs. (in lakhs)

| | Effect on Profit Before Tax | | Effect on Pre-Tax Equity | |
|------------------------|-----------------------------|-----------|--------------------------|-----------|
| | Strengthening | Weakening | Strengthening | Weakening |
| March 31, 2022 | | | | |
| USD (Movement by 10%) | 7.65 | (7.65) | 7.65 | (7.65) |
| Euro (Movement by 10%) | 7.73 | (7.73) | 7.73 | (7.73) |
| March 31, 2021 | | | | |
| USD (Movement by 10%) | 7.61 | (7.61) | 7.61 | (7.61) |
| Euro (Movement by 10%) | 22.38 | (22.38) | 22.38 | (22.38) |

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

| Particulars | 31st March, 2022 | | 31st March 2021 | |
|-------------------|------------------|--------|-----------------|--------|
| | USD | EUR | USD | EUR |
| Trade Payables | 76.50 | 77.30 | 76.07 | 223.82 |
| Trade Receivables | 38.90 | 194.28 | 50.75 | 144.73 |

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

Exposure to Interest Rate Risk:

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|----------------------------------|------------------------|------------------------|
| Fixed Rate Instruments | | |
| Financial Liabilities | 934.32 | 1,024.45 |
| Variable Rate Instruments | | |
| Financial Liabilities | 194.49 | 240.59 |

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, 2022 | | 31st March 2021 | |
|----------------------------------|----------------------|---------------------------|----------------------|---------------------------|
| | Sensitivity Analysis | Impact on Profit and Loss | Sensitivity Analysis | Impact on Profit and Loss |
| Variable Rate Borrowings: | | | | |
| Interest Rate Increase by | 1.00% | 1.94 | 1.00% | 2.41 |
| Interest Rate Decrease by | 1.00% | 1.94 | 1.00% | 2.41 |

Credit Risk:

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

Liquidity Risk:

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

Maturity Analysis for financial liabilities:

The following are the remaining contractual maturities of financial liabilities as at 31st March 2022:

Rs. (in lakhs)

| Particulars | Note No. | 31st March, 2022 | | |
|------------------------------------|----------|------------------|------------------|-----------------|
| | | 0-1 Years | More than 1 Year | Total |
| FINANCIAL LIABILITIES | | | | |
| Non-Current Liabilities | | | | |
| (i) Borrowings | 17A | - | 455.82 | 455.82 |
| (ii) Lease Liabilities | 18A | - | 53.88 | 53.88 |
| Current liabilities | | | | |
| (i) Borrowings | 17B | 672.99 | - | 672.99 |
| (ii) Lease Liabilities | 18B | 17.97 | - | 17.97 |
| (iii) Trade payables | 21 | 1,856.46 | - | 1,856.46 |
| (iv) Other financial liabilities * | 22 | 229.04 | - | 229.04 |
| Total Financial Liabilities | | 2,776.46 | 509.70 | 3,286.16 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

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

Rs. (in lakhs)

| Particulars | Note No. | 31st March, 2021 | | |
|------------------------------------|----------|------------------|------------------|-----------------|
| | | 0-1 Years | More than 1 Year | Total |
| FINANCIAL LIABILITIES | | | | |
| Non-Current Liabilities | | | | |
| (i) Borrowings | 17A | - | 469.92 | 469.92 |
| (ii) Lease Liabilities | 18A | - | 4.62 | 4.62 |
| Current liabilities | | | | |
| (i) Borrowings | 17B | 795.12 | - | 795.12 |
| (ii) Lease Liabilities | 18B | 6.36 | - | 6.36 |
| (iii) Trade payables | 21 | 1,858.21 | - | 1,858.21 |
| (iv) Other financial liabilities * | 22 | 237.18 | - | 237.18 |
| Total Financial Liabilities | | 2,896.87 | 474.54 | 3,371.41 |

37 Employee Benefits

A. Defined Contribution Plan

The Group has recognized Rs. 94.59 lakh for provident fund contribution in the Statement of Profit and Loss for the year ended March 31, 2022 (March 31, 2021 - Rs. 51.40 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:

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|------------------------|------------------------|
| i) Reconciliation of defined benefit obligation | | |
| Liability at the beginning of the year | 225.06 | 258.47 |
| Current Service Cost | 23.54 | 31.41 |
| Interest cost | 9.72 | 12.11 |
| Actuarial losses/(gains) arising from: | | |
| Demographic assumption | - | - |
| Financial assumption | (3.07) | (8.53) |
| Experience Gain/(Loss) on Plan Assets | (6.19) | (35.54) |
| Benefits Paid | (28.20) | (32.86) |
| Defined benefit obligation at the end of the year | 220.86 | 225.06 |
| ii) Reconciliation of Fair Value of Plan Asset | | |
| Fair value of the Plan assets at the beginning of the year | 45.65 | 41.34 |
| Expected return on plan Assets | 5.46 | 5.68 |
| Contribution | 0.89 | 34.96 |
| Benefits Paid | (28.20) | (32.86) |
| Actuarial Gain/ (Loss) on plan assets | (3.76) | (3.47) |
| Fair value of plan asset at the end of the year | 20.05 | 45.65 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

Rs. (in lakhs)

| | | |
|---|----------|----------|
| iii) Expenses recognized in statement of profit or loss under the head employee benefit expenses | | |
| Current Service Cost | 23.54 | 31.41 |
| Interest Expense on DBO | 4.26 | 6.43 |
| Expenses recognized in Statement of Profit or Loss | 27.80 | 37.84 |
| iv) Re-measurement for the period | | |
| Experience Gain/(Loss) on Plan Liabilities | 6.19 | 35.54 |
| Demographic Gain/(Loss) on Plan Liabilities | - | 0.01 |
| Financial Gain/(Loss) on Plan Liabilities | 3.07 | 8.53 |
| Actuarial Gain/ (Loss) on plan assets | (3.76) | (3.47) |
| Total Actuarial Gain/(Loss) included in OCI | 5.50 | 40.61 |
| v) Amount recognized in Other Comprehensive Income(OCI) | | |
| Opening Amount recognized in OCI | 25.33 | 65.93 |
| Re-measurement for the period – Plan Assets(gain)/loss | 3.76 | 3.47 |
| Experience adjustments | (6.19) | (35.54) |
| Changes in financial assumptions | (3.07) | (8.53) |
| Closing Amount recognized in OCI | 19.83 | 25.33 |
| vi) Principal Actuarial Assumptions | | |
| Financial Assumptions | | |
| Discount Rate | 5.75% | 5.35% |
| Salary Escalation | 5.00% | 5.00% |
| Demographic Assumptions | | |
| Mortality Rate | Ultimate | Ultimate |
| Withdrawal Rate | 0.00965 | 0.00965 |
| Retirement Age | 58.00 | 58.00 |

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|------------------------|------------------------|
| Amount recognised in Balance Sheet | | |
| Present value of defined benefit obligation | 220.86 | 225.06 |
| Fair value of plan assets | 20.05 | 45.65 |
| Net (liability)/Asset recognised in the Balance Sheet | 200.81 | 179.41 |

(a) The discount rate is based on the prevailing market yields of Indian government Securities as at the balance sheet date for the estimated terms of the obligations.

(b) Expected Return on Plan Assets (as certified by the actuary): This is based on the expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of obligations.

(c) Salary Escalation Rate: The estimates of future salary increase considered taking into the account the inflation.

(d) Category of Plan Assets:

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|------------------------|------------------------|------------------------|
| Unquoted | - | 11.46 |
| Insurer Managed Funds* | 20.05 | 34.20 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

*The Group maintains gratuity fund, which is being administered by Life insurance corporation. Fund Value confirmed by Life Insurance corporation as at March 31, 2022 is considered to be the fair value. A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:

| Particulars | 31st March, 2022 | | 31st March 2021 | |
|---|------------------|----------|-----------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Sensitivity Analysis | | | | |
| Discount rate (0.5% movement) | -1.36% | 1.41% | 1.37% | 1.41% |
| Defined benefit obligation (Rs. in Lakhs) | 186.53 | 191.71 | 202.84 | 208.49 |
| Future salary growth (0.5% movement) | 1.41% | -1.38% | 1.43% | 1.40% |
| Defined benefit obligation (Rs. in Lakhs) | 191.71 | 186.53 | 208.49 | 202.77 |

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

38 Segment Reporting

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

Primary Segment information (by Business segment):

I. Material Handling Division

II. Engineered Products

III. MHE Rentals India Pvt. Ltd. (Equipment Rental)

Rs. (in lakhs)

| Particulars | For the Year Ended 31st March, 2022 | | | | For the Year Ended 31st March, 2021 | | | |
|------------------------|-------------------------------------|---------------------|--|------------------|-------------------------------------|---------------------|--|-----------------|
| | Material Handling | Engineered Products | MHE Rentals India Pvt. Ltd. (Equipment Rental) | Total | Material Handling | Engineered Products | MHE Rentals India Pvt. Ltd. (Equipment Rental) | Total |
| Segment Revenue | | | | | | | | |
| Sale of Products | 7,172.74 | 2,448.87 | 5.20 | 9,626.81 | 4,651.40 | 2,538.14 | 32.13 | 7,221.67 |
| Sale of Services | 203.55 | 670.16 | 1,262.73 | 2,136.44 | 226.05 | 426.73 | 1,072.34 | 1,725.12 |
| Commission Income | 0.17 | 656.75 | - | 656.92 | - | 660.21 | - | 660.21 |
| Other Income | 14.57 | - | - | 14.57 | 4.84 | - | - | 4.84 |
| | 7,391.03 | 3,775.78 | 1,267.93 | 12,434.74 | 4,882.29 | 3,625.08 | 1,104.47 | 9,611.84 |
| Unallocated Income | | | | 27.66 | | | | 35.57 |
| Total | | | | 12,462.40 | | | - | 9,647.41 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

Rs. (in lakhs)

| | | | | | | | | |
|---|----------|----------|----------|-----------------|----------|----------|----------|-----------------|
| Segment Results | | | | | | | | |
| Segment results/ operating Profit / (Loss) | 127.46 | 797.09 | 156.35 | 1,080.90 | 183.99 | 714.82 | 72.51 | 971.32 |
| Unallocated income (including income from interest/dividend) | | | | 27.66 | | | | 35.57 |
| Unallocated expenses | | | | 295.16 | | | | 328.76 |
| Interest Expenses | | | | 152.50 | | | | 182.29 |
| Profit/ (Loss) before tax | | | | 660.89 | | | | 495.84 |
| Provision for taxation – current tax | | | | 201.51 | | | | 165.20 |
| Excess Provisions for Income Tax in respect of earlier years | | | | 1.24 | | | | (15.96) |
| Deferred Tax | | | | 1.04 | | | | (2.17) |
| Profit/(Loss) after Tax | | | | 457.10 | | | | 348.77 |
| Other Information: | | | | | | | | |
| Segment Assets | 3,259.65 | 1,843.13 | 1,400.63 | 6,503.41 | 2,888.42 | 1,636.50 | 2,215.84 | 6,740.76 |
| Unallocated Assets | | | | 1,663.03 | | | | 744.57 |
| Total Assets | | | | 8,166.44 | | | | 7,485.33 |
| Segment Liabilities | 1,899.46 | 1,122.70 | 1,211.84 | 4,234.00 | 1,638.22 | 1,272.18 | 1,312.56 | 4,222.96 |
| Unallocated Liabilities (Including share capital and reserves) | | | | 3,932.44 | | | | 3,262.37 |
| Total Liabilities | | | | 8,166.44 | | | | 7,485.33 |
| Cost incurred during the financial year to acquire segment fixed assets | 99.45 | 45.75 | 173.04 | 318.23 | 8.10 | 13.73 | 89.98 | 111.81 |
| Cost incurred during the financial year to acquire segment fixed assets (Unallocated) | | | | 5.74 | | | | - |
| Depreciation | 44.44 | 31.92 | 184.77 | 261.12 | 45.22 | 26.57 | 186.86 | 258.65 |
| Depreciation (Unallocated) | | | | 22.27 | | | | 18.06 |

Note:

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

The subsidiary operates in the business of renting of material handling equipment.

The Group has identified its Managing Director as CODM which assesses the operational performance and position of the Group and makes strategic decisions.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

39 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. Jai Prakash Agarwal, Executive Chairman and Director | Key Management Personnel |
| 2 | Mr. Vishal Jain, Vice Chairman & Managing Director | |
| 3 | Mr. Rohit Jain, Chief Financial Officer (CFO) | |
| 4 | Mr. Qamar Ali, Company Secretary (from 07.05.21 till 11.02.22) | |
| 5 | Mr. Farokh Kekhushroo Banatwalla, Independent Director | Independent Director |
| 6 | Mr. Shailesh Rajnikant Sheth, Independent Director | |
| 7 | Mr. Marco Philippus Ardeshir Wadia, Independent Director | |
| 8 | Mr. Kailash C Somani, Director of MHE Rentals India Private Limited | |
| 9 | Vishidhara Investment Advisors LLP | Directors as Partner |
| 10 | Mrs. Shikha Jain, Woman Director | Wife of Managing Director |
| 11 | Ms Anshu Agarwal | Relative of Chairman |
| 12 | Amphenol Interconnect India Private Limited | Private company having common director |
| 13 | Amphenol Omniconnect India Private Limited | |
| 14 | KNF Pumps + Systems (India) Pvt. Ltd | |
| 15 | Chambal Fertilizer and Chemicals Limited | Public company having common director |
| 16 | Stovec Industries Limited | |
| 17 | Simmonds Marshall Limited | |

B. Names of related parties and description of relationship:

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

Rs. (in lakhs)

| Sr.No | Name of related party | Nature of Transaction | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|-------|--|-----------------------|---------------------------------------|---------------------------------------|
| 1 | Stovec Industries Ltd. | Sale of Goods (Gross) | 1.66 | 7.59 |
| 2 | Chambal Fertilizer and Chemicals Limited | Sale of Goods (Gross) | 14.07 | 6.77 |
| 3 | Simmonds Marshall Limited | Receipt against sales | - | 2.31 |
| 4 | Mr. Vishal Jain | Loan taken | 57.00 | 100.00 |
| 5 | Mr. Vishal Jain | Loan repaid | - | - |
| 6 | Mr. Vishal Jain | Interest paid on Loan | 12.19 | 1.11 |
| 7 | Amphenol Interconncect India Private Limited | Sale of Goods (Gross) | - | 3.75 |
| 8 | KNF Pumps + Systems (India)Pvt. Ltd | Purchase of Goods | - | 2.48 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

Rs. (in lakhs)

| Sr.No | Name of related party | Nature of Transaction | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|-------|------------------------------------|-----------------------|---------------------------------------|---------------------------------------|
| 9 | Mr. Jai Prakash Agarwal | Dividend payment | 3.99 | 3.99 |
| 10 | Ms Anshu Agarwal | Salary payment | 13.02 | 10.29 |
| 11 | Mr. Vishal Jain | Dividend payment | 3.55 | 3.55 |
| 12 | Mrs. Shikha Jain | Dividend payment | 3.38 | 3.38 |
| 13 | Mr. Marco Philippus Ardeshir Wadia | Dividend payment | 0.00 | 0.01 |

(Note: The above amounts are inclusive of GST)

C. Sitting Fees

Rs. (in lakhs)

| Name of the Directors | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|-------------------------|------------------------------------|------------------------------------|
| 1) Mr. J. P. Agarwal | - | 2.15 |
| 2) Mr. Marco Wadia | 1.20 | 1.30 |
| 3) Mr. F. K. Banatwalla | 2.20 | 2.15 |
| 4) Mr. Shailesh Sheth | 2.45 | 2.40 |
| 5) Mr. Vishal Jain | 0.20 | 0.20 |
| 6) Mr. K. C Somani | 0.20 | 0.25 |
| 7) Mrs. Shikha Jain | 1.20 | 1.05 |
| Total | 7.45 | 9.50 |

D. Compensation of Key Managerial Personnel:

Rs. (in lakhs)

| Name of KMP | Designation | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|--------------------|---|---------------------------------------|---------------------------------------|
| Mr. Qamar Ali | Company Secretary (from 07.05.21 till 11.02.22) | 5.41 | - |
| Ms. Prajakta Patil | Company Secretary (from 11.12.20 till 26.04.21) | 0.45 | 1.88 |
| Mr. Rohit Jain | Chief Financial Officer | 20.16 | 5.71 |
| Mr. J. P. Agarwal | Executive Chairman and Director | | |
| | a.Short Term benefits | 43.96 | - |
| | b.Post Employments benefits | 2.88 | - |
| Mr. Vishal Jain | Vice Chairman and Managing Director | | |
| | a.Short Term benefits | 42.00 | 19.48 |
| | b.Post Employments benefits | 1.88 | 0.91 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

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

Rs. (in lakhs)

| Year End Balances | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|--|------------------------------------|------------------------------------|
| Unsecured Loans from Director Receivable Stovec Industries Ltd. Chambal Fertiliser and Chemicals Limited | 160.45 0.07 1.92 | 100.71 0.06 0.28 |

40 Leases

Lease Liability- Maturity Analysis

Rs. (in lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---------------------------|------------------------|------------------------|
| Not later than one year | 17.97 | 6.36 |
| Between one to five years | 53.88 | 4.62 |
| Later than five years | - | - |

41 Earnings Per Share

Rs. (in lakhs)

| Particulars | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|--|------------------------------------|------------------------------------|
| a. Net Profit attributable to shareholders | 450.92 | 372.24 |
| b. Weighted average number of Equity Shares | 18.66 | 18.66 |
| Basic EPS (In Rs.) | 24.17 | 19.95 |
| c. Weighted average number of Equity Shares (in lakhs) | 18.66 | 18.66 |
| Diluted EPS (In Rs.) | 24.17 | 19.95 |

42 Events Occurring after Balance Sheet Date

The Parent company's Board in its meeting held on May 12, 2022 has recommended a dividend of Rs. 3 per share on a share of Rs. 5 each to the shareholders of the company. This amount is to be paid after approval from shareholders in the ensuing annual general meeting.

43 Income Tax

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|-------------------------------------|-------------------------------------|
| (a) Amount recognised in Statement of Profit & Loss | | |
| Current tax | | |
| Current tax on profits for the year | 201.51 | 165.20 |
| Income Tax for Earlier Years | 1.24 | (15.96) |
| Total Current Tax Expense (A) | 202.75 | 149.24 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

| | | |
|---|---------------|---------------|
| Deferred tax (Increase) in deferred tax assets | 1.04 | (2.17) |
| Total Deferred Tax Expense/(Credit) (B) | 1.04 | (2.17) |
| Income tax expense reported in the Statement of Profit& Loss (A+B) | 203.79 | 147.07 |

b) Reconciliation of Effective Tax Rate

Rs. (in lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|--|--|--|
| Profit before income tax expense | 660.89 | 495.84 |
| Statutory income tax rate | 25.17% | 27.82% |
| Amount of tax at statutory income tax rate (I) | 166.33 | 137.94 |
| Adjustments: | | |
| Income Tax for Earlier Years | 1.24 | (15.96) |
| Difference in property, plant and equipment & employee benefit provision as per Books and Income Tax Act, 1961 | 1.13 | 1.78 |
| Tax Difference | - | - |
| Deferred tax | 1.04 | (2.17) |
| Various allowance/ disallowance of expenses | 29.17 | 31.09 |
| Loss of Subsidiary on which Deferred tax asset not recognized | (2.30) | 16.71 |
| Others | 7.18 | (22.32) |
| Adjustments (II) | 37.46 | 9.13 |
| Total Adjustments (I+II) | 203.79 | 147.07 |

44 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact of its evaluation on the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the code becomes effective and the related rules to determine the financial impact are published.

45 Balances of certain Debtors/Creditors and advances are subject to confirmation and reconciliation. In the opinion of the management balances are stated at realisable value and no adjustments will be required.

46 The Company Secretary appointed by the Holding Company had resigned prior to the Board Meeting and her replacement was appointed post the Board meeting. Hence the financials could not be signed by the Company Secretary.

47 Additional Regulatory Information

The following additional disclosures are made pursuant to notification of Ministry of Corporate Affairs dated 24th March 2021.

i) Title deeds of Immovable Properties

The Group does not own any immovable properties other than Leasehold properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

ii) Revaluation of Property, Plant & Equipment

The Group has not revalued any of its Property, Plant & Equipments during the year.

iii) Loans / Advances in the nature of loans to Promoters, Directors, KMP's and Related Parties

The Group has not advanced Loans/ Advances in the nature of loans to Promoters, Directors, KMP's and Related Parties

iv) Details of Benami Property held

No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

v) Wilful Defaulter

None of the banks, financial institutions or other lenders from whom the Group has borrowed funds has declared any of the companies within the Group as a wilful defaulter at any time during the current year or in previous year.

vi) Relationship with Struck off Companies *

The Group has not undertaken any transactions with companies struck off under section 248 of the Companies Act 2013 or section 560 of Companies Act 1956 during the current year or in previous year.

* based on information available as on the date of reporting.

vii) Registration of charges or satisfaction with Registrar of Companies (ROC)

All the charges or satisfaction of which is required to be registered with Registrar of Companies(ROC) have been duly registered within the statutory time limit provided under the provisions of Companies Act 2013 and rules made thereunder.

viii) Compliance with number of layers of companies

The Group has complied with number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction of number of layers) Rules, 2017.

ix) Compliance with Approved Scheme of Arrangements

The Group has not carried out any Scheme which is approved by regulatory authorities during the year, hence compliance with provisions of sections 230 to 237 of the act is not applicable.

x) Borrowing from Banks and Financial Institutions for Specific Purpose

All the borrowings from banks and financial institutions have been used for the specific purposes for which they have been obtained.

xi) Utilisation of Borrowed funds and Share Premium

a. The Group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b. The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding, whether recorded in writing or otherwise, that the Group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

xii) There were no transactions which have not been recorded in the books of account, have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

xiii) The Group has not traded or invested in Crypto currency or virtual currency during the financial year.

xiv) Borrowings on the basis of security of Current Assets

The Group has availed working capital facilities from banks on the basis of security of current assets and the respective Companies within the Group are submitting periodical Financial Information as per the terms & conditions of sanction letters. There were no material discrepancies in the amount of current assets between Financial Information and books of accounts

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

4.8 Ratio Analysis and its elements

| Ratio | Numerator | Denominator | Current Year | Previous Year | % Variance | Reason for Variance |
|----------------------------------|--|---|--------------|---------------|------------|---|
| Current Ratio | Current Assets | Current Liability | 1.50 | 1.43 | 4.57% | |
| Debt-equity ratio | Total Debt | Shareholder's Equity | 0.33 | 0.46 | -27.42% | Reduction in Borrowings |
| Debt service coverage ratio | Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments | Debt service = Interest & Lease Payments + Principal Repayments | 12.00 | 0.62 | 1,824.30% | Due to substantial reduction in borrowings the ratio improved in current year |
| Return on equity ratio | Net Profits after taxes – Preference Dividend (if any) | Average Shareholder's Equity | 0.13 | 0.12 | 9.87% | |
| Inventory turnover ratio | Cost of goods sold OR sales | Average inventory = (Opening + Closing balance / 2) | 8.76 | 5.49 | 59.65% | Lower Sales in previous period due to COVID-19 |
| Trade receivables turnover ratio | Net Credit Sales= Gross credit sales minus sales return. Trade receivables includes sundry debtors and bill's receivables. | Average trade debtors = (Opening + Closing balance / 2) | 3.87 | 3.01 | 28.25% | Lower Sales and higher Trade Receivables in previous period due to COVID-19 |
| Trade payables turnover ratio | Net Credit Purchases = Gross credit purchases minus purchase return | Average Trade Payables = (Opening + Closing balance / 2) | 3.72 | 2.49 | 49.36% | Lower Purchases and higher Trade Payables in previous period due to COVID-19 |
| Net capital turnover ratio | Net Sales=Gross sales minus sales returns. | Working Capital = Current assets minus current liabilities. | 6.54 | 6.16 | 6.18% | |
| Net profit ratio | Net profit shall be after tax | Net Sales = Gross sales minus sales returns. | 0.0368 | 0.0363 | 1.31% | |
| Return on capital employed | Earning before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 0.16 | 0.12 | 41% | Substantial Increase in earnings before interest & taxes |
| Return on investment | Return on investment | Average cost of investment | 0.00 | 0.01 | -81% | Reduction in Dividend income |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31st March, 2022

49 Additional Information pursuant to Para 2 to General Information for the Preparation of Consolidated Financial Statements :

For the Year 2021-22

| S. No. | Name of Entity | Relationship | Net Assets [Total Assets minus Total Liability] | | Share in Profit / (Loss) for the year | | Share in Other Comprehensive Income / (Loss) for the year | | Share in Total Comprehensive Income / (Loss) for the year | |
|--------|----------------------------|----------------|--|-----------------|---------------------------------------|---------------|---|-------------|---|---------------|
| | | | % of Consolidated net assets | Amount | % of Consolidated Profit | Amount | % of Consolidated other comprehensive income | Amount | % of Consolidated total comprehensive income | Amount |
| 1 | Jost's Engineering Co. Ltd | Parent Company | 76.83% | 2,533.97 | 96.55% | 435.38 | 115.61% | 4.74 | 96.73% | 440.12 |
| 2 | MHE Rentals India Pvt Ltd | Subsidiary | 23.17% | 764.35 | 3.45% | 15.54 | -15.61% | (0.64) | 3.27% | 14.90 |
| | Sub-Total | | 100.00% | 3,298.32 | 100.00% | 450.92 | 100.00% | 4.10 | 100.00% | 455.02 |
| | Non-Controlling Interest | | | 303.99 | | 6.18 | | (0.42) | | 5.76 |
| | Grand Total | | | 3,602.31 | | 457.10 | | 3.68 | | 460.78 |

For the Year 2020-21

| S. No. | Name of Entity | Relationship | Net Assets [Total Assets minus Total Liability] | | Share in Profit / (Loss) for the year | | Share in Other Comprehensive Income / (Loss) for the year | | Share in Total Comprehensive Income / (Loss) for the year | |
|--------|----------------------------|----------------|--|-----------------|---------------------------------------|---------------|---|--------------|---|---------------|
| | | | % of Consolidated net assets | Amount | % of Consolidated Profit | Amount | % of Consolidated other comprehensive income | Amount | % of Consolidated total comprehensive income | Amount |
| 1 | Jost's Engineering Co. Ltd | Parent Company | 73.95% | 2,128.51 | 115.85% | 431.25 | 29.39% | 7.94 | 110.00% | 439.19 |
| 2 | MHE Rentals India Pvt Ltd | Subsidiary | 26.05% | 749.87 | -15.85% | (59.01) | 70.61% | 19.08 | -10.00% | (39.93) |
| | Sub-Total | | 100.00% | 2,878.38 | 100.00% | 372.24 | 100.00% | 27.02 | 100.00% | 399.26 |
| | Non-Controlling Interest | | | 298.33 | | (23.47) | | 7.60 | | (15.87) |
| | Grand Total | | | 3,176.71 | | 348.77 | | 34.62 | | 383.39 |

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

As per our report of even date attached

For and on behalf of Board of Directors

For Singhi & Co.

Chartered Accountants
Firm Registration No. 302049E

Sd/-

Sudesh Choraria

Partner

Membership No. 204936

Place: Mumbai

Date: 12th May 2022

Sd/-

Jai Prakash Agarwal

Chairman

DIN - 00242232

Sd/-

Vishal Jain

Vice Chairman & Managing Director

DIN - 00709250

Sd/-

Rohit Jain

Chief Financial Officer

Place: Thane

Date: 12th May 2022

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,2022**

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 |
|--------|-----------------------------------|---|--|--|---------------|----------------------|--------------|
| 1 | MHE Rentals India Private Limited | 20/04/2017 | NA | NA | 999.18 | -243.83 | 2,072.43 |

Continued below

| Total Liabilities | Investments | Turnover | Profit before taxation | Provision for taxation (Deferred Tax) | Profit after taxation | Proposed Dividend | Extent of shareholding (in%) |
|-------------------|-------------|----------|------------------------|---------------------------------------|-----------------------|-------------------|------------------------------|
| 1,308.08 | 0.03 | 1,271.53 | 15.54 | 0.00 | 15.54 | - | 60.23 |

Notes :

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

Part B - Associates and Joint Ventures

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

| Name of Associates or Joint Ventures | Name 1 | Name 2 | Name 3 |
|---|----------------|--------|--------|
| 1. Latest audited Balance Sheet Date | Not Applicable | | |
| 2. Date on which the Associate or joint Venture was associated or acquired | | | |
| 3. Shares of Associates or Joint Ventures held by the company on the year end No. | | | |
| Amount of Investment in Associates or Joint Venture Extent of Holding (in percentage) | | | |
| 4. Description of how there is significant influence | | | |
| 5. Reason why the associate/Joint venture is not consolidated | | | |
| 6. Networth attributable to shareholding as per latest audited Balance Sheet | | | |
| 7. Profit or Loss for the year | | | |
| i. Considered in Consolidation | | | |
| ii. Not considered in Consolidation | | | |

Notes:

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 & on behalf of Board of Directors

Sd/-

Jai Prakash Agarwal
Chairman and Whole Time Director
DIN No. 00242232

Sd/-

Vishal Jain
Vice-Chairman and Managing Director
DIN No. 00709250

Sd/-

Rohit Jain
Chief Financial Officer

Date : 12th May 2022

Place : Thane

NOTICE

Notice is hereby given that the 115th Annual General Meeting of the Members of Jost's Engineering Company Limited will be held on Monday, the 26th September, 2022 at 02:00 P.M through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") ("hereinafter referred to as "electronic mode"), to transact the following business:

ORDINARY BUSINESS

1.To receive, consider and adopt: -

the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 together with the Reports of Directors' and Auditors' thereon; and the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 together with report of Auditors thereon.

2.To declare a dividend on Equity Shares for the financial year ended March 31, 2022.

3.To appoint a director in place of Mr. Jai Prakash Agarwal (DIN: 00242232), who retires by rotation at this Annual General Meeting and being eligible, has offered himself for re-appointment.

4.To appoint M/s. Shah Gupta & Co., Chartered Accountants (Firm Registration No.109574W) as the Statutory Auditors of the Company and in this connection, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee, M/s. Shah Gupta & Co., Chartered Accountants, having Firm Registration No.109574W, be and is hereby appointed as Statutory Auditors of the Company for a period of consecutive five years commencing from the conclusion of this 115th Annual General Meeting till the conclusion of the 120th Annual General Meeting to be held in the year 2027 to examine and audit the accounts of the Company at such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company."

SPECIAL BUSINESS

5. To ratify the remuneration payable to the Cost Auditor appointed by the Board of Directors of the Company for the financial year 2022-23 pursuant to Section 148 and all other applicable provisions of Companies Act, 2013, by passing with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, the remuneration of Rs. 1,00,000/- (Rupees One Lakhs Only) excluding applicable Tax payable to M/s. Devarajan Swaminathan and Co., Cost Accountant (FRN: 100669), who are appointed as Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2023, as approved by the Board of Directors of the Company, be and is hereby ratified."

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Regulations 2(1)(zc), 23 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Section 2(76) and other applicable provisions of the Companies Act, 2013 ('Act') read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to

include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to the Material Related Party Transaction(s)/ Contract(s)/ Arrangement(s)/ Agreement(s) entered into/ proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, between the Company and MHE Rentals India Private Limited ('MHE'), a subsidiary of the Company and accordingly a 'Related Party' of the Company, on such terms and conditions as may be mutually agreed between the Company and MHE, for an aggregate value not exceeding Rs.1,450 Lakhs during the financial year 2022-23, provided that such transaction(s)/ contract(s)/ arrangement(s)/ agreement(s) is being carried out at an arm's length pricing basis and in the ordinary course of business."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s)/ arrangement(s)/ agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Chief Financial Officer, Company Secretary or any other Officer / Authorized Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution."

"RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

Approval of Employee Stock Option Plan titled as "Jost's Engineering Company Employee Stock Option Plan- 2022"

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, read with Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time (hereinafter referred to as "SEBI (SBEB) Regulations"), Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time and in accordance with the provisions of any other applicable laws or regulations and such other approval(s), permission(s) and sanction(s) as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority(ies) while granting such approval(s), permission(s) and sanction(s), the approval of the Shareholders of the Company be and is hereby accorded to Board of Directors of the Company [hereinafter referred to as the "Board", which term shall include the Nomination & Remuneration Committee ("Nomination & Remuneration Committee" which the Board has constituted to exercise its powers, including the powers, conferred by this resolution)], to adopt the Jost's Engineering Company Employee Stock Option Plan- 2022 ("the Plan") and to create, offer, and grant from time to time such number of Employee Stock Options ("Options") to eligible employee as designated by the Company, and to Directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) and to such other persons as may from time to time be allowed to be eligible for the benefits of the stock options under applicable laws and regulations prevailing from time to time, as may be decided by the Nomination & Remuneration Committee under the Plan, exercisable into not more than 1,20,000 (One Lakh Twenty Thousand only) Options, each Option giving the right but not the obligation to the holder to subscribe to one fully paid-up Equity Share in the Company, of face value of Rs. 5/- each, directly by the Company and at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board/ Nomination & Remuneration Committee in accordance with the provisions of the Jost's Engineering Company Employee Stock Option Plan 2022 and in due compliance with the applicable laws and regulations in force."

"RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division, sub-division and/or consolidation of shares, or such other event, the Board / the Nomination & Remuneration Committee be and is hereby authorized to do all such acts, deeds and things as may be necessary and which are within the provisions of the applicable laws & regulations, so as to ensure the implementation of the Jost's Engineering Company Employee Stock Option Plan 2022 ("the Plan") and ensure fair and equitable benefits under the Plan are passed on to the eligible employee(s) and that the Nomination and Remuneration Committee will also act as the Compensation Committee for effective administration and implementation of the Plan."

“RESOLVED FURTHER THAT the Board/Nomination & Remuneration Committee be and is hereby authorised to issue and allot equity shares upon exercise of options from time to time in accordance with the Plan and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company.”

“RESOLVED FURTHER THAT the Board/Nomination & Remuneration Committee be and is hereby authorized to make from time to time such modification, variations, alterations or revisions in the said Plan as it may deem fit in conformity with the provisions of the Companies Act, 2013, SEBI Regulations and other applicable laws.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint merchant banker, solicitors, professional firms and legal consultants or such other persons, as may be required, for implementation of the Plan, and to obtain in-principle approval, listing & trading approvals from Stock Exchange and to settle all questions arising out of or incidental thereto.”

By order of the Board of Directors
For Jost's Engineering Company Limited

Sd/-
(Babita Kumari)
Company Secretary
ACS No. 40774

Date: 6th August, 2022
Place: Thane

Registered Office:
Great Social Building,
60 Sir Phirozeshah Mehta Road,
Mumbai-400 001.
Website: www.josts.com
CIN: L28100MH1907PLC000252

NOTES:

1.Explanatory Statements setting out the material facts concerning each item of Special Business to be transacted at the Annual General Meeting pursuant to Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice. Information on Director proposed to be re-appointed at the Meeting as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 are provided in the Annexure - A to this Notice.

2.In view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated 13th January, 2021, Circular No. 19/2021 dated 8th December, 2021 and Circular No. 02/2022 dated 5th May, 2022 and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 12th May 2020, 15th January, 2021 and 13th May, 2022, respectively issued by Securities and Exchange Board of India ("SEBI"). The forthcoming AGM of the Company will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the 115th Annual General Meeting of the Company shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is given below in the e-voting instructions.

3.Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, 8th December, 2021 and 5th May, 2022, and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 12th May 2020, 15th January, 2021 and 13th May, 2022, respectively issued by Securities and Exchange Board of India ("SEBI"), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

4.The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5.The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

6.Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members can attend the AGM through VC/OAVM and cast their votes through e-voting.

7.Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

8.In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.josts.com. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

9. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020, MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020, MCA Circular No. 02/2021 dated 13th January, 2021, MCA Circular No. 19/2021 dated 8th December, 2021 and MCA Circular No. 02/2022 dated 5th May, 2022 and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 12th May 2020, 15th January, 2021 and 13th May, 2022, respectively issued by Securities and Exchange Board of India ("SEBI").

10. The Register of members and share transfer Books of the Company will remain closed from 20th September, 2022 to 26th September, 2022 (both days inclusive) for the purpose of payment of dividend, if declared at the Meeting.

11.(i) The Dividend, after declaration, will be paid to those shareholders whose names appear on the Register of Members on 26th September, 2022. 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 19th September, 2022.

(ii) The payment of dividend will be made through National Electronic Clearing System (NECS). Members holding shares in demat/electronic form are hereby informed that bank particulars registered with their respective depository accounts will be used by the Company for payment of dividend through NECS. Members are requested to notify immediately any change in their address, bank account details and email id to their respective Depository Participants (DPs) in respect of shares held in electronic (demat) mode and in respect of physical mode, to the Registrar & Share Transfer Agent of the Company

The members holding shares in physical form and desirous of receiving dividend through NECS, are requested to provide their bank account number, name and address of the bank quoting their folio number directly to the Company's Registrar and Share Transfer Agent, namely, M/s. Big Share Services Pvt. Limited, latest by 16th September, 2022, failing which dividend will be paid by DD / Cheque.

12. Members may please note that pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders, w.e.f. 1st April, 2021 and the Company is required to deduct tax at source from dividend paid to the shareholders (Resident Shareholders as well as Non-Resident Shareholders) at the prescribed rates. For various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. Therefore, the shareholders holding shares in Dematerialized form or physical form are requested to register their PAN with the Depository Participants or RTA, failing which the TDS will be deducted at higher rate as prescribed. A resident individual shareholder, with valid PAN and who is not liable to pay income tax, may submit a declaration in form 15G/15H to avail the benefit of non-deduction of TDS by sending these declarations to RTA, namely, M/s. Big Share Services Pvt. Limited, Office No. S6-2, 6th Floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai -400093, India, Email Id; tds@bigshareonline.com on or before 16th September, 2022.

13. Members having multiple folios in the same order of name(s) may inform the Company for consolidation into one folio.

14. Members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit the prescribed Form SH.13 to the Registrars & Share Transfer Agent of the Company for nomination and Form SH.14 for cancellation/variation as the case may be. Shareholders holding shares in demat form are also advised to avail nomination facility by submitting the prescribed form to their respective Depository Participants (DPs).

15. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contract or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection.

16. (a) Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 the unpaid/unclaimed dividends upto the year 2013-2014 has been transferred to Investor Education and Protection Fund ("IEPF") and dividends for the Financial Year ended March 31, 2015 and thereafter which remain unpaid or unclaimed for a period of 7 consecutive years will also be transferred to the IEPF constituted by the Central Government, on the respective due dates on or after 20th October, 2022. The Company has also uploaded full details of such shareholders, whose dividend for seven consecutive years remained unclaimed, on its website www.josts.com

Members, who have not encashed their dividend warrant(s) for the financial year ended March 31, 2015 or any subsequent financial year(s) are urged to claim such amount from the Company immediately. Shareholders whose amount has been transferred to IEPF as above may claim refund from IEPF in accordance with the provisions under the Companies Act, 2013 and rules made thereunder.

(b) Pursuant to the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amount lying with Companies) Rules, 2012, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on 9th September, 2021 (the date of last Annual General Meeting) on the website of the Company www.josts.com.

(c) Further, pursuant to the provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, all shares in respect of which dividend has not been encashed/claimed by the Shareholders for seven consecutive years, the Company is required to transfer such Equity Shares of the Members to the Demat Account of the IEPF. Accordingly, the Company has transferred 2,278 Equity Shares of Rs. 5/- each to IEPF whose dividend has not been encashed for consecutive 7 years from 2013-14, details of which are available on website of the Company also. Similarly, the Company will transfer such shares to the Demat Account of IEPF Authority on which dividend for 2014-15 will remain un-encashed for consecutive 7 years, as per the guidelines issued by the concerned authority/(ies) from time to time.

17. SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 has mandated that for making dividend payments, companies whose securities are listed on the stock exchanges shall use electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc. The Company and its Registrars and Share Transfer Agent are required to seek relevant bank details of shareholders from depositories/investors for making payment of dividends in electronic mode. Further, pursuant to recent General Circular 20/2020 dated May 05, 2020 companies are directed to credit the dividend of the shareholders directly to the bank accounts of the shareholders using Electronic Clearing Service. Accordingly, Members are requested to provide or update (as the case may be) their bank details with the respective depository participant for the shares held in dematerialized form and with the Registrars & Share Transfer Agent in respect of shares held in physical form.

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants (DPs) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA viz. Big Share Services Pvt. Limited / Company.

19. SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 & Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which provides that from April 01, 2019 transfer of securities would not be processed unless the securities are held in the dematerialized form with a depository. In view of the same, now the shares cannot be transferred in the physical mode. Hence, Members holding shares in physical form are requested to dematerialize their holdings immediately. However, Members can continue to make request for transmission or transposition of securities held in physical form.

20. The Companies Act, 2013 in line with the measures undertaken by the Ministry of Corporate Affairs for promotion of Green Initiative, has introduced enabling provisions for sending notice of the meeting and other shareholder correspondences through electronic mode. Members holding shares in physical mode are requested to register their email ID's with the Company or its RTA and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs). If there is any change in the e-mail ID already registered with the Company, Members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

21. Members may also note that the Notice of this Annual General Meeting and the Annual Report of the Company for the year 2021-22 is also available on the website of the Company viz. www.josts.com.

22. The Financial Statements of the subsidiary of the Company are not attached to the 115th Annual Report of the Company. However, these documents will be made available upon receipt of request from any Member of the Company and shall be available at the Registered Office of the Company as well as its Subsidiary Company for inspection by the Members in terms of the provisions under the Companies Act, 2013.

23. The Board of Directors of the Company has appointed Mr. Akshay Gupta, Partner of M/s. Akshay Gupta & Co., Company Secretaries, (Membership No. 56911, CP No. 21448), as Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting in a fair and transparent manner.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

(i) The voting period begins on Thursday, 22nd September, 2022 (09.00 A.M) and ends on Sunday, 25th September, 2022 (5.00 P.M). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 19th September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | <p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System My easi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> |

| | |
|---|---|
| | <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |
| <p>Individual Shareholders holding securities in demat mode with NSDL</p> | <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |
| <p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on “Shareholders” module.
3. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

| | For Shareholders holding shares in Demat Form other than individual 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) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| 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. 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 (v). |

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

(xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- 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 scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@josts.in (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@josts.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@josts.in. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

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

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to RTA of the Company at investor@bigshareonline.com

2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 1800 22 55 33

EXPLANATORY STATEMENT PURSUANT TO REGULATION 36(5) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 4

As the Members are aware that M/s. Singhi & Co., Chartered Accountants, (Firm Registration No. 302049E) were appointed as Statutory Auditor of the Company at the 110th Annual General Meeting ('AGM') held on 20th July, 2017 for a term of 5 years and who will hold office till the conclusion of this 115th AGM of the Company. M/s. Singhi & Co., Chartered Accountants has completed their term of five years as the Statutory Auditor of the Company.

In view of above, the Board of Directors of the Company at its meeting held on 6th August, 2022 on the recommendation of the Audit Committee, considered the proposal of appointment of M/s. Shah Gupta & Co., Chartered Accountants, Chartered Accountants, (Firm Registration No.109574W) as Statutory Auditor of the Company to hold office for a period of five years commencing from the conclusion of this 115th AGM of the Company till the conclusion of the 120th AGM of the Company to be held in the year 2027 subject to the approval of the members of the Company in the Annual General Meeting.

M/s. Shah Gupta & Co., Chartered Accountants, Chartered Accountants, have given their consent for their appointment as Statutory Auditor of the Company and have confirmed that the appointment if made would be within the limits specified under Section 141(3)(g) of the Act and it is not disqualified to be appointed as statutory auditor in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

In terms of Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Listing Regulation, 2015, the term and conditions of appointment of M/s. Shah Gupta & Co., Chartered Accountants (Firm Registration No.109574W) as the Statutory Auditor of the Company are as follows:-

1. Terms of Appointment : For the first term of five years commencing from the conclusion of this 115th AGM till the conclusion of the 120th Annual General Meeting of the Company to be held in year 2027.
2. Proposed fees : The fee proposed to be paid for the FY 2022-23 will be as decided by the Board of Directors of the Company. The Proposed fee payable to the new auditor is substantially less than the fees paid to the outgoing Auditor.
3. Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) proposed to be appointed : The recommendation was made by the Audit Committee and Board of Directors considering various parameters like capability to serve a diverse and complex business landscape, market standing of the firm, clientele served, technical knowledge etc. and found that M/s. Shah Gupta & Co., Chartered Accountants to be best suited to handle the audit of the financial statements of the Company.

None of the Directors and Key Managerial Personnel of the Company including their relatives are, in any way concerned or interested, financially or otherwise, in the said Resolution.

Your Directors recommends the Resolution set out at item No. 4 of the Notice for approval by the members by way of an Ordinary Resolution.

Item No. 5

The Board, on the recommendation of the Audit Committee, has approved on August 6th, 2022, the appointment of M/s. Devarajan Swaminathan and Co., Cost Accountant (FRN: 100669), at a remuneration of Rs. 1,00,000/- (Rupees One Lakh Only) excluding applicable Tax to conduct the Cost Audit of the Company for the financial year 2022-23.

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit & Auditor) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Ordinary Resolution for your approval.

Item No. 6

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') read with the Company's Policy on Related Party Transactions, effective 1st April, 2022, provides that entering into material related party transactions which, either individually or taken together with previous transaction(s) during a financial year, exceed Rs, 1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower, requires approval of the Members of the Company.

The Company, in order to further its business interests, enters into various transactions with its related parties. Amongst these transactions, the estimated value of transactions with MHE Rentals India Private Limited, a related party under Regulation 2(1)(zb) of the Listing Regulations, during the financial year 2022-23 is expected to exceed the materiality threshold as stated above.

Accordingly, the Board of Directors of the Company ('the Board') at the meeting held on 6th August, 2022, on the recommendation of the Audit Committee, recommended for the approval of the Members, entering into material related party transactions with MHE Rentals India Private Limited during the financial year 2022-23, as set out in the Resolution. These transactions will be entered in the ordinary course of business and on arm's length basis.

Other details of the transactions, pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November, 2021, are given hereunder:

| S. No. | Particulars | Details of Transactions | |
|--------|---|---|---|
| 1 | Name of the related party | MHE Rentals India Private Limited, a Subsidiary of the Company. | |
| 2 | Nature of relationship | MHE Rentals India Private Limited is a Subsidiary of the Company, wherein Mr. Jai Prakash Agarwal is a member holding more than 2% Shares in MHE Rentals and Mr. Vishal Jain is a Director in MHE Rentals and is holding more than 2% Shares in MHE Rentals and Mr. Shailesh Sheth is a Director in MHE Rentals and does not hold any shares in MHE Rentals. | |
| 3 | Nature and material terms of the transaction | Nature of Transaction | Estimated transaction value for the financial year ending 31st March, 2023 (Rs. Lakhs) |
| | | Sale of goods/ services by the Company to MHE Rentals. | 500 |
| | | Purchase of goods/services by the company from MHE Rentals. | 200 |
| | | Corporate Guarantee to be issued of by the Company in connection with Loan obtained/ to be obtained by MHE Rentals. | 600 |
| | | Commission expected to be received by the Company from MHE Rentals. | 50 |
| | | Short term loans/advances to be given by the Company to MHE Rentals. | 100 |
| 4 | Tenure of the transaction | Financial year 2022-23 | |
| 5 | Nature of concern or interest | Financial | |
| 6 | Value of the transaction | Upto Rs. 1450 Lakhs | |
| 7 | Percentage of the Company's annual consolidated turnover for the immediately preceding financial year, that is represented by the value of the proposed transaction | 11.66% | |
| 8 | Justification as to why the related party transaction is in the interest of the Company | MHE Rentals India Private Limited ("MHE") is a unlisted subsidiary of Josts Engineering Company Limited ("JECL"). JECL is a leading manufacturer of Material Handling Equipments. MHE is warehousing/intralogsitics material handling equipment rental service provider. MHE provides efficient and cost effective rental solutions for tasks such as stacking, lifting and moving. Company has rented equipments to top manufacturers in the country. . JECL supplies equipments to MHE for its rental business. The proposed transactions will help to smoothen business operations for both the Companies. | |

| | | |
|----|--|----------------|
| 9 | Details of valuation or other external party report, if such report has been relied upon | Not Applicable |
| 10 | Any other information that may be relevant | Nil |

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

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

Members may note that pursuant to the provisions of the Listing Regulations, all related parties of the Company (whether such related party is a party to the above-mentioned transaction or not) shall not vote to approve this Resolution.

The Board recommends this Resolution for your approval as an ordinary resolution.

Item No. 7

Stock Options have long been recognized internationally as an effective instrument to align the interest of employees with that of the Company and its shareholders, providing wealth creation opportunities to employees linked to value creation, retain best performing and critical talent, and reward tenured employees for their past contribution. It creates a sense of ownership between the Company and its employees, paving the way for a unified approach to the common objective of enhancing overall Shareholders value.

The Company seeks approval of the Shareholders in respect of Jost's Engineering Company Employee Stock Option Plan 2022 ("The Plan") and grant of Employee Stock Options ("Option") to the eligible employees of the Company, as may be decided by Board and / or the Nomination and Remuneration Committee ("Committee") from time to time in due compliance with Companies, Act, 2013 (including rules framed thereunder), SEBI (SBEB) Regulations and other applicable laws and regulations. The following would inter alia be the broad terms and conditions of the Plan:

1. Brief description of the Plan:

The objective of Jost's Engineering Company Employee Stock Option Plan 2022 ("the Plan") is to create a sense of ownership and participation amongst the employees, motivate the employees with incentives and reward opportunities and to achieve sustained growth of the Company and the creation of shareholder value by aligning the interests of the employees with the long-term interests. The Company views employee stock options as instruments that would enable the Employees to share the value they would create and contribute for the Company in the years to come.

2. Total Number of Options to be offered and granted:

The maximum number of Shares that may be issued pursuant to exercise of all Options granted to the Participants under this Scheme shall not exceed 120,000 (One Lakh Twenty Thousand) Shares of face value of Rs. 5/- each, which is equivalent to 1,20,000 (One Lakh Twenty Thousand) Options. The Company reserves the right to increase or reduce such number of Shares as it deems fit, in accordance with Applicable Laws.

The maximum number of Options available to each Eligible Employee would be decided by the Committee at the time of Grant.

3. Identification of classes of employees entitled to participate and to be beneficiaries in the Plan

The Nomination & Remuneration Committee based on the various criteria (which shall be decided from time to time) shall decide the eligible employees for a grant under the Scheme and the terms and conditions thereof ("Eligible Employees").

Following persons are not eligible:

- An employee who is a Promoter or belongs to the Promoter Group;
- a Director who either by himself or through his relatives or through any Body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- an Independent Director

4. Transferability of Employee Stock Options:

The Options granted to an employee shall not be transferable to any person in any manner whatsoever. However, in the event of death of an employee while in the employment of the Company, all the Options granted to him till such date and lying unvested shall vest in the Beneficiary of the deceased Participant on that day.

5. Requirements of vesting and period of vesting:

Vesting of the options shall take place over a maximum period of 36 months from the date of grant. The Nomination & Remuneration Committee at the time of grant may specify certain criteria linked to the individual and/or organisational performance or any other criteria as it may deem fit for all or a part of the Options, the fulfilment of which might be a requisite for the options to vest. The minimum vesting period will be 18 months from the date of grant. Further in the event of death or permanent incapacity of an employee, the minimum vesting period of one year shall not be applicable.

6. Maximum Period within which the Options shall be vested:

Vesting of the options shall take place over a maximum period of 36 months from the date of grant.

7. Exercise Price:

The exercise price shall be decided by the Nomination & Remuneration Committee in line with the SEBI Regulations. The Exercise price shall not exceed the fair market value as on the date of Grant and shall not be below the Face Value of the share.

8. Exercise Period and Process of exercise:

The Exercise period shall commence from the date of Vesting of Options. The Exercise period shall be decided by the Nomination & Remuneration Committee subject to a maximum period of 90 days starting from the relevant Vesting of options. The options shall be exercisable by the employees by a written application or through any mode as may be prescribed by the Nomination & Remuneration Committee, to the Company to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Nomination & Remuneration Committee.

9. The appraisal process for determining the eligibility of employees for the Plan:

The appraisal process for determining the eligibility of the employee will be specified by the Nomination & Remuneration Committee and may be based on criteria such as seniority of employee, length of service, past performance record, merit of the employee, future potential, contribution by the employee and/or such other criteria that may be determined by the Nomination & Remuneration Committee.

10. Lock-in period, if any:

The shares arising out of exercise of vested options under the Plan would not be subject to any lock-in-period after such exercise, except if any lock-in is required pursuant to applicable law.

11. Maximum number of options to be issued per employee and in aggregate, if any:

The maximum number of options to be granted to any employee shall not exceed 20,000 options. The aggregate number of options under the plan shall not exceed 1,20,000 (One Lakh Twenty Thousand only).

12. Method which the company shall use to value its options Fair Value Method will be used to value the options as prescribed under 'Indian Accounting Standard (Ind AS) 102 Share-based Payment'.

The Company shall follow the Guidance as mentioned under the 'Indian Accounting Standard (Ind AS) 102 Share-based Payment' or the relevant accounting standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

13. Conditions under which option vested in employee(s) may lapse :

Vested options may lapse due to non-exercise of options within exercise period or where termination of employment is for cause, then all options vested (but not exercised) or unvested, shall stand cancelled. Cause shall mean, as determined by the Nomination & Remuneration Committee, which shall include but will not be limited to the points as defined in the Plan document. All decisions made by the Nomination & Remuneration Committee in determining the cause and subsequent actions shall be final and binding on the employee(s).

14. Specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee :

In case the termination of employment of a Participant with the Company is with Cause, and such termination is within 18 (eighteen) months of the Grant date, all his Options, Vested and Unvested, shall stand forfeited at the Termination Date, unless otherwise determined by the Committee. In case termination is after 18 (eighteen) months of the Grant Date, then only the Unvested Options of the grantee shall stand forfeited and the Upfront Price Consideration, if any, paid by the grantee in respect of those Options shall be refunded to him along with interest as may be mentioned in Grant letter.

15. Whether the Plan is to be implemented and administered directly by the company or through a trust.

The Plan will be implemented by the Company directly.

16. Whether the Plan involves new issue of shares by the company or secondary acquisition by the trust or both.

The Plan will involve issue of new shares by the Company and will not involve any secondary acquisition.

17. The amount of loan to be provided for implementation of the Plan by the company to the trust, its tenure, utilization, repayment terms, etc.

Not Applicable.

18. Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the Plan.

Not Applicable.

19. A statement to the effect that the company shall conform to the accounting policies specified in regulation 15.

The Company shall follow the Guidance as mentioned under the 'Indian Accounting Standard (Ind AS) 102 Share-based Payment' or the relevant accounting standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

In terms of Section 62 of the Companies Act, 2013 and Regulation 6 of ("SEBI (SBEB) Regulations") the approval of the Members is sought by way of Special Resolution for Jost's Engineering Company Employee Stock Option Plan 2022.

The relevant documents are available for inspection at the Registered Office of the Company.

The Board recommends this resolution to the Members for their consideration and approval by way of passing Special Resolution.

None of the Directors, Manager, Key Managerial Personnel of the Company, and any relatives of such Director, Manager, Key Managerial Personnel are in any way concerned or interested in the resolutions except to the extent of equity shares held by them in the Company or the Stock Options to be granted under the Plan to them by the Company.

By order of the Board of Directors
For Jost's Engineering Company Limited

Sd/-
(Babita Kumari)
Company Secretary
ACS No. 40774

Date: 6th August, 2022
Place: Thane

Registered Office:
Great Social Building,
60 Sir Phirozeshah Mehta Road,
Mumbai-400 001.
Website: www.josts.com
CIN: L28100MH1907PLC000252

Annexure-A

Disclosure relating to Directors pursuant to Regulation 26(4), 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings;

| | |
|---|----------------------------|
| Name of the Director | Shri Jai Prakash Agarwal |
| DIN | 00242232 |
| Age | 63 (+) yrs |
| Qualification | B.Com, Company Secretary |
| Experience | About 41 years |
| Terms and Conditions | Not Applicable |
| Remuneration last drawn | Rs. 46.84 Lakhs |
| Date of first appointment on the Board | 21/01/2015 |
| Shareholding in the Company | 2,65,982 Equity Shares |
| Relationship with other Director, Manager and other KMP | None |
| Number of Board Meetings attended during the Year | 4 |
| Other Directorship Details | • Overseas Tracom Pvt.Ltd. |
| Membership/ Chairmanship of Committees of other Boards | - |

To:

M/s Big Share Services Pvt. Ltd.

Unit: Jost's Engineering Company Limited

Office No S6-2, 6th floor Pinnacle Business Park,

Next to Ahura Centre, Mahakali Caves Road,

Andheri (East) Mumbai - 400093,

India.Tel: 022-62638200

Dear Sir,

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM

Members holding shares in Electronic Mode

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

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

Members holding shares in Physical Mode

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

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

Place:

Date:



REGISTERED OFFICE ADDRESS

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

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

FACTORY ADDRESS

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

Tel. : 91-22-6267-4000