

The Manager
Listing Department
National Stock Exchange of India Limited
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051

Symbol: JASH

Sub.: Intimation of 46th Annual General Meeting and Book Closure of Register of Member and Share Transfer Books, pursuant to the Regulations of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to inform you that pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, (LODR) the 46th Annual General Meeting (AGM) of the Company schedule to be held on **Tuesday, 29th September 2020 at 11:00 AM through Video Conferencing / Other Audio-Visual Means (VC/ OAVM) Facility.**

Pursuant to Regulation 42 of the Listing Regulations, we hereby inform that the Register of Members and Share Transfer Books of the Company shall remain closed **from 23rd September 2020 to 29th September 2020 (both days inclusive)** for the purpose of Annual General Meeting and ascertaining the eligibility of shareholders for the payment of final dividend, if approved at the ensuing 46th Annual General Meeting of the Members of the Company schedule to be held on Tuesday 29th September 2020.

Further, pursuant to section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administrative) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, the Company is providing facility to the member to attend meeting through Video Conferencing / Other Audio-Visual Means (VC/ OAVM) Facility and cast their votes by electronic means on all the resolutions set out in the Notice of 46th AGM through **E-voting and Video Conferencing / Other Audio-Visual Means (VC/ OAVM) Facility** services by M/s. Link Intime India Pvt. Ltd. _ Insta Vote and Insta Meet.

The Cut-off date, for determining the eligibility of members to vote by remote e – voting or voting at 46th AGM, is Tuesday 22nd September 2020. The remote e-voting will commence on Saturday 26th September 2020 at 9:00 AM (IST) and will end on Monday 28th September, 2020 at 5:00 PM (IST).

Kindly take the same on your records.

Thanking You,
Yours Faithfully,

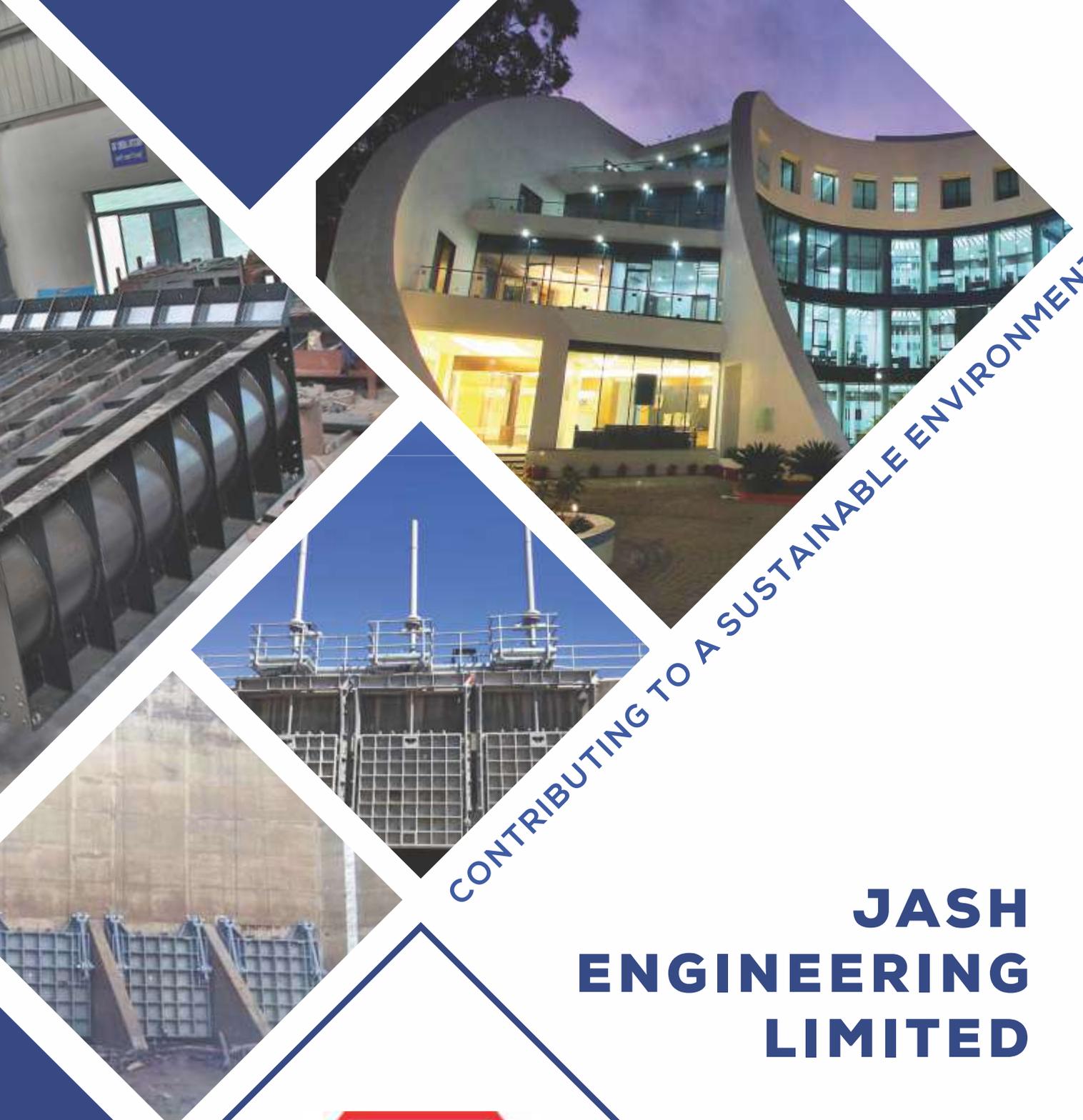
For JASH Engineering Limited


Tushar Kharpade
Company Secretary & Compliance Officer
Encl.: A/a

CC: National Securities Depository Ltd.
Central Depository Services (India) Ltd.
Link Intime India Pvt. Ltd.



46th
ANNUAL REPORT
2019-20



CONTRIBUTING TO A SUSTAINABLE ENVIRONMENT

JASH
ENGINEERING
LIMITED





JASH ENGINEERING LIMITED

CIN : L28910MP1973PLC001226

Board of Directors

Mr. Pratik Patel (Chairman & Managing Director)
Mr. L.D. Amin (Executive Director, upto 31st March 2020)
Mr. Suresh Patel (Executive Director)
Mr. Axel Schutte (Director)
Mr. Vishwapati Trivedi (Independent Director)
Mr. Durgalal Tuljaram Manwani (Independent Director)
Mr. Brij Mohan Maheshwari (Independent Director)
Mr. Sunil Choksi (Independent Director)
Ms. Sunita Kishnani (Independent Director)
Mr. Dharmendra Jain (Chief Financial Officer)
Mr. Tushar Kharpade (Company Secretary)

Bankers

State Bank of India
Commercial Branch, GPO, Indore - 452 001 (M.P.)
HDFC Bank Ltd.
South Tukoganj Branch,, Indore - 452 001 (M.P.)
AXIS Bank Ltd.
Yashwant Niwas Road, Indore - 452 001 (M.P.)

Statutory Auditors

Walker Chandiook & Co. LLP
(Formerly Walker Chandiook & Co.)
Chartered Accountants
21st Floor, DLF Square, Jacaranda Marg
DLF Phase-II, Gurgaon-122 002. India

Internal Auditors & Corporate Advisors

Mahesh C. Solanki & Co. (Chartered Accountants)
803, Airent Heights, PU-3, Sch. No. 54
Opp. Malhar Mega Mall, A.B. Road, Indore

Cost Auditors

M.P. Turukhia & Associates (Cost Accountants)
404, Shalimar Corporate Centre
8-B, South Tukoganj, Indore - 452 001

Secretarial Auditor

CS Ankit Joshi
15/5, Snehlataganj,
Indore 452 001

Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.
C101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai 400083

46th Annual General Meeting

at 11:00 am on Tuesday, 29th September, 2020
At the Registered Office of the Company

CHAIRMAN'S SPEECH



Dear Shareholders,

I am happy to welcome you all at the 46th Annual General Meeting of Jash Engineering Ltd. I am pleased to present our Annual Report to you on behalf of the Board of Directors for the fiscal year ended 31st March 2020. I hope that all of you are safe and healthy and are taking necessary measures to protect yourselves during this unprecedented crisis.

Now, let me take this opportunity to take you through key financial highlights and operational performance during the fiscal year 2020. The financial year (FY2020) has been remarkable in terms of performance and has helped us in setting our agenda and strategic priorities for maintaining the growth momentum. During the year under review the Company's consolidated revenues grew by 12.2% to Rs 2,856 million compared to Rs. 2,547 million in the preceding year. EBITDA increased by 55.3% to Rs 459 million, from Rs 296 million in FY19. It is heartening to note that performance of our US subsidiary Rodney Hunt improved significantly and losses declined to USD 0.48 million in FY20 as compared to USD 1.53 million in the preceding year. As such, consolidated net profit increased by a whopping 161% to Rs 201 million in FY20 as compared to Rs 77 million in FY19.

The Covid-19 pandemic and the resulting lockdown announced by the government to contain the pandemic impacted our performance due to disruption of business operations. The entire Indore & Chennai operations were shut down from March 22nd and the US operations was closed from mid-March and this affected what could have been a far better performance for the fiscal year.

During the fiscal year, commercial production at the new manufacturing facility at SEZ Pithampur commenced and this will help us cater to future export business. We are excited to have developed and manufactured perforated fine travelling band screens for the first time in India and have successfully installed and commissioned the same at 100 MLD Nemmeli Desalination plant of Chennai and at Sea water intake system of RSPL's (makers of Ghadi detergent powder) Soda ash plant at Dwarka. This new product addition has enhanced our capabilities to cater to the rapidly growing desalination business in middle east as well as in India.

The Company continues to have a healthy order book on the back of robust demand environment for our products globally. As on August 1, 2020 the total outstanding consolidated order book position of the Company is Rs 3,882 million out of which Rs 1,432 million worth of orders are for Indian market and Rs 2,450 million worth of order are for overseas market.

The water and wastewater treatment equipment market are expected to register significant growth in coming years on the back of growing demand for new water resources, rising focus on water quality and public health, increasing prevalence of water borne diseases, growing need to treat industrial waste water sector, and stringent government regulations on treating wastewater. We are well equipped to capitalize on the upcoming opportunities and remain positive on the business growth prospects.

As I close, I would like to take this opportunity to thank the Board, management team, and all the employees for their contribution in delivering a strong operating and financial performance during the year. I would also like to express my gratitude towards our stakeholders for their trust and support in the company. We continue to march ahead in our journey with a resolve to take the company to greater heights and create further value for our shareholders.

With best regards,

Mr. Pratik Patel

Chairman & Managing Director



RSPL

Complete Screen of over 31 meter length in Operational Testing at JASH for RSPL, Sea Water Intake, Dwarka, Gujarat (India)



L & T

Complete Screen of over 31.54 mtr. length in Operational Testing at JASH for Vizag Steel Plant, Visakhapatnam (India)

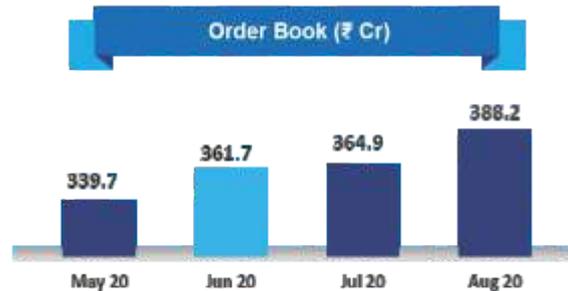
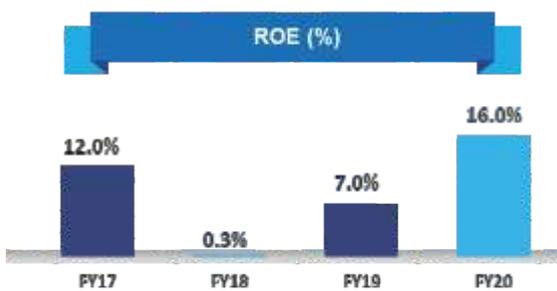
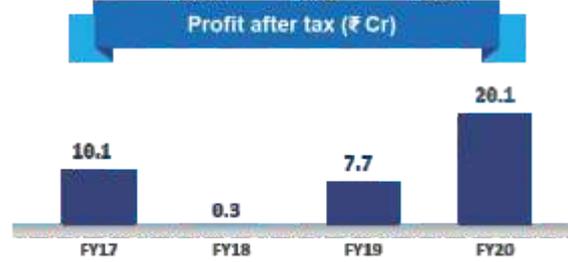
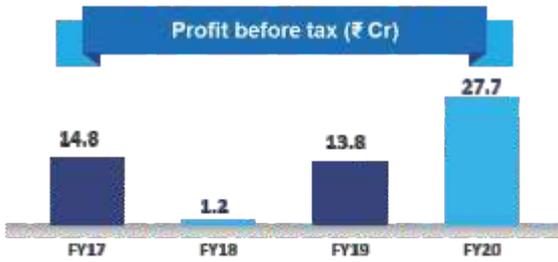
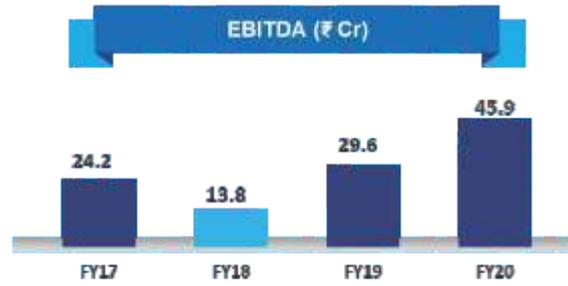
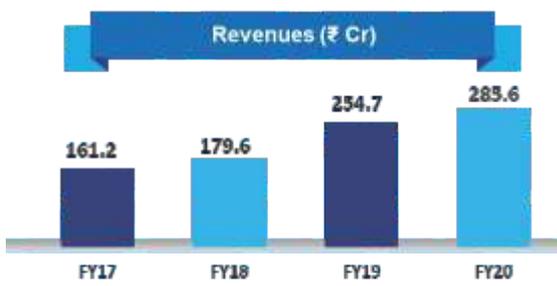


**Hydro Screw Generator
SSNNL Project, Gujarat**

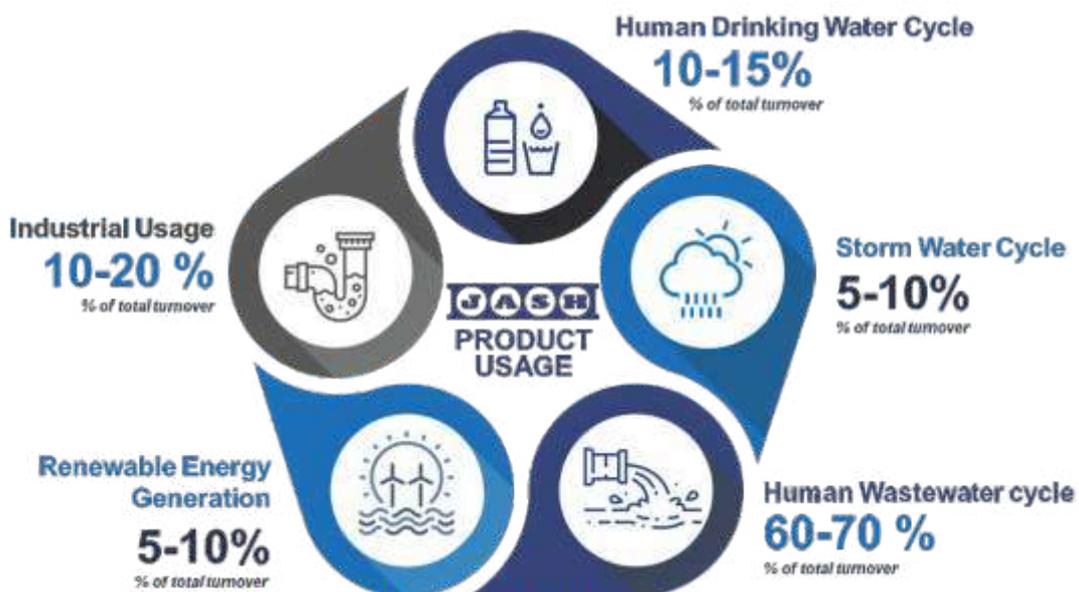


**Screen having 18 m length
during installation at
Nemmeli Desalination Plant,
Chennai (India)**

FINANCIAL & BUSINESS SNAPSHOT



PRODUCT USAGE



NOTICE

NOTICE is hereby given that the Forty Sixth Annual General Meeting (“46th AGM”) of Jash Engineering Limited will be held on Tuesday, 29th September, 2020 at 11.00 A.M (IST), through Video Conferencing / Other Audio-Visual Means (“VC” / “OAVM”) Facility to transact the following business(es):

Ordinary Businesses:

1. To receive, consider and adopt:
 - a. Audited standalone financial statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors' and Auditor's thereon;
 - b. Audited consolidated financial statements of the Company for the financial year ended March 31, 2020, together with the Report of the Auditor's thereon.
2. To consider and declare Final Dividend of 9% on the face value of equity shares for the year 2019-20.
3. To ratify the appointment M/s Walker Chandiook & Co.LLP, Chartered Accountants (Firm Reg. No. 001076N/N500013), Gurgaon as Auditors of the Company for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the 47th Annual General Meeting and to fix their remuneration.

In this connection if thought fit, to consider and pass the following resolution:

“RESOLVED THAT pursuant to provisions of section 139, 142 and all other provisions if any of Companies Act, 2013 & rules framed thereunder as amended from time to time. The company hereby ratifies the appointment of M/s Walker Chandiook & Co. LLP Chartered Accountants, Gurgaon (Firm Reg. No. 001076N/N500013) as auditors of the company for the financial year 2020-21 and to hold office from the conclusion of this Annual General Meeting up to the conclusion of the 47th Annual General Meeting and that the Board of Directors be and are hereby authorised to fix the remuneration that may be paid in respect of the audit.”

4. To appoint a Director in place of Mr. Axel Schutte (DIN: 02591276) who retires by rotation and, being eligible, offers himself for re-election.

Mr. Axel Schutte (DIN: 02591276) is a Director as per details shared in the Enclosure I to this Notice and Explanatory Statement attached thereto who is liable to retire by rotation at this meeting has offered his candidature for re-appointment being eligible. Accordingly, he will continue as Director of the Company till the Annual General Meeting and his re-appointment is proposed hereof.

Special Businesses:

5. **To consider and, if thought fit to pass with or without modification(s), the following resolution for the approval of Related Party Transactions as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) subject to any modification and re-enactment thereof and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), approval, the consent, sanction, permission or approval as the case may be of the members of the company be and is hereby accorded to the board of directors to enter into any contract or arrangements with related parties on behalf of Jash Engineering Limited and its subsidiary as defined under the Act with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or otherwise disposing of any goods, materials or property or availing or rendering of any services or appointment of such related party to any office or place of profit in the Company or its subsidiary or associate Company or reimbursement of any transaction or any other transaction of whatever nature with related parties as per details shared in the Enclosure II to this Notice and Explanatory Statement attached thereto, for the period commencing from the date of the 46th AGM and ending at the date of the 47th AGM.

RESOLVED FURTHER THAT the board of directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution.”

6. To consider and if, thought fit to pass with or without modification(s), the following resolution for ratifying the remuneration of Cost Auditor of the Company as an Ordinary Resolution: -

"RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the appointment of the Cost Auditors for the Company, made by the Board of Directors of the Company, to conduct the audit of the cost records of the company for the financial year ending March 31, 2021, be and is hereby ratified and approved and the cost auditors for the said audit, be paid the remuneration as set out in the statement annexed to the Notice convening this Meeting. "

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution."

7. To consider appointment of Mr. Suresh Kumar Patel, as an Executive Director of the Company and if thought fit, pass the following resolution as a Special Resolution, with or without modification(s):

"RESOLVED THAT in pursuance to the provisions of 161,196,197 and section I of Part II or section II of part II of schedule V subject to maximum limit as prescribed read with the Section 197, 198 and Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder including any modifications as applicable, and subject to the provisions of the Articles of Association of the Company and pursuant to recommendation of the Nomination & Remuneration Committee, approval of members of the Company, be and is hereby appointed Mr. Suresh Kumar Patel (DIN: 00012072) as an Executive Director of the Company for 3 year on the terms and conditions including the payment of salary, commission, perquisites (hereinafter referred to as "remuneration ") which are being paid, during the tenure of Director, to him with liberty and power to the Board of Directors to alter and vary from time to time the terms and conditions subject to the overall maximum managerial remuneration ceiling as per the provisions of the section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 or such other limits as may be prescribed from time to time.

"RESOLVED FURTHER THAT notwithstanding to the above, in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Shri Suresh Kumar Patel (DIN:00012072) Executive Director of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in Schedule V read with Sections 196 and 197 to the Companies Act, 2013 and subject to the approval of the Central Government / Members at the General Meeting, if required, as amended from time to time subject to the compliance of provisions thereof but in any event shall not exceed the remuneration payable as provided in the terms and conditions and/or Agreement when the profits of the Company are adequate."

"RESOLVED FURTHER THAT the Board of Directors(which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

FURTHER RESOLVED THAT a copy of the above resolutions be furnished to the all concerned authorities certified as true copy by Mr. Pratik Patel, Managing Director and/or Mr. Tushar Kharpade Company Secretary of the Company and that the concerned authorities are authorized to act and rely upon these resolutions."

8. To consider renewal of terms and conditions of appointment of Mr. Pratik Patel, Managing Director of the company and if thought fit, pass the following resolution as a Special Resolution, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and all other applicable provisions if any, read with Schedule V of the Companies Act, 2013 ('Act') and pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard and pursuant to recommendation of the Nomination and Remuneration Committee, approval of Shareholders of the Company, be and is hereby accorded for revision in the terms and conditions of the appointment and payment of remuneration to Mr. Pratik Patel, as a Managing Director of the Company for a period with effect from 1st March, 2020 upto 28th February 2022 on the terms and conditions as annexed in this Notice and specifically approved with powers to alter, amend, vary and modify the terms and conditions as they deem fit in such

manner and within the limits prescribed under Schedule V to the said Act or any statutory amendment(s) and/or modification(s) thereof.”

“**RESOLVED FURTHER THAT** notwithstanding to the above, in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Mr. Pratik Patel as a Managing Director of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in Schedule V read with Sections 196 and 197 to the Companies Act, 2013 and subject to the approval of the Central Government / Members at the General Meeting, if required, as amended from time to time subject to the compliance of provisions thereof but in any event shall not exceed the remuneration payable as provided in the terms and conditions and/or Agreement when the profits of the Company are adequate.”

“**RESOLVED FURTHER THAT** Mr. Pratik Patel, Managing Director of the Company be and is hereby authorised, empowered and vested with the substantial powers of the Management of the Company for carrying out the affairs and activities of the Company subject to the superintendence, control and direction of the Board of Directors of the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

FURTHER RESOLVED THAT a copy of the above resolutions be furnished to the all concerned authorities certified as true copy by Mr. Tushar Kharpade Company Secretary of the Company and that the concerned authorities are authorized to act and rely upon these resolutions.”

Date: 28/08/2020
Place: Indore

By order of the Board
Jash Engineering Limited

Sd/-
Tushar Kharpade
Company Secretary & Compliance Officer

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 (hereinafter collectively referred to as 'MCA Circulars') permitted the holding of Annual General Meeting through Video Conference (VC) or Other Audio-Visual Means (OAVM) without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM.
2. The statement pursuant to Sec. 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed and forms part of Notice.
3. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote thereat instead of himself, on a poll. However, this AGM is being held pursuant to the MCA Circulars through VC/OAVM, the physical attendance of Members has been dispensed with 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.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be send to scrutinizer through its registered email address to ankitjoshi0811@gmail.com with a copies marked to the Company at info@jashindia.com and to the Registrar and Transfer Agent at rnt.helpdesk@linkintime.co.in.
5. In terms of Section 101 of the Act and Rule 18 of the Companies (Management and Administration) Rules, 2014, the Notice of AGM and other documents including the Annual Report are being sent in electronic mode by e-mail to those shareholders who have furnished their e-mail address in their demat accounts. However, Members may please note that they will be entitled to a hard copy of the Annual Report of the company and all attachments thereto upon receipt of a requisition, free of cost. Members interested to receive the documents in physical form may please give the intimation to the Company's Registrar Link Intime India Pvt. Ltd. at the earliest, duly quoting the demat A/c details. Alternatively, the request, duly quoting the Demat A/c details, may be sent by email at email id rnt.helpdesk@linkintime.co.in. The company would also make available these documents on the Company's website viz., www.jashindia.com for perusal and download by the shareholders. Also, the physical copies of Annual Report would be available at the Registered Office of the Company for inspection during office hours.
6. Book Closure and Record Date: The Register of Members and the Share Transfer Books of the Company will be closed from Wednesday, September 23rd, 2020 to Tuesday, September 29th, 2020 (both days inclusive). The dividend, if declared at the AGM, will be paid in accordance of the Act, Regulations to those persons:
 - (a) whose names appear as beneficial owners at the end of the business hours on Tuesday, September 22nd, 2020 in the list of beneficial owners to be furnished by the National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form; and
 - (b) whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Share Transfer Agents on or before Tuesday, September 22nd, 2020.
7. Company will be making the dividend payment by electronic mode wherever possible and by dividend warrant/ Bank demand drafts in other cases. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership details furnished by the Depositories (NSDL & CDSL) as at the close of business hours on Tuesday, September 22nd, 2020 for this purpose. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant of the Members. Members who have changed their bank account after opening the Depository Account and want to receive dividend in an account other than the one specified while opening the Depository Account, are requested to change / correct their bank account details (including the nine digit Bank code) with their Depository Participant, before Tuesday, September 22nd, 2020.

8. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/Link Intime (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H or Lower Withholding Certificate (if obtained from the Tax department), to avail the benefit of non-deduction/ lower deduction of tax at source by writing an email to Jashdivtax@linkintime.co.in on or before 11:59 p.m. IST on September 20th, 2020. The shareholders are requested to note that in case their PAN is not registered/ updated the tax will be deducted at a higher rate of 20% (plus Surcharge and Cess as applicable).

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment (PE) and Beneficial Ownership Declaration, Tax Residency Certificate (TRC), Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to Jashdivtax@linkintime.co.in. The aforesaid declarations and documents need to be submitted by the shareholders on or before 11:59 p.m. IST on September 20th, 2020. The formats of No Permanent Establishment Declaration (including beneficial ownership) and Form 10F are available on Link Intime's website at <https://www.linkintime.co.in/client-downloads.html>. Tax Residency Certificate (TRC) needs to be obtained by the shareholder from the Tax Department of their country of residence. Non-resident shareholders shall also furnish the lower/nil withholding certificate, if obtained from the Tax Department.

9. Unclaimed Dividend: Transfer to Investor Education and Protection Fund: Members are hereby informed that under the Companies Act, 2013, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of the Investor Education and Protection Fund ('the Fund') established by the Central Government. Further, pursuant to the provisions of section 124 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), all the shares on which dividend remain unpaid / unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. Hence, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period.
10. Change of particulars including address, bank mandate & nomination for shares held in demat form, should be notified only to the respective Depository Participants where the member has opened his demat account. The Company or its Share Transfer Agent will not be able to act on any direct request from these Members for change of such details. However, for any change in particulars in respect of shares held in physical form should be sent to the Registrar & Share Transfer Agents of the Company i.e., Link Intime India Private Limited at following address:

Link Intime India Private Limited
C 101, 247 Park,
L. B. S. Marg, Vikhroli (West),
Mumbai, Maharashtra, 400 083

11. Non- Resident Indian Shareholders are requested to inform the Company immediately the change in the residential status on return to India for permanent settlement.
12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and documents referred to in the Notice are open for inspection by the members at the registered office of the Company on all working days (that is, except Sundays and Public Holidays) during business hours up to the date of the Meeting.
13. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agents, Link Intime India Private Limited for assistance in this regard.
14. Members desirous of getting any information about the accounts and operations of the Company are requested to send their query to info@jashindia.com on or before 20th September, 2020.

15. In compliance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020, Notice of the Annual General Meeting along with the Annual Report for the Financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice of Annual General Meeting and Annual Report for the Financial year 2019-20 will also be available on the Company's website www.jashindia.com; websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd at www.nseindia.com respectively and on the website of Link Intime India Private Limited at <https://instavote.linkintime.co.in/>.

- Members holding Shares in Physical Form are requested to update their E-mail address with the Company/Registrar & Share Transfer Agent so as to receive Annual Report and other communication electronically.
- Members holding Shares in Demat Form are requested to update their E-mail address with their respective Depository Participant so as to receive Annual Report and other communication electronically.

16. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.

17. Since the AGM will be held through VC/OAVM, the route map is not annexed to this Notice.

18. Instructions for Voting through electronic mode

- a) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the members are provided with the facility to exercise their right to vote electronically, through the e-voting services provided by M/s Link Intime (India) Pvt. Ltd. i.e. facility of casting the votes by the members using an electronic voting system from a place other than the venue of AGM (remote e-voting) on all the resolutions set forth in this Notice.
- b) The voting period begins on Saturday, September 26th, 2020 (09.00 a.m.) and ends on, Monday, September 28th, 2020 (5.00 p.m.). During this period members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, 22nd September 2020 may cast their vote electronically. The e-voting module shall be disabled by M/s. Link Intime India Pvt. Ltd. for voting thereafter. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- c) Persons who have acquired shares and become members of the Company after the dispatch of notice and hold shares as on cut-off date of 22nd September 2020 may obtain the login ID and password by sending an e-mail to info@jashindia.com or rnt.helpdesk@linkintime.co.in by mentioning their Folio No./ DP ID and Client ID.
- d) The Board has appointed Mr. Ankit Joshi, Practicing Company Secretaries, as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner. The results declared along with the Scrutinizer's Report, will be placed on the website of the Company www.jashindia.com and on the website of <https://instavote.linkintime.co.in> immediately after the declaration of results by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's shares are listed viz., National Stock Exchange of India Limited. The results shall also be displayed on the notice board at the Registered Office of the Company.
- e) The members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

❖ **Log-in to e-Voting website of Link Intime India Private Limited (LIPL):**

The details of the process and manner for remote e-voting are explained herein below:

- i. Visit the e-voting system of Link Intime India Private Limited (LIPL). Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- ii. Click on 'Login' tab, available under 'Shareholders' section.
- iii. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on 'SUBMIT'.
- iv. Your User ID details are given below:

- a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
 - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company
- v. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in>. for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on 'Sign Up' tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

| For Shareholders holding shares in Demat Form or 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). • Member s who have not updated their PAN with depository Participant or in the Company record are requested to use the sequence number provided by the Company. |
| DOB/DOI | Enter the DOB (Date of Birth)/DOI as recorded with depository participant or in the Company record for the said demat account or folio number in dd/mm/yyyy format. |
| Bank Account Number | Enter the Bank Account number (Last Four Digits) as recorded in your demat account or in the Company records for the said demat account or folio number. • Please enter the DOB/DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or Company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c). |

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>., and/or voted on an earlier voting of any Company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

- Click on '**Login**' under Share holder' tab and further Click '**forgot password**'.
- Enter **User ID**, select **Mode** and Enter Image Verification code (CAPTCHA). Click on '**SUBMIT**'.

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the Company in which they are a shareholder and eligible to vote, provided that the Company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Cast your vote electronically:

- vi. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/View 'Event No' of the Company, you choose to vote.
- vii. On the voting page, you will see 'Resolution Description' and against the same the option 'Favour/Against' for voting. Cast your vote by selecting appropriate option i.e. Favour/Against as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

- viii. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- ix. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'YES', else to change your vote, click on 'NO' and accordingly modify your vote.
- x. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- xi. You can also take the printout of the votes cast by you by clicking on 'Print' option on the Voting page.

General Guidelines for shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian/ Mutual Fund/Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution/ authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian/Mutual Fund/Corporate Body' login for the Scrutinizer to verify the same.

During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for particular 'Event'.

Shareholders holding multiple folios/ demat account shall choose the voting process separately for each of the folios/ demat account.

In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Question ('FAQs') and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us:- Tel: 022 - 49186000.

❖ **Instructions for attending the Annual General Meeting through InstaMeet:**

Shareholders/Members are entitled to attend and participate in the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process:

1. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and shall be kept open till the expiry of 15 minutes after the schedule time on first come first basis.
2. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first come first basis. Participation is restricted upto 1000 members only.
3. Shareholders/Members will be provided with InstaMeet facility wherein Shareholders/Member shall register their details and attend the Annual General Meeting as under:
 - Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

▶ Select the “**Company**” and '**Event Date**' and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

• Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**

• Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**

• Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

▶ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request mentioning their name, demat account number/folio number, email id, mobile number with the Company at e-mail info@jashindia.com from Monday, 21st September, 2020 to Saturday 25th September, 2020.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet 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 facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

The Board has appointed Mr. Ankit Joshi, Practicing Company Secretaries, as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner. The results declared along with the Scrutinizer's Report, will be placed on the website of the Company www.jashindia.com and on the website of

<https://instavote.linkintime.co.in> immediately after the declaration of results by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's shares are listed viz., National Stock Exchange of India Limited . The results shall also be displayed on the notice board at the Registered Office of the Company.

Annexure :

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET:

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/> and following the instructions as below in boxes:

Step 1: -



Webex Meetings

Looking for real time video conferencing?

- HD video for face-to-face meetings
- Flexible audio-only conference call options
- Easy screen sharing
- Meet across any device

Download for Windows ←






Webex Teams

Looking for messaging and team collaboration?

- One-on-one or group messaging
- Digital two-way whiteboarding
- Rich content and file sharing
- Video calling

Download for Windows

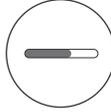
Download Teams VDI



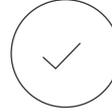

Step 2: -



Step 1
Double-click the webexapp.msi file you downloaded



Step 2
The Webex Meetings setup wizard will launch. Follow the instructions to set up.



Step 3
Once installed the app will launch automatically.

To open the app double-click the Webex Meetings icon on your desktop.



Step 3: -



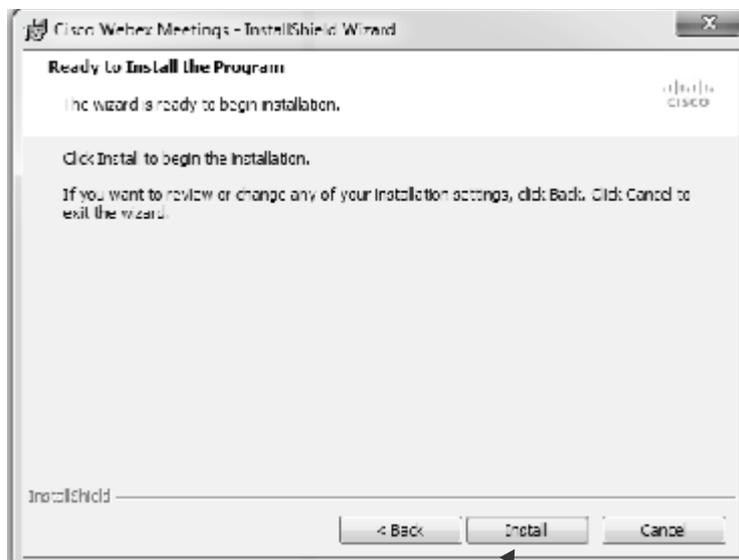
(Kindly select Next> TAB)

Step 4: -



(Kindly select I accept Button)

Step 5: -



(Kindly select Install TAB)

(Or)

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

| | |
|---------------|---|
| Step 1 | Enter your First Name, Last Name and Email ID and click on Join Now. |
| 1(A) | If you have already installed the Webex application on your device, join the meeting by clicking on Join Now |
| 1(B) | If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or <u>Run a temporary application</u> . Click on <u>Run a temporary application</u> , an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now. |

Event Information :

Event status :
Date and time :
Duration :
Description :

Join Event Now

You cannot join the event now because it has not started

First name :

Last name :

Email address :

Event password :

← Mention your first name, Last name and email address

By joining the event, you are accepting the Cisco Webex Terms of Service and Privacy Statement.

If you are the host . start your event.

**By order of the Board
Jash Engineering Limited**

**Sd/-
Tushar Kharpade
Company Secretary & Compliance Officer**

**Date: 28/08/2020
Place: Indore**

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

Pursuant to Section 188 of the Companies Act, 2013 for entering related party transactions as mentioned in this section, the ordinary resolution is required to be passed by members in the meeting subjected to the prescribed share capital or Turnover. The list of such proposed transactions which are to be considered for approval of the members at the upcoming AGM is as per Enclosure II of this Notice & Agenda.

Since your company attracts this section and rules thereon, board of directors proposes this resolution for member's approval.

None of the Directors and Key Managerial Personnel of the Company except Mr. Pratik Patel (DIN: 00780920), Mr. Suresh Kumar Patel (DIN: 00012072), Mr. Axel Schutte (DIN: 02591276) or their relatives are concerned or interested in the said resolution save and except to the extent contracts or arrangements will pertain to related parties.

Item No. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for all its existing manufacturing units for manufacture of Steel Products and Machinery and Mechanical appliances during the financial year ending March 31, 2021 as per the following details:

| Sr. No. | Name of Cost Auditor | Audit Fees (INR) |
|---------|---------------------------------|--------------------------------------|
| 1. | M/s. M.P. Turakhia & Associates | 50,000/- plus Out of Pocket Expenses |

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2021. Hence, your Directors recommend the above resolution for approval of the Shareholders as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

Item No. 7

Mr. Suresh Kumar Patel (holding DIN 00012072), be and is hereby appointed as an Executive Director of the Company, for 3 years on the terms and conditions including remuneration as mentioned below, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Companies Act, 2013 or any statutory amendment or relaxation thereof:

1. Date of Appointment: w.e.f. 14.02.2020
2. Remuneration:

I Basic Salary: up to a maximum of Rs. 3,00,000/- per month with increments as may be decided by the Board of Directors from time to time.

II Perquisites and allowances: In addition to the salary, Shri Suresh Kumar Patel (DIN:00012072) shall also be entitled to the perquisites and allowances like conveyance allowance, medical reimbursement, leave travel allowance, special allowance, payment of gratuity, leave encashment at the end of tenure and such other perquisites and allowances, bonus in accordance with the rules of the Company. The nature and breakup of the perquisites and allowances will be determined in accordance with the schemes/policies/rules of the Company or may be decided by the Board of Directors from time to time.

III Commission: In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Sections 197, 198 read with Schedule V of the Companies Act, 2013 (including any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard) shall also be payable.

3. Minimum Remuneration: The Minimum Remuneration is subject to the limit of 5% of the Annual Net Profits of the Company and subject to the overall limit of 10% of the Annual Net Profits of the Company on the remuneration of Managing Directors / Whole-Time Director / Manager of the Company taken together as per Section 197 of the Companies Act, 2013 and Rules made thereunder or such higher percentage of net profits of the Company as may be prescribed from time to time (including any subsequent amendment(s) and/or modification(s) in the Rules, Act and/or applicable laws in this regard). Provided, however, that in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Executive Director, the payment of salary, allowances, perquisites and all other payments shall be governed by the limits prescribed under Schedule V of the Companies Act, 2013 or any subsequent amendments or modifications made thereto, as may be decided by the Board of Directors, subject to necessary sanctions and approvals, if required.

4. Overall Remuneration: Aggregate of salary, perquisites, allowances and commission in any one financial year, as maybe decided by the Board of Directors, i.e. total remuneration may exceed 5% of the net profits of the Company as calculated under Section 198 of the Companies Act, 2013, however the remuneration payable by the Company shall be within the prescribed limits of total managerial remuneration payable to Managing Director /Whole-Time Director / Manager in aggregate under Section 197 read with Schedule V of the Companies Act, 2013 or such higher percentage of net profits of the Company as may be prescribed from time to time (including any subsequent amendment(s) and/or modification(s) in the Rules, Act and/or applicable laws in this regard). The total managerial remuneration payable by the Company, to the directors, including Managing director and whole-time director and manager in respect of any financial year may exceed 11% of the net profits of the Company as calculated under Section 198 of the Companies Act, 2013, subject to necessary approvals as prescribed under Section 197 of the Companies Act, 2013 and Rules made thereunder and any subsequent amendment(s) and/or modification(s) in the Rules, Act and/or applicable laws in this regards.

Other Terms and Conditions:

- a. Shri Suresh Kumar Patel (DIN:00012072) shall be vested with substantial powers of the management subject to the supervision, control and direction of the Board.
- b. As long as Shri Suresh Kumar Patel (DIN:00012072) functions as Director (Executive Category) of the Company, no sitting fees will be paid to him for attending the meetings of the Board of Directors or Committee thereof.
- c. The terms and conditions of the said appointment and/or agreement may be altered, amended, varied and modified from time to time by the Board or Committee thereof as it may be permissible and if deem fit, within the limits prescribed in Schedule V to the Companies Act, 2013 or any subsequent amendments or modifications made thereto.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution. The Board recommends the Special Resolution as set out in Item No. 7 of this Notice for approval of Members.

Item No. 8

Mr. Pratik Patel (DIN: 00780290) was re-appointed as the Managing Director of the Company as per agreed terms with effect from 01st March 2017 for a period of 5 years ending on 28th February 2022 by special resolution passed by the members at in AGM held on 27th September 2016 as per applicable provisions of the erstwhile Companies Act, 2013 and rules made thereunder read with other applicable provisions of the law in force for the time being and in view of the increased responsibilities and business activities, turnover and profits, remuneration of Mr. Pratik Patel was reviewed and in view of the Part II of Section II of Schedule V based on the effective capital in the range of Rs. 5-100 Crores as the minimum remuneration, even in absence or inadequacy of profits u/s 197 to pay, the terms and condition of appointment has been revised with the approval of the member in the AGM dated 30th September 2017 and it is effective till 29th February 2020 only.

Accordingly, there is need to renewal in the terms and conditions of the apportionment and remuneration for the remaining period of 2 yrs. till 28th February 2022: -

Subject to review and recommendation of the Nomination Committee Members approved the revision of following terms and conditions of appointment of Mr. Pratik Patel as a Managing Director of the company for two years w.e.f. 01.03.2020.

1. Renew of Terms & Conditions of Appointment: With effect from 1st March, 2020 to 28th February 2022

2. Remuneration:

- I Basic Salary:** up to a maximum of Rs. 700000/- per month with increments as may be decided by the Board of Directors from time to time.
- II Perquisites and allowances:** In addition to the salary, Mr. Pratik Patel shall also be entitled to the perquisites and allowances like conveyance allowance, medical reimbursement, leave travel allowance, special allowance, payment of gratuity, leave encashment at the end of tenure and such other perquisites and allowances, bonus in accordance with the rules of the Company. The nature and breakup of the perquisites and allowances will be determined in accordance with the schemes/policies/rules of the Company or may be decided by the Board of Directors from time to time.
- III Commission:** In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Sections 197, 198 read with Schedule V of the Companies Act, 2013 (including any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard) shall also be payable.
- 3. Minimum Remuneration:** The Minimum Remuneration is subject to the limit of 5% of the Annual Net Profits of the Company and subject to the overall limit of 10% of the Annual Net Profits of the Company on the remuneration of Managing Directors / Whole-Time Director / Manager of the Company taken together as per Section 197 of the Companies Act, 2013 and Rules made thereunder or such higher percentage of net profits of the Company as may be prescribed from time to time (including any subsequent amendment(s) and/or modification(s) in the Rules, Act and/or applicable laws in this regard). Provided, however, that in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Managing Director, the payment of salary, allowances, perquisites and all other payments shall be governed by the limits prescribed under Schedule V of the Companies Act, 2013 or any subsequent amendments or modifications made thereto, as may be decided by the Board of Directors, subject to necessary sanctions and approvals, if required.

4. Overall Remuneration: Aggregate of salary, perquisites, allowances and commission in any one financial year, as maybe decided by the Board of Directors, i.e. total remuneration may exceed 5% of the net profits of the Company as calculated under Section 198 of the Companies Act, 2013, however the remuneration payable by the Company shall be within the prescribed limits of total managerial remuneration payable to Managing Director / Whole-Time Director / Manager in aggregate under Section 197 read with Schedule V of the Companies Act, 2013 or such higher percentage of net profits of the Company as may be prescribed from time to time (including any subsequent amendment(s) and/or modification(s) in the Rules, Act and/or applicable laws in this regard). The total managerial remuneration payable by the Company, to the directors, including Managing director and whole-time director and manager in respect of any financial year may exceed 11% of the net profits of the Company as calculated under Section 198 of the Companies Act, 2013, subject to necessary approvals as prescribed under Section 197 of the Companies Act, 2013 and Rules made thereunder and any subsequent amendment(s) and/or modification(s) in the Rules, Act and/or applicable laws in this regard.

Other Terms and Conditions:

- a. Mr. Pratik Patel, shall be vested with substantial powers of the management subject to the supervision, control and direction of the Board.
- b. As long as Mr. Pratik Patel functions as Managing Director of the Company, no sitting fees will be paid to him for attending the meetings of the Board of Directors or Committee thereof.
- c. The terms and conditions of the said appointment and/or agreement may be altered, amended, varied and modified from time to time by the Board or Committee thereof as it may be permissible and if deem fit, within the limits prescribed in Schedule V to the Companies Act, 2013 or any subsequent amendments or modifications made thereto.”

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution. The Board recommends the Special Resolution as set out in Item No. 8 of this Notice for approval of Members.

**By order of the Board
Jash Engineering Limited**

**Sd/-
Tushar Kharpade
Company Secretary & Compliance Officer**

**Date: 28/08/2020
Place: Indore**

Enclosure I to Notice of AGM 2020

**BRIEF PROFILE AND PARTICULARS OF THE DIRECTORS SEEKING APPOINTMENT/
RE-APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING**

| | | | | |
|----|---|--|--|--|
| 1 | Name in Full | Axel Schutte | Suresh Kumar Patel | Pratik Patel |
| 2 | DIN | 02591276 | 00012072 | 00780920 |
| 3 | Age | 66 years | 77 Years | 56 years |
| 4 | Father's name/ Husband name in full | Mr. Alfred Hans Schutte | Late Shri Jashbhai Patel | Late Shri Navinchandra Patel |
| 5 | Business occupation | Business | Service | Business |
| 6 | Present nationality | Germany | Indian | Indian |
| 7 | Nationality of origin | Germany | Indian | Indian |
| 8 | No. of shares held in the company | 7,70,000 Eq. Shares | 3,36,806 Eq. Shares | 19,21,065 Eq. Shares |
| 9 | Educational Qualification | B.A. (Economics) | B.E. (Civil) | B. E. (Mechanical), MBA |
| 10 | Expertise/Experience in specific functional areas | He has an enormous experience of over 37 years in the Engineering Industry | He has more than 4 decades of enormous experience and proficient in technical and administrative aspects of the business of the Company. | He has an enormous experience of more than 26 years in the Engineering Industry |
| 11 | Date of first Appointment on the Board | 30th September 1995 | Appointed as Executive Director w.e.f. 14 th February, 2020 subject to approval of the members. | Since 1995 |
| 12 | Remuneration Last Drawn | NIL | 4,15,610/- | 67,84,021/- |
| 13 | Relationship with other Directors, manager and Key Managerial Personnel of the company | Not relative of other Directors, manager and Key Managerial Personnel of the company | Uncle of Mr. Pratik Patel | Nephew of Mr. Suresh Patel |
| 14 | List of outside Company's directorships/ Membership/ Chairmanship of Committees of other boards | NIL | NIL | 1. Shivpad Engineers Pvt. Ltd 2. Patamin Investments Pvt. Ltd. 3. Jash USA Inc 4. Engineering and Manufacturing Jash Ltd. |

Enclosure II To Notice of AGM 2020**PROPOSED RELATED PARTY TRANSACTIONS 2020-21**

| Sr. | Name of The Related Parties | Nature of Contract s/Arrangement /Transactions | Name of the Directors key managerial who is related, if any | Nature of Relationship | Proposed Duration of the Contracts/Arrangements/Transactions During the FY 2020-21 | Salient Terms of the Contracts or Arrangement or Transactions | Monetary Value |
|-----|---------------------------------------|--|---|---|--|--|-----------------|
| 1 | Jash Precision Tools Pvt. Ltd. | Sale | Mr. Pratik Patel and Mr. Suresh Patel | A Private Company in which a director or his relative is a member or director | Continuous | As per agreed terms & on Arm's Length and in ordinary course of business | 10,00,00,000 /- |
| 2 | Shivpad Engineers Pvt. Ltd. | Sale | Mr. Pratik Patel | Wholly Owned Subsidiary | Continuous | As per agreed terms & on Arm's Length and in ordinary course of business | 10,00,00,000/- |
| 3 | Jash USA Inc. | Sale | Mr. Pratik Patel | Wholly Owned Subsidiary | Continuous | As per agreed terms & on Arm's Length and in ordinary course of business | 10,00,00,000/- |
| 4 | Mahr Maschinenbau Ges.m.b.h | Sale | - | Wholly Owned Subsidiary | Continuous | As per agreed terms & on Arm's Length and in ordinary course of business | 5,00,00,000/- |
| 5 | Engineering & Manufacturing Jash Ltd. | Sale | Mr. Pratik Patel | Wholly Owned Subsidiary | Continuous | As per agreed terms & on Arm's Length and in ordinary course of business | 5,00,00,000/- |
| 6 | Micro Flat Datums Pvt. Ltd. | Sale | Mr. Pratik Patel and Mr. Suresh Patel | a private company in which a director or his relative is a member or director | Continuous | As per agreed terms & on Arm's Length and in ordinary course of business | 5,00,00,000/- |
| 7 | Rodney Hunt INC. | Sale | - | SDS of JASH USA INC. | Continuous | As per agreed terms & on Arm's Length and in ordinary course of business | 50,00,00,000/- |
| 8 | Jash Precision Tools Pvt. Ltd. | Purchase | Mr. Pratik Patel and Mr. Suresh Patel | A private company in which a director or his relative is a member or director | Continuous | As per agreed terms & on Arm's Length and in ordinary course of business | 5,00,00,000/- |
| 9 | Shivpad Engineers Pvt Ltd. | Purchase | Mr. Pratik Patel | Wholly Owned Subsidiary | Continuous | As per agreed terms & on in Length and Arm's ordinary course of business | 5,00,00,000/- |

| | | | | | | | |
|----|--------------------------------|------------|---------------------------------------|---|------------|--|---------------|
| 10 | Jash USA Inc. | Purchase | Mr. Pratik Patel | Wholly Owned Subsidiary | Continuous | As per agreed terms & on Arm's Length and in ordinary course of business | 5,00,00,000/- |
| 11 | Jash Precision Tools Pvt. Ltd. | Job Work | Mr. Pratik Patel and Mr. Suresh Patel | A private company in which a director or his relative is a member or director | Continuous | As per agreed terms & on Arm's Length and in ordinary course of business | 2,50,00,000/- |
| 12 | Jash USA Inc. | Job Work | Mr. Pratik Patel | Wholly Owned Subsidiary | Continuous | As per agreed terms & on Arm's Length and in ordinary course of business | 2,00,00,000/- |
| 13 | JASH Flowcon Engineers | Job Work | Mr. Pratik Patel | A firm, in which a director manager, or his relative is a partner | Continuous | As per agreed terms & on Arm's Length and in ordinary course of business | 2,00,00,000/- |
| 14 | Micro Flat Datums Pvt. Ltd. | Purchase | Mr. Pratik Patel and Mr. Suresh Patel | a private company in which a director or his relative is a member or director | Continuous | As per agreed terms & on Arm's Length basis. | 2,00,00,000/- |
| 15 | Jash USA Inc. | Supply | Mr. Pratik Patel | Wholly Owned Subsidiary | Continuous | As per agreed terms & on Arm's Length basis and in ordinary course of business | 1,00,00,000/- |
| 16 | Patamin Investments Pvt Ltd. | Lease | Mr. Pratik Patel and Mr. Suresh Patel | a private company in which a director or his relative is a member or director | Continuous | As per agreed terms & on Arm's Length basis. | 2,00,00,000/- |
| 17 | Mahr Maschinenbau Ges.m.b.h | Commission | - | Wholly Owned Subsidiary | Continuous | As per agreed terms & on Arm's Length basis | 50,00,000/- |
| 18 | Mahr Maschinenbau Ges.m.b.h | Services | - | Wholly Owned Subsidiary | Continuous | As per agreed terms & on Arm's Length basis | 1,00,00,000/- |

DIRECTORS' REPORT

To,
The Members of
JASH ENGINEERING LIMITED

Your Directors have pleasure in presenting the 46th Directors' Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended 31st March, 2020.

1. FINANCIAL HIGHLIGHTS

The financial statements of the Company are in accordance with the Indian Accounting Standard – IND AS and as per the provision of Section 133 of the Companies Act, 2013 (the 'Act') read with Companies (Accounts) Rules, 2014 and amendments thereof. The standalone and consolidated financial highlights of the Company for the financial year ended March 31st, 2020 are summarized below:

| Particulars | Standalone | | Consolidated | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Sales and other Income | 21433.48 | 20495.53 | 28564.13 | 25468.51 |
| Expenditure other than financial charges and depreciation | 17121.74 | 17152.73 | 23974.06 | 22512.62 |
| Gross Profit before Interest, Depreciation & Taxes | 4311.74 | 3342.8 | 4590.07 | 2955.89 |
| Less: Interest & Financial Charges | 963.76 | 751.82 | 1033.50 | 850.04 |
| Depreciation | 517.60 | 519.91 | 782.22 | 724.87 |
| Less: Earlier years adjustments | - | - | - | - |
| Net profit before tax for the year | 2830.41 | 2071.07 | 2774.35 | 1380.98 |
| Provisions for tax | 648.67 | 353.29 | 764.67 | 611.69 |
| Net Profit after Tax | 2181.74 | 1717.78 | 2009.68 | 769.59 |
| Less: Other Comprehensive Income | 44.72 | 8.17 | 52.89 | 51.75 |
| Total Comprehensive Income | 2137.02 | 1709.61 | 1956.79 | 717.84 |
| No. of Equity Shares | 11836598 | 11836598 | 11836598 | 11836598 |
| Earnings Per Share | 18.43 | 14.51 | 16.98 | 6.50 |

2. STATE OF AFFAIRS OF THE COMPANY:

A. BUSINESS ACTIVITIES OF THE COMPANY

Your company is involved in the business of design and manufacture of a wide range of equipment for Water Intake Systems, Water and Waste Water Pumping Stations and Treatment Plants, Storm Water Pumping Stations, Water Transmission Lines, Power, Steel, Cement, Paper & Pulp, Petrochemicals, Chemical, Fertilizers and other process plants. These equipment are Water control gates, Mechanized screening systems, Screening conveying and washing systems, Knife gate valves, Water hammer control valves, Energy dissipating valves, Archimedes screw pumps, Micro hydro turbines, Clarifiers, Clariflocculators, Flash Mixers, Degriters, Aerators, Thickeners, Gravity Decanters, Trickling Filters, Digester Mixers, DAF Units and solid handling valves.

Your company offers a single stop solution under one roof including Design, Casting, Fabrication, Assembly & Testing and provides the most varied range of these products in largest possible sizes. To ensure this, the company is continuously investing in its manufacturing capability as well as in development of new products & technologies either on its own or through collaboration with suitable technology partners and leaders in the trade.

The company is a market leader in India for most of the products that it manufactures and is also among the first 5 in the world in the Water control gates business. Various brands belonging to the company and its subsidiaries are approved and registered in most of the countries and this ensures availability of wide export market for the company. Over 50% of company business comes from sales outside India and the company aims to increase this to nearly 65% in the foreseeable future.

B. YEAR IN RETROSPECT

(I) PERFORMANCE

In the financial year 2019-20, the company achieved significant growth in its consolidated turnover as well as profit. The Consolidated total revenue of the Company for the year at Rs. 28564.13 lacs (Rs. 2856.41 million) shows a growth of approximately 12% over the previous year turnover of Rs. 25468.51 lacs (Rs. 2546.85 million). The Consolidated net profit of the Company for the year was Rs. 2009.67 lacs (Rs. 200.96 million) as compared to previous year net profit of Rs. 769.59 lacs (Rs. 76.95million), showing a growth of approximately 161 % over the previous year. The Net profit at the consolidated level could have been higher but for the losses sustained in our US subsidiary. Reduction in losses and consequent return to profitability will boost the net profits at the consolidated level in the coming years.

In the financial year 2019-20, the company achieved moderate growth in its standalone turnover accompanied with significant improvement in profit. The standalone total revenue of the Company for the year at Rs. 21433.48 lacs (Rs. 2143.34 million) shows a growth of approximately 4.5% over the previous year turnover of Rs. 20495.53 lacs (Rs. 2049.55 million). The net profit of the Company for the year was Rs. 2181.74 lacs (Rs. 218.17million) as compared to previous year net profit of Rs. 1717.78 lacs (Rs. 171.78 million), showing a growth of approximately 27 % over the previous year.

The standalone domestic sales of the Company during the year was Rs. 13420.13 lacs (Rs. 1342.01 million) as compared to previous year sales of Rs. 11783.59 lacs (Rs. 1178.36 million), exhibiting an increase of 14% over the previous year. The standalone export sales of the Company during the year was Rs. 7142.77 lacs (Rs. 714.28 million) as compared to previous year sales of Rs. 8308.19 lacs (Rs. 830.82 million), exhibiting decrease of 14 % over the previous year.

The entire operations of the company were shut down at Indore and Pithampur plants from 22nd March 2020 due to Covid-19 lockdown. Operations in Chennai and in USA were also closed down during this period. Historically sales of between 5-10% of turnover is registered in the last 10 days of the financial year. However due to lockdown, this could not happen in this year and as a result of this, the standalone turnover of individual companies, the consolidated turnover as well as the overall profitability of the company declined. The performance of the Company has been creditable despite these headwinds.

(ii) NEW ACTIVITIES & DEVELOPMENTS

The company had invested in a new manufacturing facility at SEZ Pithampur in Financial year 2018-19. The Commercial Production at this plant has commenced from 12th July 2019 and this facility is now operative for a year and is fully geared to cater to future export business.

The company developed and manufactured perforated fine travelling band screens for the first time in India and has successfully installed and commissioned the same at 100 MLD Nemmeli Desalination plant at Chennai and at Sea water intake system of RSPL at Dwarka. This will tremendously boost the company's capability and acceptance to cater to the desalination business in middle east as well as in India.

The Aluminum stoplogs for prevention of flooding at LaGuardia Airport, New York was executed to the expectation of the client with good feedback on quality and workmanship.

(iii) SUBSIDIARIES

a) SHIVPAD ENGINEERS PVT. LTD. , INDIA

Shivpad Engineers Pvt. Ltd. is a wholly owned subsidiary of the Company, operating in Ambattur Industrial Estate, Chennai – 600058. Tamilnadu, India. It is engaged in Design, Manufacture and Supply of treatment process equipment for Water Treatment, Waste Water Treatment and Sewage Treatment Plants and also Chemical process Industry equipment related to solid - liquid separation viz., Milk of Lime preparation plant equipment, Multi-deck Clarifiers, Rake & Screw Classifiers and other ancillary business.

In the financial year 2019-20, the company achieved excellent growth in its turnover accompanied with significant improvement in profit. The total revenue of the Company for the year at Rs. 1802.68 lacs (Rs. 180.26 million) shows a growth of approximately 36% over the previous year turnover of Rs. 1328.50 lacs (Rs. 132.85 million). The net profit of the Company for the year was Rs. 337.19 lacs (Rs. 33.71million) as compared to previous year net profit of Rs. 249.84 lacs (Rs. 24.98 million), showing a growth of approximately 35 % over the previous year.

The company continues to outperform its peers and is on track to become a major player in Indian market with sales in excess of Rs. 3500 lacs (Rs. 350 million) in 4 year's time.

b) JASH USA INC. / RODNEY HUNT INC., USA

Rodney Hunt Inc is a wholly owned subsidiary of the Company, operating in Houston, Texas 77036, USA with its manufacturing facility in Orange, Massachusetts. It is engaged in manufacturing wide range of water control gates and

equipment for Water Intake Systems, Water and Waste Water Pumping Stations and Treatment Plants, Storm Water Pumping Stations, Water Transmission Lines and for various industries.

In the financial year 2019-20, the company achieved moderate growth in its turnover accompanied with significant reduction in losses. The total revenue of the Company for the year at USD 11.57 million (equivalent to Rs. 8715.89 lacs / Rs. 871.58 million) showed a growth of approximately 8% over the previous year turnover of USD 10.74 million (equivalent to Rs. 8094.02 lacs / Rs. 809.40 million). The net loss of the Company for the year was USD -0.47 million (equivalent to Rs. -357.85 lacs / Rs. -35.78 million) as compared to previous year net loss of USD -1.52 million (equivalent to Rs. -1148.74 lacs / Rs. -114.87 million) showing a reduction of approximately 69 % over the previous year loss.

This is the 3rd full year of the company post its acquisition and 1st full year of the operation of its acquired manufacturing facility. The reduction in the loss augers well for the company which is on its path to become a profit-making company in the 4th year of its establishment.

c) ENGINEERING & MANUFACTURING JASH LIMITED, HONGKONG

Engineering & Manufacturing JASH Limited, is a wholly owned marketing subsidiary of the Company operating in Tsimshatsui, Kowloon, Hong Kong. It is engaged in marketing of Screening and Screening conveying equipment manufactured under E&M Jash Brand, a well-established and approved brand with DSD, Hongkong. The company has no employees and its products are made using Mahr Maschinenbau technology while manufacturing is done in Jash Engineering facility at SEZ Pithampur.

In the financial year 2019-20, the company did not do any business and has reported minor losses. The total revenue of the Company for the year was NIL as against the previous year turnover of HKD 1.24 million (equivalent to Rs. 121.3 lacs / Rs. 12.13 million). The net loss of the Company for the year was HKD -0.12 million (equivalent to Rs. - 12.04 lacs / Rs. -1.20 million) as compared to previous year net loss of HKD -0.04 million (equivalent to Rs. - 4.80 lacs / Rs. - 0.48 million).

Hongkong was in turmoil for most part of financial year 2019-20 , first because of political unrest and thereafter because of Covid pandemic and this affected regular business activities.

d) MAHR MASCHINENBAU Ges.m.b.H, AUSTRIA

Mahr Maschinenbau Ges.m.b.H, is a wholly owned subsidiary of the Company operating in Hagenbrunn, Austria. It is now engaged in development of new technology for Screening and Screenings handling equipment and all its manufacturing activities have been closed down.

In the financial year 2019-20, the company achieved moderate reduction in its turnover accompanied with slight reduction in losses. The total revenue of the Company for the year at EURO 0.15 million (equivalent to Rs. 128.91 lacs / Rs. 12.89 million) shows a reduction of approximately 4% over the previous year turnover of EURO 0.172 million (equivalent to Rs. 134.19 lacs / Rs. 13.49 million). The net loss of the Company for the year was of Euro -0.11 million (equivalent to Rs. -94.06 lacs / Rs. -9.40 million) as compared to previous year net loss of EURO -0.195 million (equivalent to Rs. -152.27 lacs / Rs. -15.22 million) showing a reduction of approximately 38 % over the previous year loss.

3. PROSPECTS FOR YEAR 2020-21

A. DOMESTIC MARKET SITUATION

The potential of Indian water and waste water industry is enormous on account of the burgeoning urban and semi-rural population and the fact that even after 70 years of independence the total waste water treatment does not meet even 50% of total country requirement. However, on account of Covid19 pandemic, the government will be strapped for funds and this may affect funding on new projects. The Indian infrastructure industry was already limping due to cash flow crisis, partially inflicted by banks and partially by delayed payment by executing agencies and this shall further get aggravated due to Covid leading to projects getting stuck and deliveries getting delayed. Nearly 49 % of our consolidated revenue is still coming from Indian business and as a result some part of our growth could be affected if higher percentage of Indian projects are affected by this crisis.

B. INTERNATIONAL MARKET SITUATION

Countries worldwide are investing heavily in water, waste water, storm water, desalination and in water reuse infrastructure and so international market for equipment made by the company is quite strong. Countries like Singapore, Malaysia, Thailand, Philippines, Hongkong, Qatar, Saudi Arabia , Abu Dhabi, France, UK and USA where the company has strong presence are investing heavily in water sector. The company is bidding for supply of equipment worth over Rs 400 crores from projects already announced and tendered out in these countries and which are sure to be

finalized in this financial year. The company is quite hopeful of bagging over 30% of these orders and this should help in shoring up our order book position for the financial year 2020-21 as well as 2021-22.

On account of Covid19 pandemic, project execution in many countries have slowed down. As a result it may not be possible to attain high growth from export market despite a good current order book position. Nearly 51 % of our consolidated revenue is coming from export business due to which some part of our growth could be affected if most of the countries where we have good business presence are affected by this crisis.

C. SALES GROWTH STANDALONE

(I) JASH ENGINEERING LIMITED, INDIA

The total order book position of the Company as on 1st August 2020 (Orders in hand as on 1st April 2020 plus orders received till 31st July 2020 less sales effected till 31st July end 2020) is Rs. 24195 lacs (Rs. 2419.5 million). Adding orders received from Rodney Hunt, USA and E&M Jash, Hongkong for manufacturing of their products in India, the total order book position becomes Rs. 28316 lacs (Rs.2831.6 million). Further orders worth Rs. 5316 lacs (Rs.532 million) are already negotiated and expected to be received within next two months.

On the basis of the sales achieved till 31st July 2020 of approx Rs.3200 lacs (Rs. 320 million), the current order book position and expected order inflow, we are looking at overall year on year growth between 10 % to 12 % in the year 2020-21.

(ii) SHIVPAD ENGINEERS PVT. LTD., INDIA

The total order book position of the Company as on 1st August 2020 (Orders in hand as on 1st April 2020 plus orders received till 31st July 2020 less sales effected till 31st July end 2020) is Rs. 2427 lacs (Rs. 242.7 million). Further orders worth Rs. 350 lacs (Rs.35 million) are already negotiated and expected to be received within next two months.

On the basis of the sales achieved till 31st July 2020 of Rs. 250 lacs (Rs. 25 million), the current order book position and expected order inflow, we are looking at overall year on year growth between 10 % to 15 % in the year 2020-21. Even though the company is very comfortably placed order wise it may still not be able to post significant growth this year due to long Covid imposed shutdowns in Chennai city.

(iii) JASH USA INC. / RODNEY HUNT INC., USA

The total order book position of the Company as on 1st August 2020 (Orders in hand as on 1st April 2020 plus orders received till 31st July 2020 less sales effected till 31st July end 2020) is US\$ 16.13 million (Rs. 12083 lacs / Rs. 1208 million). Further orders worth approx. US\$ 1.42 million (Rs. 1070 lacs / Rs. 107 million) are already negotiated and expected to be received within next two months.

On the basis of the sales achieved till 31st July 2020 of approx. US\$ 1.9 million (Rs. 1425 lacs / Rs. 142.50 million), the current order book position and expected order inflow, we are conservatively looking at overall year on year growth between 25 % to 30 % in the year 2020-21.

(iv) ENGINEERING & MANUFACTURING JASH LIMITED, HONGKONG

The total order book position of the Company as on 1st August 2020 (Orders in hand as on 1st April 2020 plus orders received till 31st July 2020 less sales effected till 31st July end 2020) is HK 0.96 million (equivalent to Rs. 94 lacs / Rs. 9.4 million). Further order worth HK 4.04 million (equivalent to Rs.394 lacs / Rs.39.4 million) is already negotiated and is expected to be received within next one month.

Due to COVID-19 pandemic, No sales have been registered until 31st July. However, on the basis of current order book position and expected order inflow, we are looking at sales of HK 1.5 million (equivalent to Rs. 125 lacs / Rs. 12.5 million) in the year 2020-21.

(v) MAHR MASCHINENBAU Ges.m.b.H, AUSTRIA - STANDALONE

It was mutually decided with Mr. Gernot Mahr while acquiring this company that he will assist the company for 5 more years in marketing and development activities. This period was further extended by 1 year and this extension will now expire in 2020-21. It has hence been decided to merge this company with Jash Engineering Ltd., and close down the same after merger. To retain the name a new partnership company under same name will be opened up.

D. SALES GROWTH CONSOLIDATED

The consolidated order book position of the Company as on 1st August 2020 (Orders in hand as on 1st April 2020 plus orders received till 31st July 2020 less sales effected till 31st July end 2020) is Rs.38824 lacs (Rs.3882 million). Further orders worth Rs. 7129 lacs (Rs.713 million) are already negotiated and expected to be received within next two months.

On the basis of the sales achieved till 31st July 2020 of approx. Rs. 4500 lacs (Rs. 450 million), the current order book position and expected order inflow, we are looking at overall year on year growth between 15 % to 20 % in the year 2020-21 on consolidated basis.

While arriving at these growth figures we have assumed that the worst is over for us in relation to Covid19 pandemic and that our operations across various plants shall not be further affected by this from August 2020 onwards.

4. FUTURE OUTLOOK & PLANS

A. RODNEY HUNT

Financial year 2020-21 shall be the 4th full year after acquisition of Rodney Hunt and 2nd full year after commencement of the manufacturing at Orange plant. The USA market for water control equipment is of over USD 100 million annually and of we expect to have nearly 15% market share in the current year and become profitable. This will enable us to become one of the 4 major players in the USA market and establishes Rodney Hunt as a serious contender in the market. Once establish ourselves as a viable competitor then we are quite hopeful of change in market perception leading to increased business traction throughout USA which should enable us to double our sales in US in 4 year's time and reach the top position once again. We have commenced the process of our strengthening of our US team in line with this and will have a younger and dynamic organization in place by end of this year to meet this challenge.

B. CAPITAL INVESTMENT

Growth in USA will put additional pressure on Indian facility as nearly 70% of production for USA will be catered to from India. Hence Indian facility also has to be gradually expanded in phases so as to meet this expected surge in demand from USA in next 2 years. The aim is to equip SEZ Unit 3 in such a way that complete cast iron gates and cast valves can be machined, assembled, tested and dispatched from Unit 3 in 1.5 year's time from now with only castings coming from outside.

In the current financial year, the company is making major investment in expanding the SEZ Unit 3. The built-up area of the plant is being increased by about 10,000 sq feet in Phase 1 so as to install large machines coming from Rodney Hunt plant in USA. The Phase 1 plant extension should have been completed by June end i.e. well before the arrival of the machines from USA but because of Covid imposed lockdown the civil works could not be completed in scheduled time. The plant is now expected to be ready by Sept/Oct 2020 for installation of machines which have already arrived in last week of July. As per the revised schedule, all these machines will be upgraded, installed and commissioned by Jan/Feb 2021. With the completion of Phase 1 the SEZ Unit 3 will be able to share the machining load for CI gates and valves for export market thereby freeing up capacity in Unit 1 for domestic market.

In addition to this major investment in SEZ Unit 3 various other minor investments in plant, machinery and facilities are being done in Unit 1, Unit 2 and Unit 4. These investments are being done for enhancing capacity, productivity and employee facilities.

This entire investment will be in the range of Rs. 750-800 lacs (Rs. 75-80 million) and will be funded by loans. Upon completion of Phase 1 expansion in SEZ Unit 3, the Phase 2 expansion of SEZ Unit 3 is planned to be taken up. However, the decision regarding timeline of this expansion will be taken in the last quarter of current financial year based on the business condition prevailing at that point in time.

C. SAP IMPLEMENTATION

The company has achieved good progress in SAP implementation and barring Covid this should have been operational in May 2020. However, work on this has once again commenced from end of June and this will finally be operative in the month of August 2020. Before the end of second quarter of financial year 2020-21 the company will be shifting all operations on SAP.

D. NEW PRODUCT ADDITION / DEVELOPMENT

The company has a policy of adding new products every year with a view to improve its product portfolio and maintain its leadership position in India. Product addition can be done either by in house development or by tie up with a technology leader abroad. In the current year the company is planning addition / development of following products:

(I) DISC FILTERS:

The company has already tied up with Invent Germany for manufacture of Disc Filters in India. The first prototype machine for demonstration purpose will be dispatched from Germany in October 2020 and installed in the company's own Sewage treatment plant by Nov 2020. This will help our engineers in understanding the technology as well as understand operational and maintenance issues. Thereafter, subject to there being no travelling restriction related to Covid19, the company aims to send a team of engineers to Germany early next year for training in manufacture and assembly of this product. We expect to have the first machine produced in India by the middle of new year.

(ii) BACK RAKING SCREEN:

The company has already developed a prototype screen based on Mahr Maschinenbau design and installed it in the IMC Kabitkhedi STP plant few years back for trials. The upgraded version is now under development in Austria and we will manufacture the same and have the prototype ready by end of the year. We plan to deploy this design in storm water application.

(iii) CABLE OPERATED RAKING SCREEN:

This is an economical screen in comparison to the existing screens available with the company. Few competitors are successfully promoting this screen even though its performance is not as good as Chain driven raking screens. The company has hence decided to develop this screen alternative so that no space is given to its competitors to grow and become a threat to company dominance in time to come. This development is being done in Austria and the first prototype will be ready before the end of this year.

5. OCCUPATION HEALTH & SAFETY (OH&S):

Your company involved in an initiative which results to positive engagement of personnel on the plant at every level. With regard to safety, two key areas of focus were identified, namely facility Management for the employees and Equipment, Tools & Material Management. The Facility management initiative was implemented to ensure adequate welfare facilities for labor such as washrooms with bathing facilities, rest rooms, availability of drinking water etc. The Equipment, Tools & Material Management Program ensured that the tools used by them were safe. The process of screening was aligned with the Company's objectives to ensure 'Zero Harm'. The Company has complied with all applicable environmental and labor laws.

6. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE OF THE COMPANY

The details of wholly owned subsidiaries continuing having status of the same is given as required under section 129(3) of the Act, read with the Companies (Accounts) Rules, 2014 in the FORMAOC-1 as containing part of the Annual Report annexed as Annexure-A.

Further the Company does not have any associate or joint venture company at the beginning or closing or any time during the year 2019-20.

7. DIVIDEND

The Board of Directors declared an interim dividend of 15% on face value of fully paid up shares i.e. Rs. 1.5/- per share of Rs. 10/- for the year 2019-20 on dated 07/03/2020. The aggregate amount of interim dividend was Rs.177.54 Lacs /-, which was duly paid. Further the board on its meeting held on 25/06/2020 recommended, subject to approval of shareholders, a final dividend of 9% on Face Value of fully paid up Shares i.e. Rs. 0.90/- per share of Rs. 10/- each for the Financial Year 2019-20. The aggregate amount of final dividend is Rs. 106.52 Lacs /-.

8. TRANSFER TO RESERVES

For the Financial year ended 31st March, 2020, Your Company has not transferred any amount to General Reserve out of profit available for appropriation.

9. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis forms an integral part of this report and is annexed as "Annexure-B" which gives details of the overall industry structure, economic developments, performance and state of affairs of the Company's various businesses.

10. CORPORATE GOVERNANCE REPORT:

Your company continues to place greater emphasis on managing its affairs with diligence, transparency, responsibility and accountability and is committed to adopting and adhering to best corporate governance practices.

The Company has a strong legacy of fair, transparent and ethical governance practices and it is believed that good Corporate Governance is essential for achieving long term corporate goals and to enhance stakeholders' value. Your Company implements Corporate Governance through robust board governance processes, internal control systems and processes, and strong audit mechanisms. However the provisions of Regulation 15 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 providing a separate report on corporate governance under Regulation 34(3) read with para C of Schedule V are set out in the "Annexure C" to this report.

11. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- a. In the preparation of the annual accounts for the year ended March 31st, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31st, 2020 and of the profit of the Company for the year ended on that date;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared the annual accounts on a 'going concern' basis;
- e. 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
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

12. INTERNAL CONTROL

Given the nature of business and size of operations, Your Company's Internal Control System has been designed to provide for:

- Accurate recording of transactions with internal checks and prompt reporting.
- Adherence to applicable Accounting Standards and Policies.
- Compliance with applicable statutes, policies and management policies and procedures.
- Effective use of resources and safeguarding of assets.

The Internal Control System provides for well documented policies/guidelines, authorizations and approval procedures. Your Company, through its Internal Auditors M/s. Mahesh C Solanki & Co, Chartered Accountants , engaged as Internal auditors for the financial year 2019-20 carried out periodic audits at all locations and functions based on the plan approved by the Audit Committee and brought out any deviation to Internal Control procedures. The observations arising out of the audit are periodically reviewed and compliance ensured.

The summary of the Internal Audit observations and status of implementation are submitted to the Audit Committee. The status of implementation of the recommendations is reviewed by the Audit Committee on a regular basis and concerns, if any, are reported to the Board.

Your Company, as per the requirement of the Section 143 (3) (i) has carried out extensive testing of the internal financial controls in the Company which has also been duly audited by the Statutory Auditors of the Company and which have been found to be adequate and satisfactory.

13. BOARD OF DIRECTORS

COMPOSITION OF BOARD OF DIRECTOR AND KEY MANAGERIAL PERSONNEL:

During the year under review, the following changes occurred in the position of Directors/KMPs of the Company. In compliance with the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and SEBI (LODR) Regulation 2015, the composition of Board of Directors and Key Managerial Personnel are as follows:-

| Sr. No. | Name of the Director | DIN | Designation |
|---------|-------------------------------|----------|------------------------------|
| 1. | Mr. Laxminandan Amin* | 00007735 | Executive Director |
| 2. | Mr. Pratik Patel** | 00780920 | Chairman & Managing Director |
| 3. | Mr. Suresh Patel*** | 00012072 | Executive Director |
| 4. | Mr. Axel Schutte | 02591276 | Non-Executive Director |
| 5. | Mr. Brij Mohan Maheshwari | 00022080 | Independent Director |
| 6. | Mr. Sunil Kumar Choksi | 00155078 | Independent Director |
| 7. | Ms. Sunita Kishnani | 06924681 | Independent Director |
| 8. | Mr. Durgalal Tuljaram Manwani | 07114081 | Independent Director |
| 9. | Mr. Vishwapati Trivedi | 00158435 | Independent Director |

* Mr. Laxminandan Amin has resigned from the Directorship w.e.f. 31/03/2020.

** Mr. Pratik Patel has been appointed as the Chairman of the Company w.e.f. 25/06/2020

*** Mr. Suresh Kumar Patel has been appointed as an Executive Director of company w.e.f. 14/02/2020.

Board Independence

Our definition of 'Independence' of Directors or Regulation is derived from Regulation 16 of SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. The Company comprised total 9 directors as on 31st March 2020 in the Board out of them the following directors are independent directors;

1. Mr. Durgalal Tuljaram Manwani
2. Mr. Sunil Choksi
3. Mr. Brij Mohan Maheshwari
4. Ms. Sunita Kishnani
5. Mr. Vishwapati Trivedi

Declaration and Re-appointment of Independent Director:

All the Independent Directors have given their declaration of Independence stating that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013. Further that the Board is of the opinion that all the independent directors fulfill the criteria as laid down under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 during the year 2019-20. Further, as per provisions of the Companies Act, 2013, Independent Directors were appointed for a term of 5 (five) consecutive years, but shall be eligible for re-appointment by passing of a special resolution by the Company and shall not be liable to retire by rotation.

The Company also consists of the following Key Managerial Personnel.

| | |
|------------------------|-------------------|
| 1. Mr. Dharmendra Jain | CFO |
| 2. Mr. Tushar Kharpade | Company Secretary |

Changes in Directors and Key Managerial Personnel

1. Mr. Suresh Kumar Patel (DIN: 00012072) appointed, subject to approval of shareholder in ensuing Annual General Meeting, as Executive Director of the Company w.e.f. 14th February, 2020.
2. Upon recommendation of the Nomination and Remuneration Committee board has considered and approved the renewal of terms and conditions of appointment of Mr. Pratik Patel (DIN: 00780290) as Managing Director of the Company for two years w.e.f. 01.03.2020 subject to approval of shareholders at the ensuing general meeting and other as may be required.
3. Mr. Pratik Patel (DIN: 00780920) has been appointed as a Chairman of the company in the meeting dated 25th June 2020.
4. Mr. Laxminandan Amin (DIN No.: 00007735) has resigned from Directorship of the Company, w.e.f. 31st March, 2020, due to advancing age and health issue. A note about the resignation w.e.f. 31.3.2020 has been taken by the Board of Director in the meeting dated 25th June 2020.

MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business. Four meetings of the Board were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report.

COMMITTEES OF THE BOARD

Your Company has constituted the Committee(s) as mandated under the provisions of the Act and Listing Regulations.

Currently, there are five committees of the Board, namely:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee:
- Corporate Social Responsibility Committee
- Executive & Borrowing Committee

The details of Board Committees are prescribed in Annexure-C of Board Report.

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT, REMUNERATION AND BOARD EVALUATION

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under section 178(3), is annexed with the Report as "Annexure-D" and is uploaded on company's website www.jashindia.com

BOARD EVALUATION :

Our Company has conducted an Annual Performance Evaluation for all Board Members as well as the working of the Board and its Committees. This evaluation was led with specific focus on performance and effective functioning of the Board. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and the Listing Regulations. In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole was evaluated, taking into account the views of the Executive Directors and Non Executive Directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual Directors was also discussed.

The following are some of the broad issues that are considered in performance evaluation:

- Evaluation of the Board was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, review of performance of Executive Directors, succession planning, strategic planning etc.
- Evaluation of Committees was based on criteria such as adequate independence of each Committee, frequency of meetings and time allocated for discussions at meetings, functioning of Board Committees and effectiveness of its advice/recommendation to the Board etc.
- Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, representation of shareholders interest and enhancing shareholding value, experience and expertise to provide feedback and guidance to top management on business strategy, governance, risk and understanding of the organization's strategy etc.

The outcome of the Board Evaluation for the financial year 2019-20 was discussed by the Board and on the basis of such discussion Board analysis the result of actions taken by Board for improving Board effectiveness based on feedback received in the previous year. Further, the Board also noted areas on which Board requires more focus for the future Board efficiency.

CODE OF CONDUCT;

Regulation 17(5) of the SEBI (LODR) Regulations, 2015 requires listed companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of directors as laid down in the Companies Act, 2013. The Company has adopted a Code of Conduct for all Directors and Senior Management of the Company and same has been hosted on the website of the company www.jashindia.com

14. AUDITOR AND AUDITOR'S REPORT:

STATUTORY AUDITOR:

M/s Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), the Statutory Auditors were reappointed for a term of 5 years at Annual General Meeting of the Company held on 30th Sept., 2017 and they have confirmed their eligibility under Section 141(3)(g) of the Companies Act, 2013 and the rules framed hereunder for ratification by the Members for appointment as Statutory Auditors of the Company for Financial Year 2019-20. As required under Regulation 33(d) of the SEBI (LODR) Regulation, 2015, the auditor has also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

There are no qualifications, reservations or adverse remarks made by M/s Walker Chandiook & Co LLP, Statutory Auditors, in their report prescribed in this Annual Report for the financial year ended March 31, 2020.

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 Company has appointed Mr. Ankit Joshi, Practicing Company Secretaries, to conduct Secretarial Audit of the Company. The Report of the Secretarial Audit in Form MR-3 for the financial year ended March 31, 2020 is enclosed as "Annexure-E" to Board Report.

The Secretarial Audit Report for the year 2019-20 is self-explanatory except the following comments made and the management submits their comments:

1. Some Forms under Companies Act, 2013 were filed by the Company after prescribed timeline along with the adequate additional filing fees.
Management Response to Point No. (1) : Your Company is law abiding entity and filed the necessary forms & returns with the authorities. The management is hopeful and committed to their level best to streamline the same in future. There was some delay in filing of the particulars forms and has already complied with the same and has paid additional fees as prescribed.
2. Pursuant to Section 135 of the Companies Act, 2013 read with applicable rules Company was required to spend CSR Contribution of Rs.30.08 Lacs during the financial year 2019-20, however the Company has spent Rs.14.99 Lacs only during the year 2019-2020.
Management Response to Point No (2) : The company has contributed Rs.14.99 lakhs during the year towards CSR initiatives. The areas targeted by the Company were new therefore the planning and management of activities was not so smooth and took a reasonable amount of time.

COST AUDITOR:

Pursuant to the provision of Section 148 of the Companies Act, 2013 pertaining to audit of cost records is applicable to the Company. The Board has appointed M/s M.P. Turakhia & Associates, Cost Accountant to audit the cost records of you company for the financial year 2019-20.

INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and rule thereunder and regulation 18(3) of SEBI LODR and based on the recommendations of Audit Committee, your Board have reappointed M/s. Mahesh C. Solanki & Co. (FRN 006228C), Chartered Accountants, Indore as Internal Auditor of the Company to conduct the Internal Audit of the Company for the FY 2019-20. The Internal Auditors reports directly to the Audit Committee and make comprehensive presentations at the Audit Committee meeting(s) on the Internal Audit Report.

Your Board has reappointed M/s. Mahesh C. Solanki & Co. (FRN 006228C), Chartered Accountants, Indore as Internal Auditor of the Company for the FY 2020-21.

15. DISCLOSURE REQUIREMENTS:

As per the Provisions of the SEBI (LODR) Regulations, 2015 entered into with the stock exchanges, corporate governance report with auditor's certificate thereon and management discussion and analysis are attached, which form part of this report.

Details of the familiarization programme of the independent directors are available on the website of the Company. www.jashindia.com

16. EMPLOYEE STOCK OPTION SCHEME:

In the present competitive economic environment in the country and in the long-term interests of the Company and its shareholders, it is necessary that the Company adopts suitable measures for attracting and retaining qualified, talented and competent personnel. An employee stock option scheme, designed to foster a sense of ownership and belonging amongst personnel, is a well-accepted approach to this end. It is, therefore, appropriate to consider an Employee Stock Option Scheme for the employees of the Company and/or subsidiary company(ies) whether working in India or abroad. The Nomination and Remuneration Committee, inter alia administers and monitors the Company's employees' stock option scheme (ESOP Scheme) in accordance with the applicable SEBI (Share Based Employee Benefits) Regulations, 2014 (SEBI SBEB).

During the year under review, the Company has approved “Jash Engineering Employee Stock Option Scheme 2019” (JASH Scheme 2019) of the Company. The ESOP Scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 (‘the SBEB Regulations’). Pursuant to the approval by the shareholders and in-principle approval given by the Stock Exchanges, the Company can grant upto 5,75,000 options to the eligible employees of the Company under the JASH Scheme 2019.

17. MIGRATION FROM SME PLATFORM TO MAINBOARD OF NSE

During the year Migration of equity shares from SME Emerge platform to Main Board of NSE was also approved by the National Stock Exchange w.e.f. 30th October, 2019 on the basis of the details given below:

| Sr. No. | Description of Securities | Symbol | Series | No. of Securities | Mkt. Lot | Distinctive Numbers |
|---------|---|--------|--------|-------------------|----------|---------------------|
| 1. | Equity shares of Rs.10/- each fully paid up | JASH | EQ | 1,18,36,598 | 1 | 1 to 1,18,36,598 |

18. THE INDIAN ACCOUNTING STANDARDS (IND-AS):

Your Company has migrated from SME Emerge platform to Main Board of NSE w.e.f. 30th October, 2019. Therefore, FY 19-20 was the first FY to prepare the Financial Statements as per the IND -AS accordingly both Standalone and Consolidated financial statements has been prepared according to Indian Accounting Standard (IND-AS).

19. HUMAN RESOURCE DEVELOPMENT:

Attracting, enabling and retaining talent have been the cornerstone of the Human Resource function and the results underscore the important role that human capital plays in critical strategic activities such as growth. A robust Talent Acquisition system enables the Company to balance unpredictable business demands with a predictable resource supply through organic and inorganic growth.

The re-imagined focus on competency building of fresh recruits prior to joining through unique digital Initial Learning Program approach has enabled faster release of freshers to projects. Post-offer engagement activities have also witnessed increased focus. Continual pursuit to connect with associates on a regular basis, communicate in an open and transparent manner, progressive HR policies. This is evident from the high retention rates and improved engagement levels of the associates.

20. DEPOSITS

Your Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and there were no remaining unclaimed deposits as on 31st March, 2020. Further, the Company has not accepted any deposit or loans in contravention of the provisions of the Chapter V of the Companies Act, 2013 and the Rules made there under.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has complied in respect of loan and guarantees and investment pursuant to Section 186 of the Companies Act, 2013.

22. RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the Financial Year 2019-20 were on Arm's Length Basis and were in the Ordinary Course of business. There are no materially significant Related Party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions were approved by the Audit Committee on omnibus basis or otherwise and the Board. The transactions entered into by the company are audited. The Company has developed Related Party Transactions Policy, Standard Operating Procedures for purpose of identification and monitoring of such transactions. The information for the Related Party Transactions has been given in AOC-2 as “Annexure-F”. The RPT Policy as approved by the Board is available on the Company's website www.jashindia.com.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as “Annexure-G”.

24. CORPORATE SOCIAL RESPONSIBILITY:

The Company has developed and implemented Corporate Social Responsibility initiatives as the said provisions are applicable in view of the profits and turnover of the company, your Company was required to undertake CSR projects during the year 2019-20 under the provisions of section 135 of the Companies Act, 2013 and the rules made their under. As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken activities, which are in accordance with CSR Policy of the Company and Schedule VII of the Companies Act, 2013. The Annual Report on CSR activities is annexed herewith as "Annexure-H".

25. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure-I".

26. LIQUIDATION OF MAHR MASCHINENBAU GES. MBH (WOS), AUSTRIA

During the year in view of revised business strategy of MAHR MASCHINENBAU, AUSTRIA (WOS of JASH Engineering Limited) the Board discussed the liquidation process of WOS i.e. MAHR MASCHINENBAU, AUSTRIA and approved for taking required steps to commence the liquidation process with the consultation of Advisor and Austrian Authority.

27. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Consolidated Financial Statements forms part of this Annual Report and shall also be laid before the ensuing Annual General Meeting of the Company. The Consolidated Financial Statements have been prepared in accordance with the relevant Accounting Standards.

28. RISK MANAGEMENT :

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Policy and Guidelines, and make use of these in their decision making. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process in our multi-business, multi-site operations, over the period of time will become embedded into the Company's business systems and processes, such that our responses to risks remain current and dynamic.

The Audit Committee, has been designated by the Board for reviewing the adequacy of the risk management framework of the Company, the key risks associated with the businesses of the Company and the measures are taken in place to minimize the same and thereafter the details are presented to and discussed at the Board meeting.

29. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:

The Company's Board of Directors, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, has framed 'Vigil Mechanism Policy' for Directors and employees of the Company. The policy is to provide a mechanism, which ensures adequate safeguards to employees and Directors from any victimisation on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, and so on. The Vigil Mechanism Policy is hosted on the Company's website www.jashindia.com

30. PARTICULARS OF INTERNAL COMMITTEE AND COMPLAINTS RECEIVED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company has constituted the Internal Committee under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 headed by the women employee of the Company. There is no complaint received during the year and pending at the ended financial year under provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

| Category | No. of complaints pending at the beginning of F.Y. 2019 -20 | No. of complaints filed during the F.Y. 2019 -20 | No. of complaints pending as at the end of F.Y. 2019 - 20 |
|-------------------|---|--|---|
| Sexual Harassment | Nil | Nil | Nil |

31. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

32. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT:

Except that as stated in the relevant places, the material changes, development, regarding project which is ongoing, from the 31st March, 2020 till the date of the Board Reports, there are no material changes which may affect the financial position of the Company.

33. RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION AND PARTICULARS OF EMPLOYEES:

Pursuant to provision of section 197(12) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 details of employees given in "Annexure-J". During the year, none of the employees received remuneration in excess of Rs. One Crore and two lacs or more per annum, in accordance with the provisions of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Therefore, there is no information to disclose in terms of the provisions of the Companies Act, 2013.

34. INDUSTRIAL RELATIONS:

During the year under review your Company enjoyed cordial relationship with workers and employees at all levels.

35. PREVENTION OF INSIDER TRADING

In view of SEBI (Prohibition of Insider Trading) Regulation, 2015 the Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company.

The Code requires Trading Plan, pre-clearance for dealing in the Company's shares and prohibition the purchase or sale of Company shares by the Directors and the designated employee

36. DISCLOSURE FOR FRAUDS AGAINST THE COMPANY:

In terms of the provisions of Section 134(3)(C)(a) of the Companies Act, 2013, there were no frauds committed against the Company and persons who are reportable under section 141 (12) by the Auditors to the Central Government. Also, there were no non-reportable frauds during the Financial Year 2019-20.

37. CAUTIONARY STATEMENT

The statements made in this Report and Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations and others may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ from expectations those expressed or implied. Some factors could make difference to the Company's operations that may be, due to change in government policies, global market conditions, foreign exchange fluctuations, natural disasters etc.

38. ACKNOWLEDGEMENTS

Your Directors acknowledge the dedication and commitment of your company's employees to the growth of your company and their unstinted support has been integral to your company's ongoing success. Your Directors appreciate support of State Bank of India, HDFC Bank Limited, SIDBI, TATA Capital Financial Services Limited, Bajaj Finance Ltd. and various government agencies, customers, suppliers throughout the year for their support and confidence shown in the management of the company. The Directors also gratefully acknowledge support of the NSE, Share Transfer Agent and other intermediaries of the Public Issue of the Company and also to all stakeholders of the Company viz. customers, members, dealers, vendors and other business partners for the excellent support received from them during the year.

For and on behalf of Board of Directors of
Jash Engineering Limited

Date : 28.8.2020
Place : Indore

Sd/-
Pratik Patel
Chairman & Managing Director
DIN - 00780920

Sd/-
Suresh Patel
Executive director
DIN:00012072

"Annexure A"**Form No. AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

| S. | 1 | 2 | 3 | 4 | 5 |
|----|--|-----------------------------|-------------------|----------------------------|--|
| 1 | Name of the subsidiary | Shivpad Engineers Pvt. Ltd. | Jash USA Inc. USA | Mahr Maschinenbau Ges. mbH | Engineering and Manufacturing Jash Limited |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | No | No | No | No |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | INR Not Applicable | USD 75.32 | EURO 83.10 | HKD 9.72 |
| 4 | Share capital | 1350300 | 183603647.36 | 3019555.67 | 9.72 |
| 5 | Reserve & surplus | 74781785 | (309073812.32) | 67568121.37 | 1887147.72 |
| 6 | Total assets | 114195338 | 639028663.56 | 86743344.99 | 3789458.64 |
| 7 | Total liabilities | 114195338 | 639028663.56 | 86743344.99 | 3789458.64 |
| 8 | Investments | - | - | - | - |
| 9 | Turnover (Total Revenue) | 180268215 | 871589859 | 12891210.75 | 6424.92 |
| 10 | Profit before taxation | 44658832 | (35087897.32) | (9406959.05) | (1204920.36) |
| 11 | Provision for taxation | - | - | - | - |
| 12 | Profit after taxation | 33719373 | (35785963.08) | (9406959.05) | (1204920.36) |
| 13 | Proposed Dividend | - | - | - | - |
| 14 | % of shareholding | 100 | 100 | 100 | 100 |

Name of subsidiaries yet to commence operations: Not Applicable

Name of Subsidiaries which have been liquidated or sold during the year: During the year process of liquidation has been initiated for Mahr Maschinenbau Ges. MbH and liquidation is in under process.

Part "B": Associates and JV :- NA

For and on behalf of Board of Directors of
Jash Engineering Limited

Date : 28.8.2020
Place : Indore

Sd/-
Pratik Patel
Chairman & Managing Director
DIN - 00780920

Sd/-
Suresh Patel
Executive director
DIN:00012072

"Annexure B"

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The global water and wastewater treatment equipment market is expected to grow by USD 18.35 billion during 2020-2024, at a CAGR of over 4%, according to a report published by Technavio. Increasing usage of advanced and intelligent technologies in water and wastewater treatment is likely to aid the growth of the water and wastewater treatment equipment market. The disposal of wastewater generated from different industrial processes such as stormwater, sanitary wastewater, and process water into the water bodies is causing serious environmental concerns. Owing to the ever-growing demand for water which has become a scarce resource, companies across the world are looking at ways to limit the usage of water and treat and reuse water efficiently. This is driving the demand for water and wastewater treatment equipment to process and enable reuse.

Increasing population, rapid urbanization, rising focus on water quality and public health, increasing prevalence of water borne diseases, and infrastructure development have led to growing demand for clean water resulting in increased adoption of the water treatment equipment. The world's wastewater which is released into the environment without adequate treatment is a valuable resource from which clean water, energy, nutrients, and other resources can be recovered, according to a World Bank report. Growing focus on sewage treatment in countries like the U.S., China, and India, and stringent governmental regulations on treating wastewater provide significant opportunities to leading established players.

Decreasing per-capita water availability and increasing pollution of fresh-water resources continue to be a global concern. Water pollution mostly occurs as a result of agricultural run-off, domestic sewage and industrial effluents and should be treated to make it suitable for end-use purposes. Demand for water for industrial purposes across the globe is increasing at a much faster pace as compared to available supply. Growing industrial activity in sectors such as food and beverages, chemicals, pulp and paper, pharmaceuticals, power, metal and mining, textiles, semiconductors, and oil and gas, have led to the installation of water and wastewater treatment equipment to ensure optimized usage of clean water during production process.

Attention towards water is gaining traction from citizens to policy makers given the rising concern on future availability as well as the deterioration in drinking water quality. Growing demand for clean and unpolluted water amid scarce availability has resulted in increased adoption of water and wastewater treatment equipment. Policymakers across the world have formulated policies to enable an improvement in their infrastructural capacity to treat wastewater and encourage the reuse of this water which will boost growth for this sector.

BUSINESS PERFORMANCE

Your Company is an an ISO 9001:2015, ISO 14001:2015 & BS OHSAS 18001:2007 certified firm engaged in manufacturing of water control gates, flap valves, knife gates valves, energy dissipating valves, water hammer control valves, fine and coarse screens, screening conveying, washing and compaction equipment, industrial valves for bulk solids handling, hydro power screw generator, screw pump and process equipment like detritors, clarifiers, clariflocculators, thickeners, decanters aerators, trickling filters, dissolved air flotation (DAF) units, rotary drum slackers, rake classifiers, pressure sand filters, etc.. The products of your Company find application in water intake systems, water and wastewater pumping stations and treatment plants, storm water pumping stations, water transmission lines, power, steel, cement, paper & pulp, petrochemicals, chemical, fertilizers and other process plants.

Your Company offers a one stop solution under one roof including Design, Casting, Fabrication, Assembly & Testing and provides vast range of these products in all possible sizes and in diversified material options unlike many of our peers. The Company has world class manufacturing facilities equipped with latest and modern manufacturing techniques enabling us to produce best quality products at competitive prices. Your Company continues to enjoy leadership position in most of the product groups in the domestic market. In the international markets, the Company is progressing towards leadership position in products like water control gates, screens and knife gate valves.

The Company has a diversified customer base spread across the globe with presence in countries like United States of America, UK, France, Germany, Austria, Qatar, Saudi Arabia, Bahrain, Oman, UAE, Hongkong, Singapore, Malaysia, Thailand and over 35 other Countries etc. The Company continues to undertake various development initiatives and reengineer its products as per the need of customers and deliver products adhering to best in class manufacturing standards. The Company is witnessing immense opportunities in developing countries where the markets are growing at a much faster pace as compared to developed countries.

The Company is not only engaged in providing machinery for Water treatment industry but also indulges in value added services which includes providing guidance to customers for proper utilization and installation of machinery in order to help them achieve desired output. Besides, the Company offers a range of support services on an ongoing basis and continuously monitors, audits and facilitates its customers in equipment maintenance by promptly supplying of parts and accessories and ensuring maximum machine uptime. In the financial year 2019-20, the Company has generated Net Profit of Rs. 2181.74 Lacs. as against Rs. 1717.78 Lacs. in the previous year.

OPPORTUNITIES AND THREATS

Growing municipal waste, expanding manufacturing industry, urbanization, and regulatory requirements are the primary drivers of the wastewater treatment services market. Initiatives by manufacturing industries and state bodies for low waste generation and growing awareness about new water treatment technologies are some of the factors which are likely to boost the wastewater treatment services market.

Water and wastewater systems are vital to the nation's public health, protecting the environment, and supporting economic activities. However, water treatment infrastructure in most of the developed countries is aging and in urgent need of repair and/or replacement to address the effects of a changing climate and new generation of man-made contaminants. Huge investments are needed in reinstalling and upgrading the aging water infrastructure. The U.S. Environmental Protection Agency (EPA) continues to provide funding to improve and upgrade their water infrastructure. The renovation or rebuilding of aging such dated water plants present lucrative opportunity.

The generation of wastewater has increased globally mainly due to urbanization and industrialization. The scarcity of pure water in areas including refineries, manufacturing plants, and power plants is driving the deployment of wastewater treatment plants. Moreover, driven by the stringent laws enacted by governments across the world for environment preservation, many small and medium sized business units are installing wastewater treatment systems.

With rising scarcity of water, municipalities are confronted with the challenge of identifying innovative yet cost-effective solutions to meet rising demands of urban, industrial, and agricultural communities. To provide affordable, clean, and reliable water to its constituents, municipalities have begun to acknowledge the growing economic and environmental benefits they can receive by retrofitting or optimizing their systems to enable wastewater reuse.

India's water scarcity issues are now becoming prominent in urban cities where the costs of freshwater production and industrial water tariffs have risen due to water shortage. Only one-third of India's wastewater is currently treated, leading to the high burden of water-borne diseases. As India's cities run out of water, water-intensive industries like manufacturing and hospitality are investing in better effluent treatment. Also, implementation of strict government regulations, like zero liquid discharge regulation, for the treatment of sewage before discharging into the water bodies is expected to augment demand for wastewater treatment plants.

Under the piped drinking water for all plan, also termed as "Nal Se Jal", the government is planning an aggressive target of providing piped water to all households by 2024. This is likely to lead to doubling of spending on water related infrastructure creation over the next 5 year. Similarly, on the sanitation front as well the government is determined to get all the city's sewage treated.

Competition and high overheads cost are a threat in this business. The rise of competition is inevitable as foreign companies want to enter India owing to its high growth potential. Installation of water & wastewater treatment equipment is expensive and operating and maintaining costs is also high. This acts as restraining factor because it leads to increase in cost of product thereby putting pressure on sales as well as on margins. However, with rising water scarcity and increasing water prices, water and wastewater treatment has the potential to mature as a profitable undertaking.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The business activities of the Group predominantly falls within a single primary business segment viz "Manufacturing and trading of varied engineering products for general engineering industry, water and waste water industry, power plant and bulk solids handling industry". There is no separate reportable business segment.

As part of secondary reporting for geographical segments, the Group operates in two principal geographical areas i.e. in India, its home country, and other countries. The following table presents revenue from operations, segment assets and capital expenditure regarding geographical segments:-

| Particulars | Current year ended 31 March 2020 | Previous year ended 31 March 2019 |
|--|-------------------------------------|--------------------------------------|
| | (Audited) | (Audited) |
| Segment revenue from external customers | | |
| Within India | 15,114.16 | 17,838.84 |
| Outside India | 12,659.63 | 6,993.84 |
| Revenue from operations | 27,773.79 | 24,832.68 |
| Segment assets | | |
| Within India | 22,517.63 | 20,791.30 |
| Outside India | 5,949.76 | 6,008.79 |
| Total assets | 28,467.39 | 26,800.09 |
| Capital expenditure | | |
| Within India | 1,217.37 | 1,266.06 |
| Outside India | 40.86 | 349.47 |
| Total capital expenditure | 1,258.23 | 1,615.53 |

FUTURE OR FORWARD OUTLOOK

Treating wastewater for reuse has become an accepted and reliable technical solution to address water scarcity problems around the world and can provide a reliable water source for industry, irrigation, and municipal use.

Majority of countries across the world are investing in water treatment infrastructure owing to scarcity of clean water. Recently, the Asian Development Bank (ADB) and the Government of India signed a \$206 million loan to develop water supply and sewerage infrastructure in 5 cities of Tamil Nadu and strengthen capacities of urban local bodies (ULBs) for improved service delivery. The project is aimed at improving the lives of the urban people in the identified cities of Tamil Nadu by providing universal access to water supply and sanitation and improving sewage treatment and drainage systems.

Jash enjoys a strong market position in the water and wastewater management industry with a diverse range of product portfolio and has a wide geographical presence which would enable the Company to maintain positive growth momentum by capitalizing on the upcoming demand arising from both domestic and international industries.

RISKS AND CONCERNS, INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has developed and implemented a risk management policy for the Company with a forward-looking approach that allows it to maintain a medium-low risk profile, through a risk appetite as may be defined by board of directors and the identification and assessment of all risks. The Company will continue to improve its risk framework through technology to suit its remodeled business as described herein.

We are subject to foreign currency exchange rate fluctuations which could have a material impact on our results of operations and financial conditions. The Company has a well-defined Policy for Risk Mitigation on foreign exchange by adopting hedging strategies. Global as well as Indian economic and political factors that are beyond our control, influence forecasts and may directly affect our business operations.

The Company has initiated process re-engineering to introduce in-built process elements to monitor and comply with various internal and external requirements for various aspects of conducting business. Compliance beyond prescribed will continue to be underlying principle for business processes. The Company will strive to be the best by increasing role of technology in monitoring and fulfilling compliance requirements.

The Indian infrastructure industry is limping due to cash flow crisis partially inflicted by banks and partially by delayed payment by executing agencies. This can lead to projects getting stuck and deliveries getting delayed. Nearly 55% of

our revenues are still coming from Indian business and so some part of our growth will be affected if higher percentage of Indian projects are affected by this crisis. We are looking at overall year on year growth between 17% to 23% in next 3 years but if many Indian projects are affected then projected growth will come down to 14%-20% range.

Internal control systems play a crucial role in the health of a Company in every industry. An effective system of internal control is a backbone, necessary for building, maintaining and improving shareholders confidence and value as well as helps to enhance the overall quality of the business and the enterprise.

The Company has an adequate internal control system commensurate with the size of the Company and the nature of its business. The Company also has internal control system for speedy compilation of accounts and Management Information Reports and to comply with applicable laws and regulations.

The effectiveness of the internal control mechanism is reviewed by an independent professional internal audit function and by the statutory auditors. The Audit Committee of the Board periodically reviews the functioning of the internal audit and the implementation of the recommended measures to improve the internal control mechanism.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Financial performance of the Company for the year **2019-20** is described in the Directors' Report under the headings 'Summarized Profit & loss Account and State of Company's Affairs & Review of operations'.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

Many initiatives were taken to support business through organizational efficiency, process change support and various employee engagement programs which has helped the organization to achieve higher productivity level. A significant effort has also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement.

Focused attention on management of available human resources by training, retraining, incentivizing, and a fair policy of promotion, transfer and equal pay for equal work played a significant role in achieving the desired objective and remained competitive in terms of product quality, price pattern, brand equity and service deliverables. Nurturing of talent and best HR practices will continue to differentiate and provide strength to company.

As on March 31,2020 we have over 537 employees on payroll as well as contractual. Company is committed to provide necessary training / conducts development programmes to imbibe necessary skills required within the employees. The management of the Company enjoys healthy and cordial relations with its employees at all levels. The management and the employees are dedicated to achieve the corporate objectives and the targets set before the company.

CAUTIONARY STATEMENT

The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations. Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

For and on behalf of Board of Directors of
Jash Engineering Limited

Date : 28.8.2020
Place : Indore

Sd/-
Pratik Patel
Chairman & Managing Director
DIN - 00780920

Sd/-
Suresh Patel
Executive director
DIN:00012072

Annexure -C**CORPORATE GOVERNANCE REPORT**

In accordance with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at JASH Engineering Limited is as under: -

Jash's Philosophy on Corporate Governance:

Jash's governance framework is driven by the objective of enhancing long term stakeholder value without compromising on ethical standards and corporate social responsibilities. Efficient corporate governance requires a clear understanding of the respective roles of the Board of Directors ("Board") and of senior management and their relationships with others in the corporate. The Company has a strong legacy of fair, transparent and ethical governance practices and it believes that good Corporate Governance is essential for achieving long term corporate goals and to enhance stakeholders' value. Our Company implements Corporate Governance through robust board governance processes, internal control systems and processes, and strong audit mechanisms.

BOARD OF DIRECTORS:**Board composition:**

The Board composition is in conformity with Section 149 of the Act and Regulation 17 of the Listing Regulations. Company has an active, diverse, experienced and a well-informed Board. The Company currently has a right mix of Directors on the Board who possess the requisite qualifications and experience in general corporate management, finance and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

As on March 31, 2020, the composition of the Board of Directors was optimum and as under:

| Sr. No. | Name of the Director | DIN | Designation |
|----------------|-------------------------------|------------|------------------------------|
| 1. | MR. LAXMINANDAN AMIN* | 00007735 | EXECUTIVE DIRECTOR |
| 2. | MR. PRATIK PATEL** | 00780920 | CHAIRMAN & MANAGING DIRECTOR |
| 3. | MR. SURESH KUMAR PATEL*** | 00012072 | EXECUTIVE DIRECTOR |
| 4. | MR. AXEL SCHUTTE | 02591276 | NON-EXECUTIVE DIRECTOR |
| 5. | MR. BRIJ MOHAN MAHESHWARI | 00022080 | INDEPENDENT DIRECTOR |
| 6. | MR. SUNIL KUMAR CHOKSI | 00155078 | INDEPENDENT DIRECTOR |
| 7. | MS. SUNITA KISHNANI | 06924681 | INDEPENDENT DIRECTOR |
| 8. | MR. DURGALAL TULJARAM MANWANI | 07114081 | INDEPENDENT DIRECTOR |
| 9. | MR. VISHWAPATI TRIVEDI | 00158435 | INDEPENDENT DIRECTOR |

* Mr Laxminandan Amin has resigned from the directorship w.ef. 31/03/2020.

** Mr. Pratik Patel has been elected as a Chairman of the Company w.e.f. 25/06/2020

*** Mr. Suresh Kumar Patel has been appointed as an Executive Director of company w.e.f. 14/02/2020.

Directorships and Memberships of Board Committees:

| Sr. No. | Name of the Director | Directorships | Memberships of Board Committees |
|---------|-------------------------------|---------------|---------------------------------|
| 1 | MR. PRATIK PATEL | 3 | 2 |
| 2 | MR. SURESH KUMAR PATEL | 1 | 1 |
| 3 | MR. AXEL SCHUTTE | 1 | - |
| 4 | MR. BRIJ MOHAN MAHESHWARI | 2 | 4 |
| 5 | MR. SUNIL KUMAR CHOKSI | 2 | 2 |
| 6 | MS. SUNITA KISHNANI | 1 | 2 |
| 7 | MR. DURGALAL TULJARAM MANWANI | 2 | 3 |
| 8 | MR. VISHWAPATI TRIVEDI | 1 | - |

Board Meeting and Attendance:

| Sr. No. | Date of Board Meeting | Name of Director | Designation |
|---------|-----------------------|------------------------|-------------------------------|
| 1 | 28/05/2019 | MR. LAXMINANDAN AMIN | CHAIRMAN & EXECUTIVE DIRECTOR |
| | | MR. PRATIK PATEL | MANAGING DIRECTOR |
| | | MR. D. T. MANWANI | INDEPENDENT DIRECTOR |
| | | MR. B. M. MAHESHWARI | INDEPENDENT DIRECTOR |
| | | MS. SUNITA KISHNANI | INDEPENDENT DIRECTOR |
| 2 | 13/08/2019 | MR. LAXMINANDAN AMIN | CHAIRMAN & EXECUTIVE DIRECTOR |
| | | MR. PRATIK PATEL | MANAGING DIRECTOR |
| | | MR. AXEL SCHUTTE | DIRECTOR |
| | | MR. B. M. MAHESHWARI | INDEPENDENT DIRECTOR |
| | | MS. SUNITA KISHNANI | INDEPENDENT DIRECTOR |
| 3. | 06/11/2019 | MR. LAXMINANDAN AMIN | CHAIRMAN & EXECUTIVE DIRECTOR |
| | | MR. PRATIK PATEL | MANAGING DIRECTOR |
| | | MR. D. T. MANWANI | INDEPENDENT DIRECTOR |
| | | MR. B. M. MAHESHWARI | INDEPENDENT DIRECTOR |
| | | MR. SUNIL CHOKSI | INDEPENDENT DIRECTOR |
| | | MR. VISHWAPATI TRIVEDI | INDEPENDENT DIRECTOR |
| 4. | 14/02/2020 | MR. LAXMINANDAN AMIN | CHAIRMAN & EXECUTIVE DIRECTOR |
| | | MR. PRATIK PATEL | MANAGING DIRECTOR |
| | | MR. AXEL SCHUTTE | DIRECTOR |
| | | MR. B. M. MAHESHWARI | INDEPENDENT DIRECTOR |
| | | MR. D. T. MANWANI | INDEPENDENT DIRECTOR |
| | | MR. SUNIL CHOKSI | INDEPENDENT DIRECTOR |

Certificate from practicing company secretary on non-disqualification of Director:

Pursuant to Regulation 34(3) and Schedule V para C clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has received a Certificate of Non-Disqualification of Director, annexed as "Annexure 1" of Corporate Governance Report from Ankit Joshi, Practicing Company Secretary (COP No. 18660), to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority.

Familiarization Programme:

Pursuant to Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV to the Companies Act, 2013, the Company shall familiarise the Independent Directors with the Company, their role, rights, and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

Objectives:

Through the familiarization programme, the Company intends to achieve the following objectives:

- To apprise the Directors about the business model, corporate strategy, nature of industry, business plans and operations of the Company.
- To familiarize them with the Company's financial performance, annual budgets, internal control processes and statutory compliances.
- To appraise them about their roles and responsibilities in the Company.
- To familiarize them with Company's vision, core values, ethics and Corporate Governance practices.
- Familiarization Programme.
- The Independent Directors in the Board and Committee Meetings Shall be provided with the following.
- Criteria of Independence applicable to the Independent Directors.
- Updates on business model, nature of industry, operations and financial performance of the Company.
- Presentations on Annual Budgets, Internal & Statutory Audit, Corporate Social Responsibility, strategies and business performance of the Company
- Updates on significant developments in the Company.
- Directors Responsibility Statement forming part of Boards' Report.
- Policies of the Company on social responsibility, remuneration criteria, vigil mechanism, related party transactions etc.
- Update on significant amendments in corporate and other laws and its impact on the Company.
- Board evaluation process and procedures.
- Code of Conduct for Independent Directors as prescribed under the Companies Act, 2013.

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings on business, operations and performance updates of the Company as well as the Group. Quarterly updates on relevant statutory and regulatory changes applicable to the Company and the Group and important legal matters pertaining to the Company are discussed at the Board meetings. The Familiarization Programme is available on the website: www.jashindia.com

Independent Directors' Meeting

In compliance with Schedule IV to the Companies Act, 2013 and regulation 25(3) of the SEBI Listing Regulations, the independent directors held their separate meeting , to inter alia discuss the following: Noting of the report of

Performance Evaluation for 2019-20 from Chairman of the Board; Review the performance of non-independent directors and the Board as a whole; Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors; Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties;

Audit Committee:

According to Section 177 of the Companies Act, 2013 and applicable rules made their under and as per Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015: -

Every listed entity shall constitute a qualified and independent audit committee in accordance with the terms of reference, subject to the following:

- (a) The audit committee shall have minimum three directors as members.
- (b) Two-thirds of the members of audit committee shall be independent directors and in case of a listed entity having outstanding equity shares, the audit committee shall only comprise of independent directors.
- (c) All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise.

To follow above mentioned provisions, our Company constituted Audit Committee as per requirement of section 177 of the Companies Act 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015. The terms of reference of Audit Committee are broadly in accordance with the provisions of SEBI (LODR) Regulations, 2015 and Companies Act, 2013. The Audit Committee comprises of the following Directors of the Company:

The Composition of Audit Committee is as follow:

| Sr. No. | Name | Nature of Directorship | Designation in Committee | No of Meeting held / No of Meeting Attended |
|---------|-------------------------------|--------------------------------------|--------------------------|---|
| 1. | Mr. BRIJ MOHAN MAHESHWARI | INDEPENDENT & NON-EXECUTIVE DIRECTOR | CHAIRMAN | 4/4 |
| 2. | Mr. DURGALAL TULJARAM MANWANI | INDEPENDENT & NON-EXECUTIVE DIRECTOR | MEMBER | 4/3 |
| 3. | Mr. SUNIL CHOKSI | INDEPENDENT & NON-EXECUTIVE DIRECTOR | MEMBER | 4/2 |
| 4. | Mr. PRATIK PATEL | MANAGING DIRECTOR | MEMBER | 4/4 |

A. Powers of the Audit Committee:

The powers of the Audit Committee include the following:

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee of our Company;
- c) to obtain outside legal or other professional advice; and
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary.

B. Role of the Audit Committee:

The role of Audit Committee together with its powers shall be as under:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;

- Approving payment to statutory auditors for any other services rendered by the statutory auditors;
- Approving initial or any subsequent modification of transactions of the company with related parties;
- Scrutinizing inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters;
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to;
 - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices along with reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions; and
 - g. modified opinion in the draft audit report.
- Reviewing, with the management, the quarterly/ half yearly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussing with the internal auditors any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
- Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing;
- Approving the appointment of the Chief Financial Officer (i.e. the whole-time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the equity listing agreements as and when amended from time to time.

C. Mandatory review by the Audit Committee

The Audit Committee shall mandatorily review the following:

- a) management discussion and analysis of financial condition and results of operations;
- b) statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c) management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) internal audit reports relating to internal control weaknesses;
- e) the appointment, removal and terms of remuneration of the chief internal auditor; and statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Nomination and Remuneration Committee:

According to Section 178 of the Companies Act, 2013 and applicable rules made their under and as per Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015: -

The board of directors shall constitute the nomination and remuneration committee as follows:

- (a) the committee shall comprise of atleast three directors;
- (b) all directors of the committee shall be non-executive directors; and
- (c) at least fifty percent of the directors shall be independent directors and in case of a listed entity having outstanding equity shares, two thirds of the nomination and remuneration committee shall comprise of independent directors.

To follow above mentioned provisions, our Company has constituted a Nomination and Remuneration Committee in accordance with section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Nomination and Remuneration Committee comprises of the following Directors of the Company:

The Composition of Nomination & Remuneration Committee are as follow:

| Sr.No. | Name | Nature of Directorship | Designation in Committee | No of Meeting held/ No of Meeting Attended |
|--------|-------------------------------|--------------------------------------|--------------------------|---|
| 1. | Ms. SUNITA KISHNANI | INDEPENDENT & NON-EXECUTIVE DIRECTOR | CHAIRMAN | 3/2 |
| 2. | Mr. DURGALAL TULJARAM MANWANI | INDEPENDENT & NON-EXECUTIVE DIRECTOR | MEMBER | 3/2 |
| 3. | Mr. BRIJ MOHAN MAHESHWARI | INDEPENDENT & NON-EXECUTIVE DIRECTOR | MEMBER | 3/3 |

Terms of Reference:

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the board a policy relating to the remuneration for directors, KMPs and other employees.
- formulation of criteria for evaluation of performance of independent directors and our Board;
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights.
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the whole-time Directors.
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
- To formulate and administer the Employee Stock Option Scheme.

Stakeholders' Relationship Committee:

According to Section 178 of the Companies Act, 2013 and applicable rules made their under and as per Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015: -

- The listed entity shall constitute a Stakeholders Relationship Committee to specifically look into the mechanism of redressal of grievances various aspects of interest of shareholders, debenture holders and other security holders.
- The chairperson of this committee shall be a non-executive director.

At least three directors, with at least one being an independent director, shall be members of the Committee and in case of a listed entity having outstanding equity shares, at least two thirds of the Stakeholders Relationship Committee shall comprise of independent directors.

To follow above mentioned provisions, our Company has constituted a shareholder/investors grievance committee ("Stakeholders Relationship Committee") to redress complaints of the shareholders.

| Sr. No. | Name | Nature of Directorship | Designation in Committee | No of Meeting held/ No of Meeting Attended |
|---------|---------------------------|------------------------|--------------------------|--|
| 1. | MR. SUNIL CHOKSI | INDEPENDENT DIRECTOR | CHAIRMAN | 4/2 |
| 2. | MS. SUNITA KISHNANI | INDEPENDENT DIRECTOR | MEMBER | 4/2 |
| 3. | MR. BRIJ MOHAN MAHESHWARI | INDEPENDENT DIRECTOR | MEMBER | 4/4 |
| 4. | MR. PRATIK PATEL | MANAGING DIRECTOR | MEMBER | 4/4 |

Terms of Reference: Redressal of shareholders' and investors' complaints, including and in respect of:

- Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- attending to requests from the shareholders for demat/ remat of shares;
- Review the process and mechanism of redressal of Shareholders /Investors grievance and suggest measures of improving the system of redressal of Shareholders /Investors grievances.
- considering and resolving grievances of the security holders of the Company, including complaints related to the transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
- Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 1992 as amended from time to time.
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting,
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time."

For any assistance regarding share transfer, transmissions, change of address or any query relating to shares of company please write to: -

Company Secretary & Compliance officer:

Jash Engineering Ltd.
31, Sector-C, Sanwer Road,
Industrial Area,
Indore (M.P.)-452001
E-mail Id for Investor's Grievances: info@jashindia.com

Corporate Social Responsibility (CSR) Committee:

Every company having:

- net worth of rupees five hundred crore or more, or
- turnover of rupees one thousand crore or more or
- a net profit of rupees five crore or more

during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

To follow above mentioned provisions, our Company has constituted a CSR Committee in accordance with the provisions of section 135 of Companies Act, 2013. The constitution of the CSR Committee was approved by a meeting of the Board and reconstituted as per requirements. The CSR Committee comprises the following Directors as on 31st March 2020:

| Sr. No. | Name | Nature of Directorship | Designation in Committee | No of Meeting held/ No of Meeting Attended |
|---------|-------------------------------|------------------------|--------------------------|--|
| 1. | MR. LAXMINANDAN AMIN | EXECUTIVE DIRECTOR | CHAIRMAN | 2/2 |
| 2. | MR. BRIJMOHAN MAHESHWARI | INDEPENDENT DIRECTOR | MEMBER | 2/2 |
| 3. | Mr. DURGALAL TULJARAM MANWANI | INDEPENDENT DIRECTOR | MEMBER | 2/2 |
| 4. | MR. SURESH KUMAR PATEL* | EXECUTIVE DIRECTOR | MEMBER | 2/1 |

* Mr. Suresh Kumar Patel has been appointed as a Member & Chairman of the CSR Committee w.e.f. 14.2.2020

Executive & Borrowing Committee:

For looking day to day financial and operational transaction of the Company Executive & Borrowing Committee has constituted with specific power to running smooth functioning in financial and operational matters. The constitution of the Executive & Borrowing Committee was approved by a meeting of the Board and reconstituted as per requirements. The Executive & Borrowing Committee comprises the following Directors:

| Sr. No. | Name | Nature of Directorship | Designation in Committee | No of Meeting held/ No of Meeting Attended |
|---------|----------------------------|------------------------|--------------------------|--|
| 1. | MR. LAXMINANDAN* AMIN | EXECUTIVE DIRECTOR | CHAIRMAN | 1/1 |
| 2. | MR. PRATIK PATEL ** | MANAGING DIRECTOR | CHAIRMAN | 1/1 |
| 3. | MR. SURESH KUMAR PATEL *** | EXECUTIVE DIRECTOR | MEMBER | - |

* Mr. Laxminandan Amin has resigned from the directorship of the company w.e.f. 31/03/2020.

** Mr. Pratik Patel elected as Chairman of the company from 25/06/2020

*** Mr. Suresh Kumar Patel has been appointed as an Executive Director of company w.e.f. 14/02/2020.

(This space has been intentionally left blank)

General Body Meetings:

The last three General Meeting of the company were held at the venue and time as under:

| Year | AGM/EGM | Date | Time | Venue | Special Resolution Passed |
|---------|----------------------|------------|------------|---|---------------------------|
| 2016-17 | AGM-43 th | 30/09/2017 | 11:00 A.M. | Jash Engineering Ltd. 31, Sector-C, Sanwer Road, Industrial Area, Indore (M.P.)452001 - | 2 |
| 2017-18 | AGM-44 th | 21/09/2018 | 11:30 A.M. | Jash Engineering Ltd. 31, Sector-C, Sanwer Road, Industrial Area, Indore (M.P.)452001 | - |
| 2018-19 | AGM-45 th | 14/09/2019 | 11:00 A.M. | Jash Engineering Ltd. 31, Sector-C, Sanwer Road, Industrial Area, Indore (M.P.)452001 | 1 |

Information on Details of Special Resolution(S) Passed by Postal Ballot:

| Date and time of passing resolution | Details of special resolution(s) passed at the AGM if any | Votes in favour (In No.) | Votes In favour (In %) | Votes casted Against (In No.) | Votes casted Against (In %) |
|-------------------------------------|--|--------------------------|------------------------|-------------------------------|-----------------------------|
| 10/08/2019* | 1. Jash Engineering Employee Stock Option Scheme 2019 ("Jash Scheme 2019") for the employees of the Company | 969203 | 100% | - | - |
| | 2. Jash Engineering Employee Stock Option Scheme 2019 ("Jash Scheme 2019") for the employees of the subsidiary Company(ies) of the Company | 969203 | 100% | - | - |
| | 3. Approval of acquisition of equity shares from primary or secondary market through Trust route for implementation of Jash Engineering Employee Stock Option Scheme 2019 to the employees of the Company and that of the employees of the subsidiary company, whether working in India or abroad. | 969203 | 100% | - | - |
| | 4. Increase in Authorised Share Capital and consequent alteration to the Capital clause of the Memorandum of Association. | 969203 | 100% | - | - |
| 17/09/2020** | 1. Migration of Jash Engineering Limited from Emerge Platform of NSE to the Main Board of NSE | 7394618 | 100% | - | - |

(This space has been intentionally left blank)

* The Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated 28th May, 2019, which was duly passed and the results of which were announced on 10th August, 2019. Mr. Ankit Joshi, Practicing Company Secretary (ACS No. 50124, CP No. 18660) was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

** The Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated 13th August, 2019, which was duly passed and the results of which were announced on 17th September, 2019. Mr. Ankit Joshi, Practicing Company Secretary (ACS No. 50124, CP No. 18660) was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

Means of Communication:

The quarterly, half-yearly and annual financial results and Statutory Notices of the Company are published in leading newspapers in India which include Business Standard, The Economic Times and Choutha Sansar. The website of the company acts as primary source of information regarding the operations of the Company quarterly, half yearly and annual financial results and other media releases are being displayed on the company website. The Company also issues press releases from time to time. Financial results, statutory notices, press releases and presentations made to the institutional investors/ analysts after the declaration of the quarterly, half-yearly and annual results are submitted to the National Stock Exchange of India Limited (NSE).

General Shareholder Information:

| | |
|---|--|
| Annual General Meeting Day For 2019-20: | 46 TH Annual General Meeting |
| Date: | 29/09/2020 |
| Day: | Tuesday |
| Time: | 11:00 A.M. |
| Venue: | 31, Sector-C, Sanwer Road, Industrial Area, Indore (M.P.)-452001 |
| Stock Code: | Jash |
| ISIN: | INE039O01011 |
| CIN Number: | L28910MP1973PLC001226 |

Listing

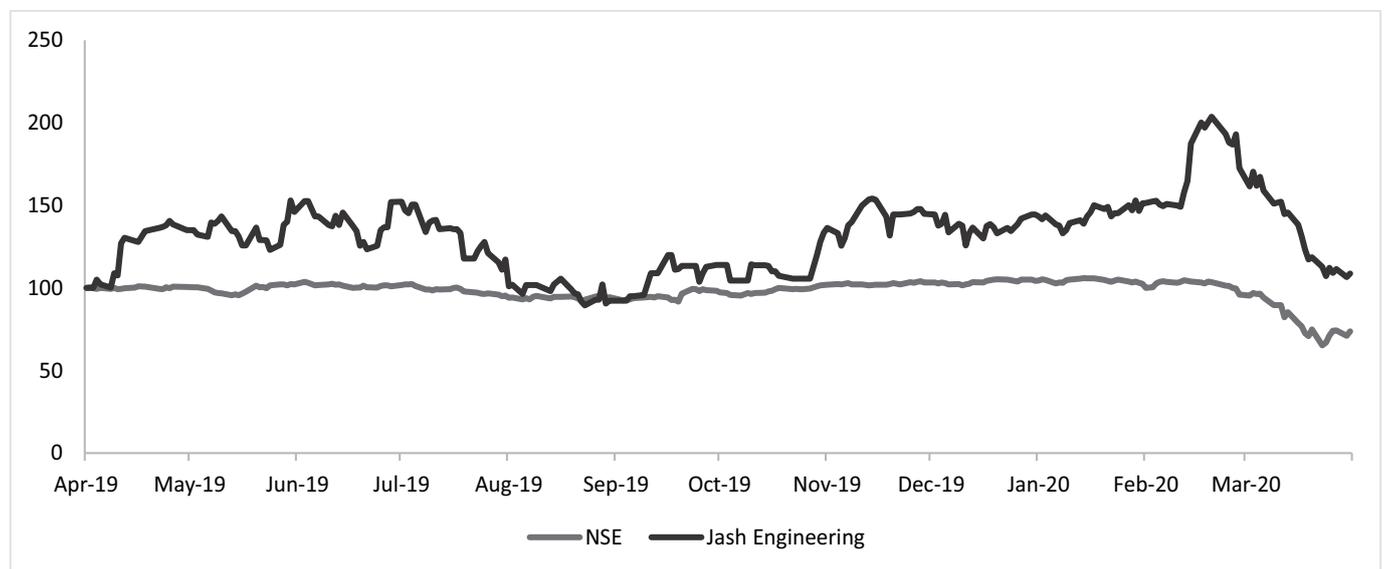
At present, the equity shares of the Company are listed at National Stock Exchange Ltd. (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051.

(This space has been intentionally left blank)

Market Price Data:

Market Price Data: High/Low during each month during the Financial Year 2019-2020

| Month | NSE - Jash Engineering | | | NSE Nifty 50 | | |
|-----------|------------------------|----------------|------------------|-----------------|----------------|------------------|
| | High Price (Rs) | Low Price (Rs) | Close Price (Rs) | High Price (Rs) | Low Price (Rs) | Close Price (Rs) |
| April | 129 | 87 | 122 | 11,856 | 11,549 | 11,748 |
| May | 138 | 106 | 131 | 12,041 | 11,108 | 11,923 |
| June | 145 | 111 | 137 | 12,103 | 11,625 | 11,789 |
| July | 145 | 97 | 126 | 11,982 | 10,999 | 11,118 |
| August | 100 | 77 | 106 | 11,181 | 10,637 | 11,023 |
| September | 108 | 86 | 103 | 11,695 | 10,670 | 11,474 |
| October | 130 | 90 | 120 | 11,945 | 11,090 | 11,877 |
| November | 150 | 110 | 130 | 12,159 | 11,803 | 12,056 |
| December | 140 | 109 | 130 | 12,294 | 11,832 | 12,168 |
| January | 146 | 113 | 136 | 12,431 | 11,930 | 11,962 |
| February | 189 | 131 | 155 | 12,247 | 11,175 | 11,202 |
| March | 175 | 92 | 98 | 11,433 | 7,511 | 8,598 |

**Registrar & Share Transfer Agent:**

M/s Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai, Maharashtra – 400083

Share Transfer System;

All the transfer of shares received by the Company has processed by the Registrars and Transfer Agents .

Shareholding Pattern of the company as on March 31, 2020:

| Category | No. of Shares | % of Holding |
|-------------------------------|---------------|--------------|
| Promoters | 6370858 | 53.82 |
| Public | 5465740 | 46.18 |
| Non Promoter-Non Public | 0 | 0 |
| Shares underlying DRs | 0 | 0 |
| Shares held by employee trust | 0 | 0 |
| Total | 11836598 | 100 |

Outstanding ADRs /GDRs/ Warrants or any convertible instruments:

The Company had not issued any GDRs / ADRs/ Warrants or any Convertible instruments in the past and hence as on 31st March, 2020 the Company does not have any outstanding GDRs/ ADRs/ Warrants or convertible instruments.

Business Locations:

Address for Correspondence:
 Jash Engineering Ltd.
 CIN: L28910MP1973PLC001226
 31, Sector-C, Sanwer Road, Industrial Area,
 Indore (M.P.)-452001
 E-mail: info@jashindia.com.

Certificate from practicing company secretary on Corporate Governance:

Pursuant to Regulation 34(3) and Schedule V para E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has received a Compliance Certificate attached as "Annexure-2" of Corporate Governance Report, from Ankit Joshi, Practicing Company Secretary (CoP No. 18660), to the effect that Company has complied with all rules and regulations of Companies Act, 2013, SEBI Regulation or any other Law (If any) applicable on the company regarding compliance of good Corporate Governance.

Other Disclosure:**EMPLOYEE STOCK OPTION SCHEME:****DISCLOSURE PURSUANT TO REGULATION 14 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AS ON 31 MARCH 2020**

- A . Relevant disclosures in terms of the 'Guidance note on accounting for employee share based payments' issued by Institute of Chartered Accountants of India ('ICAI') or any other relevant accounting standards as prescribed from time to time:**

The disclosures are provided in Note no. 52 of the Notes to Financial Statements of the Company for the year ended 31 March 2020

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations in accordance with 'Indian Accounting Standard (Ind AS) 33 - Earnings per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time: Nil

C. Details related to Jash Engineering Employee Stock Option Scheme 2019:

Company has announced a scheme "Jash Engineering Employee Stock Option Scheme 2019" (herein after referred as 'the Scheme') to the employees of the Company who have completed three years in company, to align the interest of the employees with those of the Company and its shareholders and provide an opportunity to employees to participate in the growth of the Company and thereby creating long-term wealth for mutual benefit. The scheme is approved by the Board at its Board Meeting dated 28/05/2019 and further same would be approved by the Shareholders by way of postal ballot on 10th August 2019

I. Details related to Jash Engineering Employee Stock Option Scheme 2019 are given below:

| Sr. No. | Particulars | |
|---------|--------------------------------|--|
| 1. | Date of shareholders' approval | 10 th August 2019 |
| 2. | Total number of options grants | 481,400 options convertibles into 481,400 equity shares |
| 3. | Vesting Requirement | The vesting period shall commence on the expiry of one year from the date of grant of options or such period as may be decided by the Compensation Committee at the time of each grant of options. The Options granted shall vest so long as the employee continues to be in the employment of the Company including subsidiary companies. |
| 4. | Exercise price | The exercise price of the options is 20% discount on the closing market price of one day prior to the date of grant on stock exchange where the equity shares of the Company are listed. |
| 5. | Source of shares | Primary issuance and/or Secondary Acquisition |
| 6. | Variation in terms of ESOP | -- |

II. Method used to account for ESOP - The fair value of the equity – settled options at grant date determined using the Black Scholes Models.

III. Where the company opts for expensing of the options using the intrinsic value of the options, difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used fair value of the options and the impact of this difference on profits and on EPS of the Company. Not applicable

IV. Details of Options (Option Movement during the year):

481400 options has been granted during the year.

V. Weighted-average exercise prices and weighted-average fair values of options whose exercise price equals or exceeds or is less than the market price of the stock – Not applicable, no options were exercised during the year 2019-20

VI. Employee-wise details of options granted during the year 2019-20 to:

| | | |
|-----------|--|--|
| 1. | Senior managerial personnel & others employees | |
| | Option has been granted to the all permanent Employee of the company who have completed the 3 yrs. in the company | No. of options granted and grant price : 481400 options have been granted and Exercise price is Rs. 118.64/- |
| | -- | -- |
| 2. | Employees who were granted, during the year, options amounting to 5% or more of the options granted during the year | |
| | Name | No. of options granted |
| | -- | -- |
| 3. | Identified employees who were granted options, during the year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant. | |
| | Name | No. of options granted |
| | -- | -- |

VII. A description of the method and significant assumptions used during the year to estimate the fair value of options granted during the year 2019-20 –

- Options will vest in a graded manner over four years from the date of grant. These options are exercisable within a period of one month of vesting
- Exercise Price : Rs. 118.64
- Share Price at Grant date : Rs. 148.30
- Weighted average expected price volatility* : 72.44%
- Weighted average expected dividend yield : 1.36%
- Risk-free Interest rate : 6.10% for all tranches
- Weighted average option life : 3.08 yrs.

* The expected price volatility is based on the historic volatility (based on the remaining life of the options) adjusted for any expected changes to future volatility based on publicly available information

D. Details related to Trust:

For the purposes of proper governance and implementation of the scheme Trust has been constituted by the company to act in interest and beneficial of employees who opt the scheme. Details of the trust are specified as under:

I. General Information:

| | |
|--|--|
| Name of the Trust | "Jash Group Employee ESOP Trust" |
| Name of trustees | Indrajit Singh Pawar Hiren Shah Neeraj Desai |
| Amount of loan disbursed by Company/ any company in the group, during the year. | -- |
| Amount of loan outstanding (Repayable to Company/any company in the group) as at the end of the year. | -- |
| Amount of loan, if any, taken from any other source for which Company/any company in the group has provided any security or guarantee. | -- |
| Any other contribution made to the Trust during the year. | -- |

ii. Brief details of transactions in shares by the Trust

During the financial year 2019-20, the Trust has not acquired/transferred any shares of the Company. As on 31 March 2020, the Trust has no shares of the Company.

iii. In case of secondary acquisition of shares by the Trust

During the financial year 2019-20, no shares were acquired/transferred by secondary acquisitions.

There are no materially significant transactions with its promoters, the directors or the senior management personnel or relatives etc. that may have potential conflict with the interests of the Company. The disclosure in respect of related party transactions is provided in the notes on accounts. All contracts with the related parties entered into during the year are in normal course of business and have no potential conflict with the interest of the Company at large and are carried out on arm's length basis at fair market value.

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Company adopted adequate Internal Control.

The Company has complied with the mandatory requirements of the Listing Regulation.

Subsidiary companies including Foreign Subsidiaries:

| Name of the subsidiary | Shivpad Engineers Pvt. Ltd. | Jash USA Inc. USA | *Mahr Maschinenbau Ges. mbH | Engineering and Manufacturing Jash Limited |
|------------------------|-----------------------------|-------------------|-----------------------------|--|
| % of shareholding | 100 | 100 | 100 | 100 |

* Mahr Maschinenbau Ges. MbH a subsidiary of Austria is under liquidation process.

Related Party Transaction:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, during the financial year were in the ordinary course of business and on an arm's length pricing basis. Suitable disclosure as required by the Accounting Standards has been made in the notes to the Financial Statements.

All Related Party Transactions were approved by the Audit Committee on omnibus basis or otherwise and the Board. The transactions entered into by the company are audited. The Company has developed Related Party Transactions Policy, Standard Operating Procedures for purpose of identification and monitoring of such transactions. The information for the Related Party Transactions has been given in AOC-2 as "Annexure-F" of Board Report. The RPT Policy as approved by the Board is available on the Company's website. www.jashindia.com.

Payment of Listing Fees:

Annual listing fee for the year 2020-21 has been paid by the Company to NSE Limited where the shares of the Company are listed.

Commodity price risk or foreign exchange risk and hedging activities: The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.

Disclosure of relationship between directors inter-se: N.A.

Any recommendations received from the committee and not accepted by the Board and reasons thereof – Nil

List of Non-Compliance made during the year- N.A

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account: N.A.

Code of Conduct:

Regulation 17(5) of the SEBI (LODR) Regulations, 2015 requires listed companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of directors as laid down in the Companies Act, 2013. The Company has adopted a Code of Conduct for all Directors and Senior Management of the Company and same has been hosted on the website of the company www.Jashindia.com.

Annexure-1 to Corporate Governance Report:

Certificate of Non-Disqualification 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,
Jash Engineering Ltd.
CIN: L28910MP1973PLC001226
31, Sector-C, Sanwer Road,
Industrial Area,
Indore (M.P.)-452001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Jash Engineering Ltd.(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 and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my 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 me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA) or any such other Statutory Authority.

Details of Directors:

| Sl. No. | Name of Director | DIN | Date of appointment in Company |
|---------|-----------------------------|----------|--------------------------------|
| 1. | Mr. Pratik Patel | 00780920 | 01/10/2000 |
| 2. | Mr. Suresh Kumar Patel | 00012072 | 14/02/2020 |
| 3. | Mr. Axel Schutte | 02591276 | 29/09/2001 |
| 4. | Mr. Brij Mohan Maheshwari | 00022080 | 25/08/2017 |
| 5. | Mr. Sunil Kumar Choksi | 00155078 | 25/08/2017 |
| 6. | Ms.Sunita Kishnani | 06924681 | 25/08/2017 |
| 7. | Mr. DurgalalTuljaramManwani | 07114081 | 25/08/2017 |
| 8. | Mr.Vishwapati Trivedi | 00158435 | 13/08/2018 |

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on my 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.

Date:26.08.2020
Place: Indore
UDIN: A050124B000617130

Sd/-
CS Ankit Joshi
Practicing Company Secretary
M. No.: A50124
CoP No.: 18660

Annexure-2 to Corporate Governance Report:**Corporate Governance Compliance Certificate**

[Pursuant to Regulation 34(3) and Schedule V (E) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Jash Engineering Ltd.
CIN: L28910MP1973PLC001226
31, Sector-C, Sanwer Road,
Industrial Area,
Indore (M.P.)-452001

I have examined all the relevant records of Jash Engineering Ltd. for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2020. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate 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.

In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in Schedule II of the said Regulations. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has complied with items C and E.

Date: 26.08.2020
Place: Indore
UDIN: A050124B000617174

Sd/-
CS Ankit Joshi
Practicing Company Secretary
M. No.: A50124
CoP No.: 18660

MD/CEO & CFO CERTIFICATION PURSUANT TO REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Board of Directors
JASH Engineering Limited

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of to the best of our knowledge and belief certify that

- A. We have reviewed the financial statements and the cash flow statement for the financial year 2019-20 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we 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 the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- (1) significant changes in internal control over financial reporting during the year; if any
 - (2) significant changes in accounting policies during the year if any and that the same have been disclosed in the notes to the financial statements; and
 - (3) 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 JASH Engineering Limited

Sd/-
Pratik Patel
Chairman & Managing Director
DIN: 00780920

Sd/-
Dharmendra Jain
CFO

Date: 25.6.2020
Place: Indore

“Annexure-D”**NOMINATION AND REMUNERATION POLICY**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 as amended from time to time. This policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management of company has been formulated by the Nomination & Remuneration Committee (hereinafter referred to as NRC or the Committee) and approved by the Board of Directors.

The Nomination and Remuneration Policy of Jash Engineering Limited (the “Company”) is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

This policy shall act as guidelines on matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management.

Definitions:

“**Act**” means The Companies Act, 2013 and rules made thereunder, as amended from time to time.

“**Company**” means Jash Engineering Ltd.

“**Board**” means Board of Directors of Jash Engineering Ltd.

“**Committee**” means Nomination and Remuneration Committee of the Company as constituted by the Board from time to time.

“**Key Managerial Personnel**” or “**KMP**” means Managing Director, Whole-time Director, Chief Financial Officer, Company Secretary and such other persons who may be deemed to be KMP under the Companies Act, 2013.

“**Senior Managerial Personnel**” means the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all functional heads or Head of the Divisions.

“**Independent Director**” means a director referred to in Section 149(6) of the Act.

APPLICABILITY:

This Policy applies to Directors, Senior Management including its Key Managerial Personnel (KMP) & other employees of the Company. Any departure from the policy can be undertaken only with the approval of the Board of Directors.

CONSTITUTION OF THE “NOMINATION & REMUNERATION COMMITTEE:

The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with Company's policies and applicable statutory requirements. The composition of the Company shall be in line with the requirements of the Act and Listing Regulations.

OBJECTIVE:

The objective of the policy is to ensure that

- 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;
- Relationship of remuneration to performance is clear and meets appropriate performance bench marks; and
- 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.

ROLE OF THE COMMITTEE:**Nomination and Remuneration Committee shall govern the following:**

1. To formulate criteria for determining qualifications, positive attributes and independence of a Director.
2. To formulate criteria for evaluation of Independent Director and the Board.
3. To identify persons who are qualified to become Director and who may be appointed Senior Management in accordance with the criteria laid down in this policy.
4. To carry out evaluation of Director's performance.
5. To recommend to the Board the appointment and removal of Director and Senior Management.

6. To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
7. To devise a policy on Board diversity, composition, size.
8. Succession planning for replacing Key executive and overseeing.
9. To carry out any other function as in mandated by the Board from time to time and/or enforced by any statutory.
10. To perform such function as may be necessary or appropriate for the performance of its duties.
11. Noting of delegation of administrative power to ESOP Trust.
12. Approval for grant of stock options under ESOP Scheme of the Company.

APPOINTMENT OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

A) DIRECTORS

The appointment of the Non-Executive and Independent Directors are subject to the recommendation of NRC and approval of the Board of Directors and Shareholders. The Company shall comply provisions of the Companies Act, 2013 and rules framed thereunder for appointment of the Managing Director, Executive Director and Independent Directors.

B) KEY MANAGERIAL PERSONNEL

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Key Managerial Personnel and recommend his/ her appointment as per the Company's Policy.

C) SENIOR MANAGEMENT

The Managing Director is authorized to make appointment and removal of Senior Management Personnel. The same will be reported to the Board in the next Board Meeting.

D) OTHER EMPLOYEES:

Other employees will be appointed by the Managing Director from time to time.

EVALUATION

The Committee shall carry out evaluation of performance of Director, Key Managerial Personnel & Senior Management Personnel yearly or at such intervals as may be considered necessary. The Managing Director shall carry out evaluation of performance of the Senior Management Personnel as per the Company's policy & report to the Committee.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

RETIREMENT :

The Director, Key Managerial Personnel or Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director and Key Managerial Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company. The Managing Director will have the discretion to retain the Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director / Whole-time Directors:

a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share-based payment schemes of the Company.

d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

- i) The Services are rendered by such Director in his capacity as the professional; and
- ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

e) Board of Directors of Company shall of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share-based payments to be made to Directors (other than Independent Directors).

3) Remuneration to Key Managerial Personnel and Senior Management:

a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b) The Nomination and Remuneration Committee of the Company administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share-based payments to be made to Key Managerial Personnel and Senior Management.

c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.

d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

DISCLOSURE OF INFORMATION:

Information on the total remuneration of members of the Company's Board of Directors and KMP/ senior management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

NRC MEETINGS:

The meetings of NRC will be governed by the provisions of the Companies Act, 2013, Rules made thereunder and Listing Agreement as may be applicable from time to time. Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

DISSEMINATION:

This Policy shall be published on website of the Company.

For and on behalf of Board of Directors of
Jash Engineering Limited

Date : 28.8.2020
Place : Indore

Sd/-
Pratik Patel
Chairman & Managing Director
DIN - 00780920

Sd/-
Suresh Patel
Executive director
DIN:00012072

Annexure-E

**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

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

To,
**The Members,
Jash Engineering Limited
L28910MP1973PLC001226
31, Sector-C, Sanwer Road,
Industrial Area, Indore (MP)**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Jash Engineering Limited (CIN:L28910MP1973PLC001226)** (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided to me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **31st March, 2020** 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:

I 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, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (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 **[Applicable only to the extent of Foreign Direct Investment and Overseas Direct Investment]**
- (v) (i) 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009);
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
- (ii) Provisions of the following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the company during the Financial Year under report:

- (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period)

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in **Annexure I**.

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

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by ICSI under the provisions of the Companies Act, 2013;
- (ii) SEBI (LODR) Regulations, 2015 and the Listing Agreements entered into by the Company with National Stock Exchange of India Limited;

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

1. *Some Forms under Companies Act 2013, were filed by the company after prescribed timeline along with the adequate additional filing fees.*
2. *Pursuant to section 135 of the Companies Act 2013 read with applicable rules Company was required to spend CSR Contribution of Rs. 30.08 lacs during the financial year 2019-20, however the Company has spent Rs. 14.99 lacs only during the year 2019-20.*

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. 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 were sent 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I 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.

I further report that the compliance by the Company for the applicable Financial Laws like Direct Taxes, Indirect Taxes and the compliance of the Accounting Standards, quarterly financial results under Regulation 33 of SEBI (LODR) Regulations, 2015 and the annual financial statements, Cost Records has not been reviewed in this audit report, since the same have been subject to the statutory financial audit/cost audit by other designated professionals. This report is to be read with my letter of even date which is annexed as **Annexure II** and forms an integral part of this report.

I further report that during the audit period of the Company, there was no specific events/action having a major bearing on the Company and also laws, rules, regulations, guidelines, standards etc. referred to above.

Date: 24.08.2020
Place: Indore
UDIN: A050124B000608341

Sd/-
CS Ankit Joshi
Practicing Company Secretary
M. No.: A50124
CoP No.: 18660

‘Annexure I’**List of applicable laws to the Company Under the Major Group and Head are as follows:-**

- A.** Factories Act, 1948;
- B.** Industries (Development & regulation) Act, 1951;
- C.** Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
- D.** Acts prescribed under prevention and control of pollution;
- E.** Acts prescribed under environmental protection;
- F.** Acts as prescribed under Direct tax and Indirect Tax;
- G.** Land Revenue laws of respective states;
- H.** Labour welfare Act of respective States;
- I.** Trade Marks Act, 1999;
- J.** The Legal Metrology Act, 2009;
- K.** Acts as prescribed under Shop and Establishment Act of various local authorities.
- L.** All General Laws related to Direct and indirect Taxation, GST, Labour Law and other incidental Law of respective states.
- M.** 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;

Date:24.08.2020
Place: Indore
UDIN: A050124B000608341

Sd/-
CS Ankit Joshi
Practicing Company Secretary
M. No.: A50124
CoP No.: 18660

'Annexure II'

To,

The Members,

Jash Engineering Limited

L28910MP1973PLC001226

31, Sector-C, Sanwer Road,

Industrial Area Indore (MP)

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I 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. My examination was limited to the verification of procedures 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.

Date:24.08.2020
Place: Indore
UDIN: A050124B000608341

Sd/-
CS Ankit Joshi
Practicing Company Secretary
M. No.: A50124
CoP No.: 18660

“Annexure-F”**Form No. AOC-2**

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

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 arm's length transactions under third proviso thereto

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 |
|---------|---|---|---|--|--|----------------------------------|---------------------------------|---|
| - | - | - | - | - | - | - | - | - |

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 | Nature of Relation | 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 |
|---------|---|---|---|---|--|--|---------------------------------|
| 1 | Jash Precision Tools Pvt. Limited | Sale to | a private company in which a director or his relative is a member or director | Ongoing | As per agreed terms & on Arms' Length and in ordinary course of business | 28 th May 2019 | - |
| 2 | Shivpad Engineers Private Limited | Sale to | Wholly Owned Subsidiary | Ongoing | As per agreed terms & on Arms' Length and in ordinary course of business | 28 th May 2019 | - |
| 3 | Jash USA INC. | Sale to | Wholly Owned Subsidiary | Ongoing | As per agreed terms & on Arms' Length and in ordinary course of business | 28 th May 2019 | - |
| 4 | Mahr Maschinenbau GmbH | Sale to | Wholly Owned Subsidiary | Ongoing | As per agreed terms & on Arms' Length and in ordinary course of business | 28 th May 2019 | - |
| 5 | Micro-flat Datums Pvt. Ltd. | Sale to | a private company in which a director or his relative is a member or director | Ongoing | As per agreed terms & on Arms' Length and in ordinary course of business | 28 th May 2019 | - |
| 6 | Engineering & Manufacturing Jash Ltd. | Sale to | Wholly Owned Subsidiary | Ongoing | As per agreed terms & on Arms' Length and in ordinary course of business | 28 th May 2019 | - |
| 7 | Rodney Hunt INC. | Sale to | SDS of JASH USA INC. | Ongoing | As per agreed terms & on Arms' Length and in ordinary course of business | 28 th May 2019 | - |

| | | | | | | | |
|----|-------------------------------------|----------------------|---|---------|--|---------------------------|---|
| 8 | Jash Precision Tools Pvt. Limited | Purchase from | a private company in which a director or his relative is a member or director | Ongoing | As per agreed terms & on Arms' Length and in ordinary course of business | 28 th May 2019 | - |
| 9 | Micro-Flat Datums Pvt. Ltd. | Purchase from | a private company in which a director or his relative is a member or director | Ongoing | As per agreed terms & on Arms' Length and in ordinary course of business | 28 th May 2019 | - |
| 10 | Shivpad Engineers Private Limited | Purchase from | Wholly Owned Subsidiary | Ongoing | As per agreed terms & on Arms' Length and in ordinary course of business | 28 th May 2019 | - |
| 11 | Mahr Maschinenbau GmbH | Services from | Wholly Owned Subsidiary | Ongoing | As per agreed terms & on Arms' Length and in ordinary course of business | 28 th May 2019 | - |
| 12 | Microflat Datums Pvt. Ltd. | Services from | a private company in which a director or his relative is a member or director | Ongoing | As per agreed terms & on Arms' Length | 28 th May 2019 | - |
| 13 | Jash Precision Tools Pvt. Limited | Services from | a private company in which a director or his relative is a member or director | Ongoing | As per agreed terms & on Arms' Length | 28 th May 2019 | - |
| 14 | Jash Precision Tools Pvt. Limited | Services to | a private company in which a director or his relative is a member or director | Ongoing | As per agreed terms & on Arms' Length | 28 th May 2019 | - |
| 15 | Jash USA INC. | Supply to | Wholly Owned Subsidiary | Ongoing | As per agreed terms & on Arms' Length | 28 th May 2019 | - |
| 16 | Patamin Investments Private Limited | Lease | a private company in which a director or his relative is a member or director | Ongoing | As per agreed terms & on Arms' Length | 28 th May 2019 | - |

For and on behalf of Board of Directors of
Jash Engineering Limited

Date : 28.8.2020
Place : Indore

Sd/-
Pratik Patel
Chairman & Managing Director
DIN - 00780920

Sd/-
Suresh Patel
Executive director
DIN:00012072

“Annexure G”**Conservation of energy, Technology absorption and foreign exchange earnings & outgo**

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies Accounts) Rules, 2014]

| (A) CONSERVATION OF ENERGY | | | |
|--|--|---|---------------------|
| (I) | the steps taken or impact on conservation of energy; | Company lays great emphasis on savings in the cost of energy consumption. Therefore, achieving reduction in per unit consumption of energy is an ongoing exercise in the Company. The effective measures like education, training, have been taken to minimize the loss of energy as far as possible. | |
| (II) | the steps taken by the company for utilizing alternate sources of energy; | The Company has already installed the DG Set as a standby power arrangement and for alternate source of energy. | |
| (III) | the capital investment on energy conservation equipment's | NIL | |
| (B) TECHNOLOGY ABSORPTION | | | |
| (i) | the efforts made towards technology absorption | The Company is always in pursuit of finding the ways and means to improve the performance, quality and cost effectiveness of its services. The technology used by the Company is updated as a matter of continuous exercise | |
| (ii) | the benefits derived like product improvement, cost reduction, product development or import substitution | It has reduced the cost of production and helped in improvement in quality to sustain in the competitive market. | |
| (iii) | in case of imported technology (imported during the last three years reckoned from the beginning of the financial year | N.A. | |
| | (a) the details of technology imported | N.A. | |
| | (b) the year of import | N.A. | |
| | (c) whether the technology been fully absorbed | N.A. | |
| | (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | N.A. | |
| (iv) | the expenditure incurred on Research and Development | 2019-20 NIL | 2018-19 NIL |
| (D) FOREIGN EXCHANGE EARNINGS AND OUTGO | | | |
| | | 2019-20 | 2018-19 |
| (i) | The Foreign Exchange earned in terms of actual inflows during the year; <i>(amount in Lacs)</i> | Rs. 7602.92 Lacs | Rs. 8385.59 Lacs |
| (ii) | And the Foreign Exchange outgo during the year in terms of actual outflows. <i>(amount in Lacs)</i> | Rs. 252.38 Lacs | Rs. 711.98 Lacs |

“Annexure-H”**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is as follows –

The Company is in the process of identifying suitable projects for its CSR spend. The details of Committee and its terms of reference are set out in the Board’s Report and CSR policy is stated at the website of the company i.e. www.jashindia.com. The CSR Committee had adopted a CSR Policy for the Company which provides a broad framework with regard to implementation of CSR Activities carried out by the Company in accordance with Schedule VII of the Companies Act, 2013

2. The composition of the CSR Committee:
- | | |
|-------------------------|----------|
| 1. Mr. Suresh Patel | Chairman |
| 2. Mr. B. M. Maheshwari | Member |
| 3. Mr. D. T. Manwani | Member |
3. Average net profit of the company for the last three financial years: Rs.1504.00lacs

| Financial Year | Profit (Rs. In Lacs) |
|----------------------------------|----------------------|
| 2016-17 | 1442.00 |
| 2017-18 | 928.00 |
| 2018-19 | 2142.00 |
| Total | 4512.00 |
| Average of the above said profit | 1504.00 |
| 2% of Average Profit | 30.08 |

4. Prescribed CSR Expenditure (2 percent of the amount as in item 3 above): Rs. 30.08 lacs

5. Details of CSR spend during the financial year.
- Total amount to be spent for the financial year: Rs. 30.08 Lacs
 - Total amount spent during the financial year: Rs. 14.99 Lacs
 - Amount unspent of FY 2019-20, if any: Rs. 15. 08 Lacs
 - Manner in which the amount spent during the financial year is detailed below. (Rs. In Lacs)

| (1) Sr. No | (2) CSR project or activity identified. | (3) Sector in which the Project is covered. | (4) Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken | (5) Amount outlay (budget) project programs wise (Rs. in Lakhs) | (6) spent on the projects or programs Sub subheads (1) Direct expenditure on projects or programs. Overheads: (Rs. In Lakhs) | (7) Cumulative expenditure upto the reporting period (Rs. in Lakhs) | (8) Amount spent: Direct or through implementing agency |
|---------------|---|--|--|--|---|--|--|
| 1 | Narayan Batham Painting Work In respect of Main Gate Of GSITS Collage | Education | Indore (MP) | Rs. 0.0813 Lacs | Rs. 0.0813 Lacs | Rs. 0.0813 Lacs | Direct |
| 2. | Narayan Batham Painting Work In respect of Main Gate of GSITS Collage | Education | Indore (MP) | Rs. 0.19 Lacs | Rs. 0.19 Lacs | Rs. 0.19Lacs | Direct |

| | | | | | | | |
|----|-------------------------------------|------------------------|-------------|---------------|---------------|---------------|--------|
| 3. | Ved Vignan Mahavidya Peeth-Indore | Education | Indore (MP) | Rs. 1.20 Lacs | Rs. 1.20 Lacs | Rs. 1.20 Lacs | Direct |
| 4. | PPE kit for corona warrior | Medical | Indore (MP) | Rs. 0.69 Lacs | Rs. 0.69 Lacs | Rs. 0.69 Lacs | Direct |
| 5. | PPE kit for corona warrior | Medical | Indore (MP) | Rs. 0.69 Lacs | Rs. 0.69 Lacs | Rs. 0.69 Lacs | Direct |
| 6. | Shree Guruji Seva Nyas | Health Care | Indore (MP) | Rs. 2.50 Lacs | Rs. 2.50 Lacs | Rs. 2.50 Lacs | Direct |
| 7. | Madhav Sanskar Avam Shikshan Samiti | Education | Ratlam (MP) | Rs. 3.50 Lacs | Rs. 3.50 Lacs | Rs. 3.50 Lacs | Direct |
| 8. | Seva Bharti | Health Care, Education | Indore (MP) | Rs. 6.14 Lacs | Rs. 6.14 Lacs | Rs. 6.14 Lacs | Direct |

6. Reasons for Amount unspent: The Company was not able to spend the entire budgeted amount of 2% of average net profit of the last three financial years as the areas targeted by the Company were new therefore the planning and management of activities was not so smooth and took a reasonable amount of time.
7. The CSR committee monitors the implementation of the CSR activities in compliance with our CSR objectives and policy of the Company.

For and on behalf of Board of Directors of
Jash Engineering Limited

Date : 28.8.2020
Place : Indore

Sd/-
Pratik Patel
Chairman & Managing Director
DIN - 00780920

Sd/-
Suresh Patel
Executive director
DIN:00012072

“Annexure-I”

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31/03/2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

| | | | |
|------|---|--|--|
| I. | REGISTRATION AND OTHER DETAILS: | | |
| i) | CIN | L28910MP1973PLC001226 | |
| ii) | Registration Date | 29/09/1973 | |
| iii) | Name of the Company | JASH ENGINEERING LTD | |
| iv) | Category/Sub-Category of the Company | Non-govt company | |
| v) | Address of the Registered office and contact details | 31, SECTOR-C, SANWER ROAD, INDUSTRIEL AREA INDORE (MP) Telephone : 0091 -731- 6732700 Email : info@jashindia.com | |
| vi) | Whether listed company | Yes National Stock Exchange of India Limited | |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Pvt. Ltd C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083, Ph. No.-022 - 4918 6200 FAX: 022 - 4918 6060 E-MAIL ID: rnt.helpdesk@linkintime.co.in | |

| | | | | |
|-----|--|---|---|---|
| II. | PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY: | | | |
| | All the business activities contributing 10 % or more of the total turnover of the company shall be stated:- | | | |
| | Sr No | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
| | 1 | Gates & Stoplogs | 251-2511-25119 | 39 |
| | 2 | Screens | 281-2812-28120 | 32 |
| | 3 | SPG Valves | 251-2511-25119 | 24 |

| | |
|------|---|
| III. | PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: |
| | No. of Companies for which information is being filled is mentioned below: 5 |

| S.No. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|-------|---|---------------------------|--|------------------------|--|
| 1 | <p>SHIVPAD ENGINEERS PVT. LTD. Regd. Office: Plot No. 31, Sector C, Sanwer Road Industrial Area, Indore (M. P.) - 452015 Admin. Office: Plot No. 3/86-E, A.T.C. Street, 2nd Main Road, Ambattur, Chennai – 600058 Tamilnadu, India Phone No. +91 44 48606201 / 48606203</p> | U33112TN1994 PTC026898 | Wholly Owned Subsidiary | 100% | Section 2 (87) (ii) of the Companies Act, 2013. |
| 2 | <p>MAHR MASCHINENBAU GES.M.B.H Kupferschmiedgasse 8, A-2201 Hagenbrun, AUSTRIA Phone No. +43 2246 3521</p> | Foreign Company | Wholly Owned Subsidiary | 100% | Section 2 (87) (ii) of the Companies Act, 2013. |
| 3 | <p>ENGINEERING & MANUFACTURING JASH LTD 812, Silvercord Tower 1, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong</p> | Foreign Company | Wholly Owned Subsidiary | 100% | Section 2 (87) (ii) of the Companies Act, 2013. |
| 4 | <p>JASH USA INC. 6200, Savoy Dr Ste 750, Houston, Texas, 77036 USA (0281) 9626369</p> | Foreign Company | Wholly Owned Subsidiary | 100% | Section 2 (87) (ii) of the Companies Act, 2013. |
| 5 | <p>Rodney Hunt Inc. 6200, Savoy Dr Ste 750, Houston, Texas, 77036 USA (0281) 9626369</p> | Foreign Company | Step down Subsidiary (SDS) of JASH USA Inc. | 100% | Section 2 (87) (ii) of the Companies Act, 2013. |

| IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity): | | | | | | | | | | |
|---|---|--|----------|----------------|-------------------|--|----------|----------------|-------------------|--------------------------|
| Category-wise Share Holding | | | | | | | | | | |
| | Category of Shareholders | No. of Shares held at the beginning of the year (01.04.2019) | | | | No. of Shares held at the end of the year (31.03.2020) | | | | % Change during the year |
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. | Promoters | | | | | | | | | |
| | (1) Indian | | | | | | | | | |
| | a) Individual/HUF | 5737291 | 0 | 5737291 | 48.47 | 5736501 | 0 | 5736501 | 48.46 | 0.01 |
| | b) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | c) State Govt (s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | d) Bodies Corp. | 403000 | 0 | 403000 | 3.40 | 403000 | 0 | 403000 | 3.40 | 0 |
| | e) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | f) Any Other.... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub-total (A) (1):- | 6140291 | 0 | 6140291 | 51.87 | 6139501 | 0 | 6139501 | 51.86 | 0.01 |
| | (2) Foreign | | | | | | | | | |
| | a) NRIs – Individuals | 231357 | 0 | 231357 | 1.95 | 231357 | 0 | 231357 | 1.95 | 0 |
| | b) Other – Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | d) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | e) Any Other.... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub-total (A) (2):- | 231357 | 0 | 231357 | 1.95 | 231357 | 0 | 231357 | 1.95 | 0 |
| | Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 6371648 | 0 | 6371648 | 53.82 | 6370858 | 0 | 6370858 | 53.81 | 0.01 |
| B. | Public Shareholding | | | | | | | | | |
| | 1. Institutions | | | | | | | | | |
| | a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | b) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | c) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | d) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | g) FIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | |
|----------|--|-----------------|----------------|-----------------|---------------|-----------------|----------------|-----------------|---------------|--------------|
| | h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | l) Alternate Investment Funds | 1668000 | 0 | 1668000 | 14.09 | 1251600 | 0 | 1251600 | 10.57 | -3.52 |
| | j) Foreign Portfolio Investor | 174000 | 0 | 174000 | 1.47 | 174000 | 0 | 174000 | 1.47 | 0 |
| | k) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub-total (B)(1):- | 1842000 | 0 | 1842000 | 15.56 | 1425600 | 0 | 1425600 | 12.04 | -3.52 |
| | 2. Non-Institutions | | | | | | | | | |
| | a) Bodies Corp. | | | | | | | | | |
| | i) Indian | 146900 | 2500 | 149400 | 1.26 | 130687 | 2500 | 133187 | 1.13 | 0.13 |
| | ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | b) Individuals | | | | | | | | | |
| | i) Individual shareholders holding nominal share capital upto Rs. 2 lakh | 1590150 | 75300 | 1665450 | 14.07 | 1576015 | 143250 | 1719265 | 14.52 | 0.45 |
| | ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh " | 461900 | 82450 | 544350 | 4.60 | 942092 | 0 | 942092 | 7.96 | 3.36 |
| | c) Others (specify) | | | | | | | | | |
| | i. Hindu Undivided Family | 115600 | 0 | 115600 | 0.98 | 146300 | 0 | 146300 | 1.24 | 0.26 |
| | ii. Non-Resident Indians | 205000 | 911950 | 1116950 | 9.44 | 185092 | 911950 | 1097042 | 9.27 | 0.17 |
| | iii. Clearing Member | 31200 | 0 | 31200 | 0.26 | 2254 | 0 | 2254 | 0.02 | -0.24 |
| | Sub-total (B)(2):- | 2550750 | 1072200 | 3622950 | 30.61 | 2982440 | 1057700 | 4040140 | 34.14 | 3.53 |
| | Total Public Shareholding (B)=(B)(1)+(B)(2) | 4392750 | 1072200 | 5464950 | 46.17 | 4408040 | 1057700 | 5465740 | 46.17 | 0.00 |
| C | Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Grand Total (A+B+C) | 10764398 | 1072200 | 11836598 | 100.00 | 10778898 | 1057700 | 11836598 | 100.00 | |

| B. Shareholding of Promoters | | | | | | | | |
|-------------------------------------|------------------------|---|----------------------------------|--|---|----------------------------------|--|---|
| S.No. | Shareholder's Name | Shareholding at the beginning of the year (01.04.2019) | | | Shareholding at the end of the year (31.03.2020) | | | % change in share holding during the year |
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Pratik Patel | 1921065 | 16.23 | - | 1921065 | 16.23 | - | 0 |
| 2 | Harsh Patel | 450000 | 3.80 | - | 450000 | 3.80 | - | 0 |
| 3 | Rasesh Amin | 442750 | 3.74 | - | 443950 | 3.75 | - | 0.01 |
| 4 | Pallavi U Patel | 423772 | 3.58 | - | 423772 | 3.58 | - | 0 |
| 5 | Girish Patel | 383185 | 3.24 | - | 383185 | 3.24 | - | 0 |
| 6 | Suresh Patel | 336806 | 2.84 | - | 336806 | 2.84 | - | 0 |
| 7 | Pravin Patel | 324579 | 2.74 | - | 324584 | 2.74 | - | 0 |
| 8 | Laxminandan Amin | 267385 | 2.26 | - | 267385 | 2.26 | - | 0 |
| 9 | Bhairavi Patel | 252308 | 2.13 | - | 252308 | 2.13 | - | 0 |
| 10 | Avani Patel | 197357 | 1.67 | - | 197357 | 1.67 | - | 0 |
| 11 | Laxmi Nandan Amin HUF | 177568 | 1.50 | - | 177568 | 1.50 | - | 0 |
| 12 | Geeta Patel | 125491 | 1.06 | - | 125491 | 1.06 | - | 0 |
| 13 | Rohit Arvindbhai Patel | 83923 | 0.71 | - | 84223 | 0.71 | - | 0 |
| 14 | Kartik Amin | 63079 | 0.53 | - | 63079 | 0.53 | - | 0 |
| 15 | Pratik N Patel Huf | 57500 | 0.49 | - | 57500 | 0.49 | - | 0 |
| 16 | Rahul U Patel | 59407 | 0.50 | - | 59407 | 0.50 | - | 0 |
| 17 | Rekha Patel | 53906 | 0.46 | - | 53911 | 0.46 | - | 0 |
| 18 | Ekta Patel | 52676 | 0.45 | - | 52681 | 0.45 | - | 0 |
| 19 | Shakuntla Ben Patel | 44250 | 0.37 | - | 44250 | 0.37 | - | 0 |
| 20 | Tejal Jaydeep Desai | 37500 | 0.32 | - | 37500 | 0.32 | - | 0 |
| 21 | Utpal Patel | 34000 | 0.29 | - | 34000 | 0.29 | - | 0 |
| 22 | Chintan Patel | 36854 | 0.31 | - | 36859 | 0.31 | - | 0 |

| | | | | | | | | |
|----|-------------------------------------|----------------|--------------|----------|----------------|--------------|----------|----------|
| 23 | Archana Rasesh Amin | 31900 | 0.27 | - | 31900 | 0.27 | - | 0 |
| 24 | Rhutvik Patel | 21450 | 0.18 | - | 21790 | 0.18 | - | 0.002 |
| 25 | Rohan R Patel | 21450 | 0.18 | - | 20050 | 0.17 | - | -0.01 |
| 26 | Swati Desai | 20330 | 0.17 | - | 20330 | 0.17 | - | 0 |
| 27 | Shreedevi R Patel | 19973 | 0.17 | - | 19973 | 0.17 | - | 0 |
| 28 | Jesal Patel | 10750 | 0.09 | - | 10750 | 0.09 | - | 0 |
| 29 | G J Patel HUF | 4500 | 0.04 | - | 4500 | 0.04 | - | 0 |
| 30 | Kruti Patel | 3000 | 0.03 | - | 3000 | 0.03 | - | 0 |
| 31 | Kajal Patel | 2917 | 0.02 | - | 2917 | 0.02 | - | 0 |
| 32 | Payal R Patel | 2917 | 0.02 | - | 2917 | 0.02 | - | 0 |
| 33 | Mitali Amin | 4100 | 0.03 | - | 2850 | 0.02 | - | -0.01 |
| 34 | Patamin Investments Private Limited | 403000 | 3.40 | - | 403000 | 3.40 | - | 0 |
| | TOTAL | 6371648 | 53.82 | - | 6370858 | 53.82 | - | 0 |

| C. Change in Promoters' Shareholding | | | | | | | |
|--------------------------------------|----------------------------|-----------------|---|----------------------------------|---|----------------------------------|--|
| S.No. | Name | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | |
| | | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company | |
| 1. | Mr. Rasesh Amin | Market Purchase | 442750 | 3.74 | 443950 | 3.75 | |
| 2. | Mr. Pravin Patel | Market Purchase | 324579 | 2.74 | 324584 | 2.74 | |
| 3. | Mr. Rohit Arvindbhai Patel | Market Purchase | 83923 | 0.71 | 84223 | 0.71 | |
| 4. | Mr. Rekha Patel | Market Purchase | 53906 | 0.46 | 53911 | 0.46 | |
| 5. | Ms. Ekta Patel | Market Purchase | 52676 | 0.45 | 52681 | 0.45 | |
| 6. | Mr. Chintan Patel | Market Purchase | 36854 | 0.31 | 36859 | 0.31 | |
| 7. | Mr. Rhutvik Patel | Market Purchase | 21450 | 0.18 | 21790 | 0.18 | |
| 8. | Mr. Rohan R Patel | Market Sale | 21450 | 0.18 | 20050 | 0.17 | |
| 9. | Mr. Mitali Amin | Market Sale | 4100 | 0.03 | 2850 | 0.02 | |

| D. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) | | | | | | | |
|---|--|---------------|---|----------------------------------|-------------------------------------|----------------------------------|--|
| S.No. | Name | Particulars | Shareholding at the beginning of the year | | Shareholding at the end of the year | | |
| | | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company | |
| 1 | SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES I | Equity Shares | 594000 | 5.0183 | 594000 | 5.0183 | |
| 2 | BLUE LOTUS CAPITAL MULTI BAGGER FUND I | Equity Shares | 342000 | 2.8893 | 342000 | 2.8893 | |
| 3 | SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES II | Equity Shares | 237600 | 2.0073 | 237600 | 2.0073 | |
| 4 | INDIA MULTI BAGGER FUND I | Equity Shares | 174000 | 1.47 | 174000 | 1.47 | |
| 5 | SHARMIN NASSER | Equity Shares | - | - | 152,000 | 1.28 | |
| 6 | ZAKI ABBAS NASSER | Equity Shares | - | - | 210000 | 1.77 | |
| 7 | PRIYAL CHETAN KOTHARI | Equity Shares | 104400 | 0.88 | 104400 | 0.88 | |
| 8 | NIKHIL VORA | Equity Shares | 94800 | 0.80 | 94800 | 0.80 | |
| 9 | TARANG AMIN | Equity Shares | 82450 | 0.69 | 82450 | 0.69 | |
| 10 | AVENDUS PHOENIX FUND | Equity Shares | 78000 | 0.65 | 78,000 | 0.65 | |

| E. Shareholding of Directors and Key Managerial Personnel | | | | | | | |
|--|------------------------|---------------|---|----------------------------------|---|----------------------------------|--|
| S.No. | Name | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | |
| | | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company | |
| 1 | Mr. Laxminandan Amin | Equity Shares | 267385 | 2.26 | 267385 | 2.26 | |
| 2 | Mr. Suresh Kumar Patel | Equity Shares | 336806 | 2.84 | 336806 | 2.84 | |
| 3 | Mr. Pratik Patel | Equity Shares | 1921065 | 16.23 | 1921065 | 16.23 | |
| 4 | Mr. Axel Schutte | Equity Shares | 770000 | 6.5052 | 770000 | 6.5052 | |
| 5 | Mr. Dharmendra Jain | Equity Shares | 7500 | 0.06 | 7500 | 0.06 | |

| V. INDEBTEDNESS: | | | | | |
|-------------------------|--|---|------------------------|-----------------|---------------------------|
| | Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| | Indebtedness at the beginning of the financial year | | | | |
| | i) Principal Amount | 576830251 | 0 | 0 | 576830251 |
| | ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| | iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| | Total (i+ii+iii) | 576830251 | 0 | 0 | 576830251 |
| | Change in Indebtedness during the financial year | | | | |
| | Addition | 132448382 | 0 | 0 | 132448382 |
| | Reduction | - | 0 | 0 | 0 |
| | Net Change | 132448382 | 0 | 0 | 132448382 |
| | Indebtedness at the end of the financial year | | | | |
| | i) Principal Amount | 709278633 | 0 | 0 | 709278633 |
| | ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| | iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| | Total (i+ii+iii) | 709278633 | 0 | 0 | 709278633 |

VI. REMUNERATION OF DIRECTOR AND KMP**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| S.No. | Particular of Remuneration | Mr. Pratik Patel | Mr. L. D. Amin | Mr. Suresh Patel | Total |
|--------------|---|-------------------------|-----------------------|-------------------------|--------------------|
| 1 | Gross Salary | | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 57,09,085 | 42,75,485 | 4,15,610 | 10400180 |
| | (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 | 39,600 | 39,400 | 0 | 79,000 |
| | (c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961 | 0 | 0 | 0 | 0 |
| 2 | Stock Options | 0 | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 | 0 |
| 4 | Commission | | | | 0 |
| | - as % of profit | 10,35,336 | 6,90,224 | 0 | 17,25,560 |
| | - others, specify.... | 0 | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 | 0 |
| | Total | 67,84,021 | 50,05,109 | 4,15,610 | 1,22,04,740 |

B. Remuneration to other Directors:**1. Independent Directors:**

| S.No. | Particular of Remuneration | Mr. D. T. Manwani | Mr. B. M. Maheshwari | Ms. Sunita Kishnani | Mr. Sunil Chouksi | Mr. Vishwapati Trivedi | Total |
|-------|--|-------------------|----------------------|---------------------|-------------------|------------------------|---------------|
| 1 | -Fee for attending Board/ Committee Meetings | 75000 | 100000 | 50000 | 50000 | 25000 | 300000 |
| 2 | -Commission | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | - Others, please specify | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total B1 | 75000 | 100000 | 50000 | 50000 | 25000 | 300000 |

2. Other Non-Executive Directors:

| S.No. | Particular of Remuneration | Mr. Axel Schutte | Total |
|-------|---|------------------|----------|
| 1 | -Fee for attending Board/Committee Meetings | - | - |
| 2 | -Commission | - | - |
| 3 | - Others, please specify | - | - |
| | Total B2 | - | - |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| S.No. | Particular of Remuneration | Mr. Tushar Kharpade (CS) | Mr. Dharmendra Jain (CFO) | Total |
|-------|---|--------------------------|---------------------------|------------------|
| 1 | Gross Salary | | | |
| | (a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961 | 7,27,419 | 34,09,168 | 41,36,587 |
| | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 | 0 | 21600 | 21,600 |
| | (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | 0 | 0 | 0 |
| 2 | Stock Options | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 |
| 4 | Commission | | | |
| | - as % of profit | 0 | 0 | 0 |
| | - Others, specify.... | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 |
| | Total C | 7,27,419 | 34,30,768 | 41,58,187 |

VII. PENALTY/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | | Details of Penalty / Punishment / Compounding fees imposed | AUTHORITY [RD / NCLT / COURT] | Appeal made, if any (give details) |
|------------------------------------|------------------------------|-------------------|--|--|-------------------------------|------------------------------------|
| A. COMPANY | | | | | | |
| Penalty | - | - | | - | - | - |
| Punishment | - | - | | - | - | - |
| Compounding | - | - | | - | - | - |
| B. DIRECTOR | | | | | | |
| Penalty | - | - | | - | - | - |
| Punishment | - | - | | - | - | - |
| Compounding | - | - | | - | - | - |
| C. OTHER OFFICER IN DEFAULT | | | | | | |
| Penalty | - | - | | - | - | - |
| Punishment | - | - | | - | - | - |
| Compounding | - | - | | - | - | - |

“Annexure J”**Particulars of Employees**

[As per section 197(12) read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

I. Ratio and remuneration of Directors & KMPs

| S. No. | Name | Designation | Remuneration for the year 2019-20 (Rs.) | Remuneration for the year 2018-19 (Rs.) | % Increase in Remuneration | Ratio Between Director or KMP and Median Employee |
|--------|---------------------------|----------------------|---|---|----------------------------|---|
| 1. | LAXMI NANDAN AMIN* | EXECUTIVE DIRECTOR | 50,05,109 | 46,34,204 | 8 | 18.20 |
| 2. | PRATIK PATEL | MANAGING DIRECTOR | 67,84,021 | 54,64,525 | 24.15 | 24.68 |
| 3. | SURESH PATEL** | EXECUTIVE DIRECTOR | 4,15,610 | - | - | 1.51 |
| 4. | AXEL SCHUTTE | DIRECTOR | - | - | - | - |
| 5. | BRIJ MOHAN MAHESHWARI | INDEPENDENT DIRECTOR | 1,00,000 | 1,00,000 | - | 0.36 |
| 6. | SUNIL KUMAR CHOKSI | INDEPENDENT DIRECTOR | 50,000 | 75,000 | - | 0.18 |
| 7. | SUNITA KISHNANI | INDEPENDENT DIRECTOR | 50,000 | 75,000 | - | 0.18 |
| 8. | DURGALAL TULJARAM MANWANI | INDEPENDENT DIRECTOR | 75,000 | 1,00,000 | - | 0.27 |
| 9. | VISHWAPATI TRIVEDI | INDEPENDENT DIRECTOR | 25,000 | 25,000 | - | 0.09 |
| 10. | TUSHAR KHARPADE | CS | 7,27,419 | 5,55,502 | 30.95 | 2.65 |
| 11. | DHARMENDRA JAIN | CFO | 34,30,768 | 29,19,550 | 17.51 | 12.48 |

* Mr. Laxmi Nandan Amin resigned from directorship of the Company w.e.f. 31/03/2020.

** Mr. Suresh Patel appointed as Executive Director w.e.f. 14/02/2020.

Note:**II. Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year –**

As stated above in item no. (i).

III. Percentage increase in the median remuneration of employees in the financial year –:

The remuneration of Median employee was Rs. 2,74,872/- during the year 2019-20. The increase in the remuneration of Median Employee was 23.18% during financial year under review.

IV. Number of permanent employees on the rolls of company –

As on 31st March, 2020 the total number of employees over 537

V. Affirmation that the Remuneration is as per the Remuneration policy of the Company

It is hereby affirmed that the remuneration paid during the year ended 31st March 2020 is as per the Remuneration policy for Directors, Key Managerial Personnel and other Employees.

VI. All the Non-Executive Independent Directors are paid only sitting fees for attending the meetings of Board of directors or Committees thereof.**VII. Remuneration is as per the remuneration policy of the Company.****VIII. The aforesaid details are calculated on the basis of remuneration for the financial year 2019-20.**

Independent Auditor's Report

To the Members of Jash Engineering Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Jash Engineering Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. We draw attention to Note 61 of the standalone financial statement which describes the uncertainties due to the outbreak of Covid-19 pandemic and management's evaluation of the impact on the standalone financial statements of the Company as at the balance sheet date. The impact of these uncertainties on the Company's operations is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. 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.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key audit matters | How our audit addressed the key audit matters |
|--|---|
| <p>Recoverability assessment of investment made in and loans and trade receivables due from Jash USA Inc.</p> <p>The Company has investments in equity shares of Jash USA Inc. ('Jash USA'), a wholly owned subsidiary, amounting to INR 1,573.32 lakhs, as stated in Note 9 and Note 56 to the accompanying standalone financial statements. These investments are carried at cost in accordance with Ind AS 27, Separate Financials Statements.</p> <p>Further, as at 31 March 2020, the Company also has outstanding long-term loans and trade receivable recoverable from Jash USA amounting to INR 467.80 lakhs and INR 5,455.59 lakhs respectively.</p> <p>Jash USA has incurred losses in the recent past as disclosed in Note 56 to the financial statements. The carrying values of the aforesaid balances were tested for impairment by the management in accordance with the principles of Ind AS 36, Impairment of Assets. For this purpose, a valuation was carried out by an independent valuation specialist in his capacity as a management's expert using discounted cash flow ('DCF') method to determine the recoverable value of the investment.</p> <p>Management's assessment of the fair valuation of investments, as aforesaid, is complex and requires estimation and judgement around assumptions used. The key assumptions underpinning management's assessment of the fair valuation include, but are not limited to, projections of future cash flows, growth rates, discount rates, estimated future operating and capital expenditure. The complexity involved in such assumptions and estimates increased in the current year due to the impact of COVID-19 pandemic outbreak on the Company's operations as disclosed in Note 61 to the accompanying financial statements.</p> <p>Accordingly, considering the materiality of the carrying amounts, recoverability assessment of aforesaid investments and receivables, this matter has been determined to be a key audit matter for current year's audit.</p> | <p>Our audit procedures in relation to the recoverability assessment of investment made in and loans and trade receivables due from Jash USA included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's processes and controls for determining the fair valuation of investments. • Evaluated the design and tested the operating effectiveness of key controls implemented by the management around fair valuation of investments including for cash flow projections, use of estimates involved and review of valuation performed. • Evaluated the independent valuation specialist's professional competence, expertise and objectivity. • Tested the accuracy of the input data provided by the management to the independent valuation specialist by reconciling the projected cash flows to approved business plans of the subsidiary companies. • Tested the reasonableness of the key assumptions used in the cash flow projections and fair valuation, such as growth rates, discount rate, etc. including the impact of COVID-19 on such assumptions, considering our understanding of the business, industry and relevant market factors. • Involved auditor's expert to assess the appropriateness of the valuation model used by the management and the assumptions used relating to discount rates, risk premium, industry growth rates, etc., to assess their reasonability. • Tested the mathematical accuracy of the cash flow projections, fair valuation computation and sensitivity analysis prepared by the management. • Evaluated the appropriateness and adequacy of disclosures made in the accompanying standalone financial statements in relation to such investments, their fair valuation and such loans and trade receivables, as required by applicable accounting standards. |

| Key audit matters | How our audit addressed the key audit matters |
|---|---|
| <p>Valuation of Inventory:</p> <p>Refer Note 3.7 for accounting policy and Note 14 for disclosures in standalone financial statements.</p> <p>At the balance sheet date 31 March 2020, the Company held inventories comprising of raw materials and components, finished goods, work-in-progress and stores and spares worth INR 4,980.28 lakhs as detailed in note 14 to the accompanying standalone financial statements.</p> <p>The Company follows manual inventory valuation methods which includes allocation of various production and administration related overheads on the finished goods and inventory which is classified as work in progress.</p> <p>Owing to the nature of the business, which involves manufacture of engineering products specific to the needs of the customers, the valuation of inventory involves evaluating reasonableness of materials used for each product being manufactured.</p> <p>In addition to the above, the complexities involved in this assessment include:</p> <ul style="list-style-type: none"> • Identification of products where specific administration and production overheads and others allocations such as job work costs and design costs are to be added to the cost of inventory • Assessment of the completion percentage of products • Judgement involved in computation of machine hour rate, machine hours' efficiency, foundry and quality department labour hours etc., which are subject to high estimation uncertainty due to rapid technological changes. <p>Further, at the end of each reporting period, the management of the Company also assesses whether there is any objective evidence that net realizable value of any item of inventory is below the carrying value. If so, such inventories are written down to their net realizable value in accordance with Ind AS 2, Inventories. Such specific identification performed by management to ascertain slow moving and obsolete inventories, and assessment of net realizable value of such slow moving and obsolete inventory items require significant judgement and estimation.</p> <p>Considering the complexities and materiality of amounts involved, this matter has been determined to be a key audit matter for current year audit.</p> | <p>Our audit procedures to assess valuation of inventories included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management's process of valuation of inventory. • Evaluated the design and tested the operating effectiveness of key controls around valuation including around estimates, stage of completion, complex overhead computations, and determination of net realizable value of inventory items. • Evaluated the appropriateness of the Company's accounting policy and valuation method of inventory in accordance with the accounting standards. • Discussed with management the rationale supporting assumptions and estimates used in carrying out the inventory valuation, and corroborated the same to our understanding of the business. Tested the computation of various overhead absorption rates by tracing the underlying data to audited historical operational results of the company. • On a sample basis, recomputed the cost of the inventory by applying management's valuation model, which included inspection of approved bills of material (BOM), testing underlying cost of acquisition of raw materials consumed, and testing overheads and labour cost allocation to such inventory items. • Obtained the understanding of management process for identification of slow moving, non-moving or obsolete inventories and ensured that the same is consistently applied. • Performed an independent analysis of the ageing of inventory line items leading to specific inquiries with the management to ensure the completeness of the inventory identified as slow moving, non-moving and obsolete. • For slow and non-moving inventories as on 31 March 2020 identified by the management, recomputed the allowance created by the management using management's model which has been consistently applied. • Tested the net realizable value of finished goods inventory on a sample basis to recent selling prices less costs to sell, to identify allowance required for finished goods. • Tested ageing of inventory items obtained through system reports, as applicable. • Evaluated the appropriateness and adequacy of disclosures made in the accompanying standalone financial statements in accordance with the applicable accounting standards. |

| Key audit matters | How our audit addressed the key audit matters |
|--|---|
| <p>First time adoption of Ind AS framework</p> <p>As disclosed in Note 64 to the accompanying standalone financial statements, the Company has adopted the Indian Accounting Standards notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ('Ind AS') with effect from 1 April 2019 (1 April 2018 being the transition date) and prepared the first set of standalone financial statements under Ind AS framework in the current year.</p> <p>For periods up to and including the year ended 31 March 2019, the Company has prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).</p> <p>This change in the financial reporting framework required an end-to-end evaluation of the potential impact on each component of the financial statement which involved significant efforts required by the management. This process also required the management to apply significant judgements to identify and elect appropriate accounting policies suitable for various transactions and balances relating to the operations of the Company including electing of available options for transition of balances as at transition date from the previous GAAP to the new GAAP.</p> <p>Further, the first time preparation of the Ind AS standalone financial statements involved preparation and presentation of additional notes and disclosures as required by the Ind AS framework as compared to the previous GAAP in addition to Note 64 to the standalone financial statements setting forth the reconciliation of balances from previous GAAP to the new GAAP as at the transition date, and the impact of restatement on the results of the comparative period due to such transition.</p> <p>The areas where there was a significant impact on account of first-time adoption of Ind AS; involved the following standards amongst others:</p> <ol style="list-style-type: none"> a) Ind AS 109, Financial Instruments b) Ind AS 116, Leases c) Ind AS 115, Revenue from Contracts with Customers. <p>Considering the significance of the above transition with respect to the financial statements, the complexities and efforts involved, this matter has been determined as a key audit matter for the current year audit.</p> | <p>Our procedures in respect of the first-time adoption of Ind AS financial reporting framework included, but not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's processes and controls around adoption of Ind AS. We sought explanations from the management for areas involving complex judgements or interpretations to assess its appropriateness. • Reviewed the implementation of exemptions availed and options chosen by the Company in accordance with the requirements of Ind AS 101, First Time Adoption of Indian Accounting Standards (Ind AS 101). • Evaluated the accounting policies adopted by the Company on transition to Ind AS and assessed its appropriateness basis our understanding of the entity and its operations and the requirements of relevant accounting standards under the Ind AS framework. • Evaluated whether the presentation and disclosures in the financial statements are in accordance with the requirements of the applicable standards and regulatory requirements. • Evaluated the appropriateness and adequacy of disclosures with respect to the reconciliations prepared and presented by the management in the financial statements in accordance with Ind AS 101. |

Information other than the Financial Statements and Auditor's Report thereon

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
13. 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.
 14. 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.
 15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. The Company had prepared separate sets of statutory standalone financial statements for the years ended 31 March 2019 and 31 March 2018 in accordance with {Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended)} on which we issued auditor's reports to the members of the Company dated 28 May 2019 and 29 May 2018 respectively. These standalone financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
19. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, 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 purpose of our audit of the accompanying standalone financial statements;
 - 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 standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) the matter described in paragraph 4 under the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) 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 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;

- g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 25 June 2020 as per Annexure B expressed unmodified opinion; and
- 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, as detailed in Note 44 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020.; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

S/d-
Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 20507568AAAABS2492

Place: Faridabad
Date: 25 June 2020

Annexure A to the Independent Auditor's Report of even date to the members of Jash Engineering Limited, on the standalone financial statements for the year ended 31 March 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (l) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets in the nature of property, plant and equipment, capital work-in-progress, right of use assets and intangible assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds/lease deeds of all the immovable properties (which are included under the head 'property plant and equipment' and right-of-use assets) are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;
 - (b) the schedule of repayment of principal and payment of interest has been stipulated and the principal amount and the interest amount are not due for repayment currently; and
 - (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments and guarantees. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, goods and services tax, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

| Name of Statues | Nature of dues | Amount (INR in lakhs) | Amount paid under protest (INR in lakhs) | Period to which amount relates | Forum where dispute is pending |
|-----------------------------|-----------------------|------------------------------|---|---------------------------------------|---|
| Central Sales Tax Act, 1956 | Central Sales Tax | 13.94 | 8.98 | Financial year 1999-00 | Hon'ble High Court of Madhya Pradesh |
| Central Sales Tax Act, 1956 | Central Sales Tax | 2.39 | 0.92 | Financial year 2000-01 | Hon'ble High Court of Madhya Pradesh |
| Central Sales Tax Act, 1956 | Central Sales Tax | 6.36 | 1.27 | Financial year 2012-13 | Madhya Pradesh Commercial Tax Appellate Board |
| Central Sales Tax Act, 1956 | Central Sales Tax | 131.22 | 13.17 | Financial Year 2016-17 | Additional Commissioner of Commercial Tax |
| Income Tax Act, 1961 | Income tax | 2.13 | - | Financial Year 2016-17 | Commissioner of Income tax (Appeals) |

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company has no loans or borrowings payable to government and did not have any outstanding debentures during the year.
- (ix) In our opinion, the Company has applied moneys raised by way of the term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer/further public offer (including debt instruments) during the year.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 20507568AAAABS2492

Place: Faridabad
Date: 25 June 2020

Annexure B to the Independent Auditor's Report of even date to the members of Jash Engineering Limited on the standalone financial statements for the year ended 31 March 2020**Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the standalone financial statements of Jash Engineering Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors 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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the '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 the Company's business, including adherence to the 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 for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020 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 issued the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 20507568AAAABS2492

Place: Faridabad
Date: 25 June 2020

Jash Engineering Limited
Summary to the significant accounting policies and other explanatory information for the year ended
31 March 2020

1. Company overview

Jash Engineering Limited ('the Company') is a public limited company domiciled in India and is incorporated on 29 September 1973. Its shares are listed on National Stock Exchange of India limited. The registered office of the Company is situated at 31, Sector-C, Sanwer Road, Industrial Area, Indore - 452015, Madhya Pradesh.

The Company is engaged in the business of manufacturing and trading of varied engineering products for general engineering industry, water and wastewater industry and bulk solids handling industry.

2. General information and statement of compliance with Ind AS

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for the periods presented.

The standalone financial statements for the year ended 31 March 2020 are the first standalone financial statements which the Company has prepared in accordance with Ind AS. Previously, for all the periods up to (and including) the year ended 31 March 2019, the Company had prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP"), which have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. For the purpose of comparatives, standalone financial statements for the year ended 31 March 2019 and opening balance sheet as at 1 April 2018 have been also prepared and presented as per Ind AS.

These financial statements are separate financial statements of the Company. The Company has also prepared consolidated financial statements for the year ended 31 March 2020 in accordance with Ind AS 110 and the same were also approved for issue by the Board of Directors on 25 June 2020.

Basis of preparation

The standalone financial statements have been prepared on accrual and going concern basis. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The standalone financial statements have been prepared under historical cost convention basis except for the following –

- wCertain financial assets which are measured at fair value;
- wDefined benefit plans – plan assets measured at fair value

Functional and presentation currency

The standalone financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

3. Summary of significant accounting policies

The standalone financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at cost, less accumulated depreciation and amortisation. The cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Jash Engineering Limited
Summary to the significant accounting policies and other explanatory information for the year ended
31 March 2020

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Act.

| Asset class | Useful life (years) |
|------------------------------|----------------------------|
| Plant & Machinery | 15 |
| Buildings (RCC structures) | 60 |
| Factory building | 30 |
| Computers | 3 |
| Electrical installations | 10 |
| Furniture and fixtures | 10 |
| Office Equipment | 5 |
| Vehicles | 8 |

De-recognition

An item of property, plant and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset/significant component (calculated as the difference between the net disposal proceeds and the carrying amount of the asset/significant component) is recognised in statement of profit and loss, when the asset is derecognised.

3.2 Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses acquire property, plant and equipment. Assets which are not ready to be intended use are also shown under capital work-in-progress.

3.3 Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement

Intangible assets consisting of technical know-how and computer software. These are amortised on a straight-line basis over the estimated useful lives from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits & is reviewed at the end of each financial year& the amortisation period is revised to reflect the changed pattern, if any.

| Asset class | Useful life (years) |
|--------------------|----------------------------|
| Technical know how | 15 |
| Computer software | 3 to 6 |

3.4 Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Company can demonstrate following recognition requirements:

wThe development costs can be measured reliably.

wThe project is technically and commercially feasible.

Jash Engineering Limited
Summary to the significant accounting policies and other explanatory information for the year ended
31 March 2020

wThe Company intends to and has sufficient resources to complete the project.

wThe Company has the ability to use or sell such intangible asset.

wThe software will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

3.5 Revenue recognition

The Company generates revenue from sale of varied engineering products for general engineering industry, water and waste, water industry, bulk solids handling industry and also from rendering installation services along with the sale of goods, if specified in the contract with customers.

To determine whether to recognise revenue, the Company follows a 5-step process in accordance with Ind AS 115 - Revenue from contracts with customers:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax (GST). In case of multi-element revenue arrangements, which involve delivery or performance of multiple products, services, evaluation will be done of all deliverables in an arrangement to determine whether they represent separate units of accounting at the inception of arrangement. Total arrangement consideration related to the bundled contract is allocated among the different elements based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables). In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated to the different components based on residual value method.

The Company determines when it has satisfied its performance obligation to transfer a product by evaluating when a customer obtains control of that product. For some contracts, control is transferred either when the product is delivered to the customer's site or when the product is shipped, depending on the terms of the contract (including delivery and shipping terms). However, for some contracts, a customer may obtain control of a product even though that product remains in the Company's physical possession. In that case, the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the product even though it has decided not to exercise its right to take physical possession of that product. Consequently, the entity does not control the product. Instead, the entity provides custodial services to the customer over the customer's asset.

Revenue is recognised at a point in time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

Sale of services

Revenue from sale of services in respect of installation services is recognised when the performance obligation is completed.

Jash Engineering Limited
Summary to the significant accounting policies and other explanatory information for the year ended
31 March 2020

Export benefits

Income from export incentives are recognised on accrual basis.

Interest income

Interest income is recognised on time proportion basis considering the amount outstanding and rate applicable. For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

Dividend income

Dividend income is recognised at the time when right to receive the payment is established.

3.6 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease in accordance with Ind AS 116 - Leases. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets ('ROU assets')

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Jash Engineering Limited
Summary to the significant accounting policies and other explanatory information for the year ended
31 March 2020

3.7 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- *Raw materials*: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- *Finished goods and work in progress*: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on first in, first out basis.
- *Goods purchased for resale (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 first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.8 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

3.9 Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed which is the higher of fair value less costs of disposal and value-in-use and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

3.10 Foreign currency

Initial recognition of Transactions

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate applicable as at the date of the transaction.

Jash Engineering Limited
Summary to the significant accounting policies and other explanatory information for the year ended
31 March 2020

Subsequent recognition of balances

Foreign currency non-monetary items (item balances) which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the balance sheet date.

Exchange differences

Exchange differences arising on the settlement/restatement of monetary items at the exchange rates different from those at which they were initially recorded during the year or reported in the previous standalone financial statements, are recognised as income or expense in the year in which they arise.

3.11 Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

Financial assets carried at amortised cost – A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- wThe asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- wContractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

De-recognition of financial assets

A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty

Jash Engineering Limited
Summary to the significant accounting policies and other explanatory information for the year ended
31 March 2020

3.12 Equity investment in subsidiaries

Investments representing equity interest in subsidiaries are measured for at cost less impairment in accordance with Ind AS 27 Separate Financial Statements. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

3.13 Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss for financial assets. ECL is provided for when there has been a significant increase in credit risk and then, factors historical trends and forward looking information. An impairment loss is recognised either based on the 12 months' probability of default or lifetime probability of default.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of such receivables.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

3.14 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (Minimum alternate tax credit entitlement) or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

3.15 Dividend

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.16 Employee benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of

Jash Engineering Limited
Summary to the significant accounting policies and other explanatory information for the year ended
31 March 2020

short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Defined contribution plan

Provident fund benefit is a defined contribution plan under which the Company pays fixed contributions to Regional Provident Fund Commissioner in accordance with Employees Provident Fund and Miscellaneous Provision Act, 1952. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognised in respect of defined contribution plans are expensed as they accrue. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in non-current/current liabilities or non-current/current assets, respectively.

Defined benefit plan

The Company provides for gratuity, a defined benefit retirement plan, which defines an amount of benefit that an employee will receive on separation from the Company, usually dependent on one or more factors such as age, years of service and remuneration. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The liability recognised in the balance sheet for defined benefit plans is the present value of the defined benefit obligation ('DBO') at the balance sheet date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations. The present value of DBO is calculated annually by an independent actuary using the projected unit credit method. Actuarial gains/losses resulting from re-measurements of the liability due to change in actuarial assumptions are included in other comprehensive income.

Other long-term employee benefits

The Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after time balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method, actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the Statement of Profit and loss in the year in which such gains or losses are determined.

3.17 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When provisions are discounted, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for:

- wPossible obligations which will be confirmed only by future events not wholly within the control of the Company or
- wPresent obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

3.18 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Jash Engineering Limited
Summary to the significant accounting policies and other explanatory information for the year ended
31 March 2020

3.19 Share based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the Company's plans are cash-settled.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

3.20 Standards issued but not yet effective

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

4. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

Significant management judgements

a) Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

b) Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

c) Contingent liabilities – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

d) Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

e) Impact of Covid-19 Outbreak – The extent to which the Covid-19 pandemic will impact the Company will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the Covid-19 pandemic and any further action by the Government or the Company to contain its spread or mitigate its impact.

Significant estimates

a) Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, existing market conditions as well as forward looking estimates, the management assesses the expected credit losses on outstanding receivables and advances. Further, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with industry and country in which the customer operates.

b) Fair value measurements – Management applies valuation techniques to determine fair value of stock options. This involves developing estimates and assumptions around volatility, dividend yield which may affect the value of stock options.

c) Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

d) Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

Jash Engineering Limited
Standalone Balance Sheet as at 31 March 2020

(All amount in INR lakhs unless stated otherwise)

| | Notes | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--|-------|------------------------|------------------------|------------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 5 | 6,416.98 | 5,473.83 | 5,822.28 |
| Capital work-in-progress | 6 | 638.19 | 1,142.25 | 47.56 |
| Intangible assets | 7 | 69.95 | 87.34 | 107.03 |
| Intangible assets under development | 8 | 59.35 | 90.24 | 77.65 |
| Financial assets | | | | |
| Investments | 9 | 3,720.27 | 3,718.37 | 3,324.99 |
| Loans | 10 | 512.32 | 510.10 | 447.58 |
| Other financial assets | 11 | - | 0.91 | - |
| Non-current tax assets (net) | 12 | 2.37 | 44.12 | 45.28 |
| Other non-current assets | 13 | 97.05 | 54.54 | 159.43 |
| Total non-current assets | | 11,516.48 | 11,121.70 | 10,031.80 |
| Current assets | | | | |
| Inventories | 14 | 4,980.28 | 5,084.62 | 4,567.57 |
| Financial assets | | | | |
| Investment | 15 | 0.11 | 0.56 | 0.91 |
| Trade receivables | 16 | 11,460.78 | 9,052.31 | 6,632.01 |
| Cash and cash equivalents | 17 | 31.89 | 25.04 | 29.05 |
| Other bank balances | 18 | 978.86 | 715.63 | 583.96 |
| Loans | 19 | 7.89 | 8.67 | 57.12 |
| Other financial assets | 20 | 128.21 | 198.13 | 141.60 |
| Other current assets | 21 | 130.13 | 217.73 | 374.61 |
| Total current assets | | 17,718.15 | 15,302.69 | 12,386.83 |
| Total assets | | 29,234.63 | 26,424.39 | 22,418.63 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity share capital | 22 | 1,183.66 | 1,183.66 | 1,183.66 |
| Other equity | 23 | 13,709.04 | 11,945.75 | 10,367.61 |
| Total equity | | 14,892.70 | 13,129.41 | 11,551.27 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | 24 | 1,557.85 | 597.75 | 1,199.78 |
| Provisions | 25 | 367.89 | 193.74 | 142.75 |
| Deferred tax liabilities (net) | 26 | 218.23 | 254.47 | 357.01 |
| Other non-current liabilities | 27 | 1.22 | 7.60 | 14.42 |
| Total non-current liabilities | | 2,145.19 | 1,053.56 | 1,713.96 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | 28 | 5,607.40 | 4,914.44 | 3,278.68 |
| Trade payables | 29 | | | |
| (a) total outstanding dues of micro enterprises and small enterprises; and | | 645.78 | 1,042.62 | 297.63 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | | 2,927.25 | 4,109.50 | 4,206.90 |
| Other financial liabilities | 30 | 1,455.50 | 1,058.56 | 914.02 |
| Other current liabilities | 31 | 1,273.32 | 997.81 | 444.45 |
| Provisions | 32 | 10.29 | 14.48 | 11.72 |
| Current tax liabilities (net) | 33 | 277.20 | 104.01 | - |
| Total current liabilities | | 12,196.74 | 12,241.42 | 9,153.40 |
| Total liabilities | | 14,341.93 | 13,294.98 | 10,867.36 |
| Total equity and liabilities | | 29,234.63 | 26,424.39 | 22,418.63 |

Summary of significant accounting policies 3
The accompanying notes form an integral part of these standalone financial statements

This is the Standalone Balance Sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Sd/-
Nitin Toshniwal
Partner
Membership No.: 507568

Place: Faridabad
Date: 25 June 2020

For and on behalf of Board of Directors of
Jash Engineering Limited

Sd/-
Pratik Patel
Managing Director
DIN - 00780920

Sd/-
Suresh Patel
Executive director
DIN:00012072

Sd/-
Dharmendra Jain
Chief Financial officer

Sd/-
Tushar Kharpade
Company Secretary
Membership No. - A30144

Place: Indore
Date: 25 June 2020

Jash Engineering Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

| | Notes | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------|-------------------------------------|-------------------------------------|
| Income | | | |
| Revenue from operations | 34 | 20,617.04 | 20,152.69 |
| Other income | 35 | 816.44 | 342.84 |
| Total income | | 21,433.48 | 20,495.53 |
| Expenses | | | |
| Cost of materials consumed | 36 | 9,537.22 | 10,165.53 |
| Changes in inventories of finished goods and work-in-progress | 37 | (209.17) | (259.00) |
| Employee benefits expense | 38 | 2,882.60 | 2,435.99 |
| Finance costs | 39 | 963.76 | 751.82 |
| Depreciation and amortisation expense | 40 | 517.60 | 519.91 |
| Other expenses | 41 | 4,911.06 | 4,810.21 |
| Total expenses | | 18,603.07 | 18,424.46 |
| Profit before tax | | 2,830.41 | 2,071.07 |
| Tax expense | 42 | | |
| Current tax | | 666.54 | 452.48 |
| Deferred tax | | (17.87) | (99.19) |
| Net profit for the year | | 2,181.74 | 1,717.78 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Re-measurement losses on post employment defined benefit obligations | | (63.09) | (11.52) |
| Income tax relating to above | | 18.37 | 3.35 |
| Other comprehensive loss for the year | | (44.72) | (8.17) |
| Total comprehensive income for the year | | 2,137.02 | 1,709.61 |
| Earnings per equity share (in INR): | | | |
| Basic | 43 | 18.43 | 14.51 |
| Diluted | | 18.43 | 14.51 |
| Summary of significant accounting policies | 2.1 | | |
| The accompanying notes form an integral part of these standalone financial statements | | | |

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

For and on behalf of Board of Directors of
Jash Engineering Limited

Sd/-
Nitin Toshniwal
Partner
Membership No.: 507568

Sd/-
Pratik Patel
Managing Director
DIN - 00780920

Sd/-
Suresh Patel
Executive director
DIN: 00012072

Place: Faridabad
Date: 25 June 2020

Sd/-
Dharmendra Jain
Chief Financial officer

Sd/-
Tushar Kharpade
Company Secretary
Membership No. - A30144

Place: Indore
Date: 25 June 2020

Jash Engineering Limited

Standalone Statement of Cash Flows for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| A CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 2,830.41 | 2,071.07 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 495.36 | 493.01 |
| Amortization of intangible assets | 22.24 | 26.90 |
| Dividend income | (175.51) | (54.00) |
| Interest income on bank deposits | (61.62) | (41.20) |
| Interest income on other financials assets measured at amortised cost | (45.61) | (37.65) |
| Interest income on government grant | (6.81) | (6.80) |
| Net unrealised gain on foreign currency | (318.06) | (50.76) |
| Net loss on fair valuation of short term investment | 0.45 | 0.35 |
| Unclaimed balances written back | (10.82) | (19.99) |
| Advances and other balance written off | 239.40 | 140.41 |
| Provision for doubtful debt | 50.66 | 69.84 |
| Provision for related party loans (refer note 62) | 85.04 | - |
| Share based payments to employees | 16.38 | - |
| Finance Cost | 963.76 | 761.78 |
| Operating profit before working capital changes | 4,085.27 | 3,352.96 |
| Movement in working capital | | |
| -in trade receivables | (2,012.47) | (2,439.35) |
| -in inventories | 104.34 | (517.05) |
| -in other assets | (245.49) | 59.80 |
| -in provisions | 106.87 | 42.22 |
| -in financial and other liabilities | 766.38 | 614.33 |
| -in trade payables | (1,580.25) | 647.58 |
| Cash flow from operations | 1,224.65 | 1,760.49 |
| Income-tax paid (net of refunds) | (470.00) | (357.27) |
| Net cash flow from operating activities (A) | 754.65 | 1,403.22 |
| B CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment and intangible assets | (745.42) | (1,258.23) |
| Proceeds from sale of property, plant and equipment | 0.84 | 0.38 |
| Investment in bank deposits | (254.12) | (118.06) |
| Purchase of investment | - | (393.38) |
| Dividend income | 175.51 | 54.00 |
| Interest received | 133.65 | 54.08 |
| Net cash used from investing activities (B) | (689.54) | (1,661.21) |
| C CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from long term borrowings | 1,279.12 | - |
| Repayment from long term borrowings | (717.00) | (508.21) |
| Proceeds from short term borrowings (net) | 692.96 | 1,635.76 |
| Repayment of principal component of lease obligation | (11.45) | (8.67) |
| Payment of interest on lease obligation | (58.63) | (42.69) |
| Other interest paid | (851.25) | (690.74) |
| Dividend paid (including DDT) | (392.01) | (131.47) |
| Net cash used in financing activities (C) | (58.26) | 253.98 |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | 6.85 | (4.01) |
| Cash and cash equivalents at the beginning of the year | 25.04 | 29.05 |
| Cash and cash equivalents at the end of the year | 31.89 | 25.04 |

Jash Engineering Limited**Standalone Statement of Cash Flows for the year ended 31 March 2020***(All amount in INR lakhs unless stated otherwise)*

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Reconciliation of cash and cash equivalents as per cash flow statement | | |
| Cash in hand | 9.32 | 6.99 |
| Balances with banks- in current accounts | 22.57 | 18.05 |
| Bank deposits with original maturity less than three months | | |
| | 31.89 | 25.04 |

This is the Standalone Cash Flow Statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

For and on behalf of Board of Directors of

Jash Engineering Limited

Sd/-

Nitin Toshniwal

Partner

Membership No.: 507568

Sd/-

Pratik Patel

Managing Director

DIN - 00780920

Sd/-

Suresh Patel

Executive director

DIN: 00012072

Place: Faridabad

Date: 25 June 2020

Sd/-

Dharmendra Jain

Chief Financial officer

Place: Indore

Date: 25 June 2020

Sd/-

Tushar Kharpade

Company Secretary

Membership No. - A30144

Jash Engineering Limited
Statement of Changes In Equity for the year ended 31 March 2020
(All amount in INR lakhs unless stated otherwise)

A Equity share capital

| Particulars | Amount |
|---|-----------------|
| Balance as at 01 April 2018 | 1,183.66 |
| Changes in equity share capital during the year | - |
| Balance as at 31 March 2019 | 1,183.66 |
| Changes in equity share capital during the year | - |
| Balance as at 31 March 2020 | 1,183.66 |

B Other equity

| | Securities premium | ESOP reserve | General reserve | Retained earnings | Total |
|---|--------------------|--------------|-----------------|-------------------|------------------|
| Balance as at 01 April 2018 | 4,514.75 | - | 1,050.00 | 4,802.86 | 10,367.61 |
| Profit for the year | - | - | - | 1,717.78 | 1,717.78 |
| Dividends paid | - | - | - | (118.37) | (118.37) |
| Tax on dividends | - | - | - | (13.10) | (13.10) |
| Other comprehensive loss for the year | - | - | - | (8.17) | (8.17) |
| Balance as at 31 March 2019 | 4,514.75 | - | 1,050.00 | 6,381.00 | 11,945.75 |
| Profit for the year | - | - | - | 2,181.74 | 2,181.74 |
| Dividends paid | - | - | - | (355.11) | (355.11) |
| Tax on dividends | - | - | - | (36.90) | (36.90) |
| Additions during the year (refer note 52) | - | 18.28 | - | - | 18.28 |
| Other comprehensive loss for the year | - | - | - | (44.72) | (44.72) |
| Balance as at 31 March 2020 | 4,514.75 | 18.28 | 1,050.00 | 8,126.02 | 13,709.04 |

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

For and on behalf of Board of Directors of
Jash Engineering Limited

Sd/-
Nitin Toshniwal
Partner
Membership No.: 507568

Sd/-
Pratik Patel
Managing Director
DIN - 00780920

Sd/-
Suresh Patel
Executive director
DIN: 00012072

Place: Faridabad
Date: 25 June 2020

Sd/-
Dharmendra Jain
Chief Financial officer

Sd/-
Tushar Kharpade
Company Secretary
Membership No. - A30144

Place: Indore
Date: 25 June 2020

Jash Engineering Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amount in INR lakhs unless stated otherwise)

5 Property plant and equipment

| | Right of use - land | Freehold land | Buildings | Plant and equipments | Electric substations | Computers | Furniture and fixtures | Vehicles | Office equipments | Total |
|------------------------------------|---------------------|---------------|-----------|----------------------|----------------------|-----------|------------------------|----------|-------------------|-----------|
| Gross carrying value | | | | | | | | | | |
| Balance as at 01 April 2018 | 612.98 | 330.71 | 3,569.24 | 3,630.28 | 286.07 | 182.62 | 316.68 | 198.42 | 99.58 | 9,226.58 |
| Additions | 1.19 | - | 9.90 | 117.55 | - | 9.91 | 0.45 | - | 5.94 | 144.94 |
| Disposals | - | - | - | - | - | - | - | (7.55) | - | (7.55) |
| Balance as at 31 March 2019 | 614.17 | 330.71 | 3,579.14 | 3,747.83 | 286.07 | 192.53 | 317.13 | 190.87 | 105.52 | 9,363.97 |
| Additions | 174.75 | - | 770.00 | 323.78 | 59.98 | 48.13 | 53.60 | 0.71 | 7.70 | 1,438.65 |
| Disposals | - | - | - | (0.38) | - | - | - | (0.45) | - | (0.83) |
| Balance as at 31 March 2020 | 788.92 | 330.71 | 4,349.14 | 4,071.23 | 346.05 | 240.66 | 370.73 | 191.12 | 113.22 | 10,801.79 |
| Accumulated depreciation | | | | | | | | | | |
| Balance as at 01 April 2018 | 41.62 | - | 844.81 | 1,888.38 | 185.37 | 147.71 | 166.86 | 55.90 | 73.65 | 3,404.30 |
| Depreciation charge | 24.86 | - | 102.63 | 270.62 | 15.63 | 21.97 | 28.72 | 20.16 | 8.42 | 493.01 |
| Reversal on disposal of assets | - | - | - | - | - | - | - | (7.17) | - | (7.17) |
| Balance as at 31 March 2019 | 66.48 | - | 947.44 | 2,159.00 | 201.00 | 169.68 | 195.58 | 68.89 | 82.07 | 3,890.14 |
| Depreciation charge | 32.87 | - | 130.04 | 214.48 | 17.97 | 23.07 | 32.98 | 38.20 | 5.74 | 495.35 |
| Reversal on disposal of assets | - | - | - | (0.25) | - | - | - | (0.43) | - | (0.68) |
| Balance as at 31 March 2020 | 99.35 | - | 1,077.48 | 2,373.23 | 218.97 | 192.75 | 228.56 | 106.66 | 87.81 | 4,384.81 |
| Net block | | | | | | | | | | |
| Balance As at 01 April 2018 | 571.36 | 330.71 | 2,724.43 | 1,741.90 | 100.70 | 34.91 | 149.82 | 142.52 | 25.93 | 5,822.28 |
| Balance as at 31 March 2019 | 547.69 | 330.71 | 2,631.70 | 1,588.83 | 85.07 | 22.85 | 121.55 | 121.98 | 23.45 | 5,473.83 |
| Balance as at 31 March 2020 | 689.57 | 330.71 | 3,271.66 | 1,698.00 | 127.08 | 47.91 | 142.17 | 84.47 | 25.41 | 6,416.98 |

Notes:

(i) The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its intangible assets as its deemed cost as at the date of transition. Refer note 64 for details.

(ii) Contractual obligations

Refer note 44 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Property, plant and equipment pledged as security

Refer note 24 & 28 for information on property, plant and equipment pledged as security by the Company.

(iv) Right of use assets

Refer note 50 for contractual commitments for lease payments.

(v) Depreciation for the year has been included in "Depreciation and amortisation expense" line item in statement of profit and loss.

6 Capital work in progress

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---------------------------|---------------------|---------------------|---------------------|
| Capital work in progress* | 638.19 | 1,142.25 | 47.56 |

*Capital work in progress above pertains to under construction factory equipments.

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

7 Intangible asset

| | Technical Know-how | Computer software | Total |
|------------------------------------|--------------------|-------------------|---------------|
| Gross block | | | |
| Balance as at 01 April 2018 | 95.24 | 214.76 | 310.00 |
| Additions | - | 7.20 | 7.20 |
| Balance as at 31 March 2019 | 95.24 | 221.97 | 317.21 |
| Additions | - | 4.85 | 4.85 |
| Balance as at 31 March 2020 | 95.24 | 226.81 | 322.06 |
| Accumulated depreciation | | | |
| Balance as at 01 April 2018 | 83.10 | 119.87 | 202.97 |
| Amortization | 7.36 | 19.54 | 26.90 |
| Balance as at 31 March 2019 | 90.46 | 139.41 | 229.87 |
| Amortization | 1.03 | 21.21 | 22.24 |
| Balance as at 31 March 2020 | 91.49 | 160.62 | 252.11 |
| Net block | | | |
| Balance as at 01 April 2018 | 12.15 | 94.89 | 107.03 |
| Balance as at 31 March 2019 | 4.78 | 82.56 | 87.34 |
| Balance as at 31 March 2020 | 3.75 | 66.20 | 69.95 |

Notes:

(i) Contractual obligations

Refer note 44 for disclosure of contractual commitments for the acquisition of intangible assets

(ii) Amortisation for the year has been included in note 40 'Depreciation and amortisation expense' in statement of profit and loss.

8 Intangible assets under development

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--------------------------------------|------------------------|------------------------|------------------------|
| Intangible assets under development* | 59.35 | 90.24 | 77.65 |

*Intangible assets under development pertains to software under development.

(This space has been intentionally left blank)

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

9 Non-current investments

Investment in equity instruments (unquoted, at cost)

Investment in subsidiaries:

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---|------------------------|------------------------|------------------------|
| Shivpad Engineers Private Limited (refer note 9.1(i) and (v) below) 135,030 (31 March 2019 - 135,030, 1 April 2018 - 135,030) equity shares (fully paid up) of INR 10 each | 569.67 | 568.34 | 568.34 |
| Jash USA INC (refer note 9.1(ii) and (v) below) 18,500 (31 March 2019 - 18,500, 1 April 2018 - 18500) equity shares (fully paid up) of \$ 10 each | 1,573.32 | 1,572.75 | 1,179.37 |
| Mahr Maschinenbau GmbH ("MM") (refer note 62) 1 (31 March 2019 - 1, 1 April 2018 - 1) equity share (fully paid up) pertaining to entire capital equivalent to Euro 36,336.41 of MM's owner's equity | 1,577.27 | 1,577.27 | 1,577.27 |
| Engineering and Manufacturing Jash Limited (refer note 9.1(iii) below) 1 (31 March 2019 - 1, 1st April 2018 - 1) equity shares (fully paid up) of Hong kong dollar 1 each | 0.00 | 0.00 | 0.00 |
| Net investments in subsidiaries | 3,720.27 | 3,718.37 | 3,324.99 |
| Aggregate carrying value of unquoted investments | 3,720.27 | 3,718.37 | 3,324.99 |
| Aggregate amount of impairment in the value of investments | - | - | - |

9.1 Notes

- i) 30% of the investment in Shivpad Engineers Private Limited pledged in favour of State Bank of India in respect of rupee loan and credit facilities taken.
- ii) This includes investment by the Company in Jash USA INC represented by equity share capital amounting to INR 89.22 lakhs (31 March 2019- INR 89.22 lakhs; 01 April 2018- INR 89.22 lakhs) against which 18,500 shares have been issued to the Company. Rest of the amount INR 1,483.54 lakhs (31 March 2019- INR 1,483.54 lakhs; 01 April 2018- INR 1,090.16 lakhs) is amount invested by the Company in Jash USA; the same has been classified as an "additional paid in capital" in Jash USA Inc. and no equity shares have been issued to the Company against such investments.
- iii) Amount of investment in Engineering and Manufacturing Jash Limited is INR 8/- (31 March 2019: INR 8/-; 31 March 2018: INR 8/-). The same has been rounded off to zero.
- iv) Investments in subsidiaries are stated at cost using the principles of Ind AS 27 'Separate Financial Statements'.
- v) The investment in Jash USA Inc. and Shivpad Engineers Private Limited includes the vested portion of fair value of options granted to employees of these subsidiaries and has been accounted as deemed equity contribution has been clubbed under investment in equity instruments of these subsidiaries. The details of the same are as follows:

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---|------------------------|------------------------|------------------------|
| Investment in Shivpad Engineers Private Limited | 1.33 | - | - |
| Investment in Jash USA Inc. | 0.57 | - | - |
| | 1.90 | - | - |

10 Loans (non-current)

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--|------------------------|------------------------|------------------------|
| Security deposits | 44.52 | 38.90 | 30.85 |
| Loan to subsidiaries** | 467.80 | 471.20 | 416.73 |
| | 512.32 | 510.10 | 447.58 |
| Loans can be categorised as follows: | | | |
| Unsecured, considered good | 512.32 | 510.10 | 447.58 |
| Less: Allowance for expected credit loss | - | - | - |
| | 512.32 | 510.10 | 447.58 |
| Loans receivables which have significant increase in credit risk | - | - | - |
| Less: Allowance for expected credit loss | - | - | - |
| | - | - | - |
| Credit impaired receivables | 85.04 | - | - |
| Less: Allowance for expected credit loss (refer note 62) | (85.04) | - | - |
| | - | - | - |
| | 512.32 | 510.10 | 447.58 |

** Includes certain intercorporate deposits, the particulars of which are disclosed below as required by Sec 186(4) of the Companies Act 2013:

| Name of the loanee | Rate of Interest | Purpose | Secured/Unsecured | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|-----------------------|------------------|--------------------------|-------------------|------------------------|------------------------|------------------------|
| Jash USA Inc. | 8.00% | General business purpose | Unsecured | 467.80 | 397.63 | 346.20 |
| Mahr Maschinebau GMBH | 8.00% | General business purpose | Unsecured | - | 73.57 | 70.53 |

11 Other financial assets (non-current)

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--|------------------------|------------------------|------------------------|
| Bank deposits with remaining maturity of more than 12 months | - | 0.91 | - |
| | - | 0.91 | - |

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

12 Non current tax assets (net)

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|-------------------------|------------------------|------------------------|------------------------|
| Income tax assets (net) | 2.37 | 44.12 | 45.28 |
| | 2.37 | 44.12 | 45.28 |

13 Other non-current assets

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|------------------------------------|------------------------|------------------------|------------------------|
| Capital advances | 68.90 | 32.72 | 111.31 |
| Balance with statutory authorities | 13.64 | 8.50 | 44.10 |
| Prepaid expenses | 13.97 | 12.89 | 3.17 |
| Others | 0.54 | 0.43 | 0.85 |
| | 97.05 | 54.54 | 159.43 |

14 Inventories

(Valued at lower of cost and net realisable value, unless otherwise stated)

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--------------------------------------|------------------------|------------------------|------------------------|
| Raw materials* | 2,633.57 | 2,967.14 | 2,713.80 |
| Work-in-progress | 1,366.85 | 1,215.95 | 950.75 |
| Finished goods | 862.44 | 751.40 | 724.32 |
| Stores, spares and other consumables | 117.42 | 97.37 | 92.66 |
| Goods in transit | - | 52.76 | 86.04 |
| | 4,980.28 | 5,084.62 | 4,567.57 |

*Includes stock lying with third parties amounting INR 7.03 lakhs (31 March 2019: INR 8.59 lakhs; 01 April 2018: INR 5.45 lakhs)

Refer note 24 and 28 for details of inventories pledged against borrowings by the Company.

15 Current investments

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--|------------------------|------------------------|------------------------|
| Investment in equity instruments(quoted) | | | |
| Ramky Infrastructure Limited 489 (31 March 2019 - 489, 1 April 2018 - 489) equity shares (fully paid up) of INR 10 each | 0.10 | 0.52 | 0.84 |
| VA Tech Wabag Limited 12 (31 March 2019 - 12, 1 April 2018 - 12) equity shares (fully paid up) of INR 10 each | 0.01 | 0.04 | 0.07 |
| | 0.11 | 0.56 | 0.91 |

Note: The carrying amount of the above quoted investments represents the current market value.

16 Trade receivables*

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--|------------------------|------------------------|------------------------|
| Unsecured, considered good | 11,791.76 | 9,329.56 | 6,831.46 |
| Less: Allowance for expected credit loss | (330.98) | (277.25) | (199.45) |
| | 11,460.78 | 9,052.31 | 6,632.01 |
| Credit impaired receivables | 2.22 | 5.29 | 13.25 |
| Less: Allowance for expected credit loss | (2.22) | (5.29) | (13.25) |
| | - | - | - |
| | 11,460.78 | 9,052.31 | 6,632.01 |
| Due from related party* | 5,877.42 | 4,680.06 | 2,581.44 |
| Due from others | 5,583.36 | 4,372.25 | 4,050.57 |

*Refer note 49 for details about related party trade receivables and refer note 24 and 28 for details of trade receivables pledged against borrowings by the Company.

17 Cash and cash equivalents

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---------------------------------------|------------------------|------------------------|------------------------|
| Balances with banks: | | | |
| - in current and cash credit accounts | 22.57 | 18.05 | 23.85 |
| Cash in hand | 9.32 | 6.99 | 5.20 |
| | 31.89 | 25.04 | 29.05 |

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

18 Other bank balances

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|------------------------|------------------------|------------------------|------------------------|
| Margin money deposits* | 978.86 | 715.63 | 583.96 |
| | 978.86 | 715.63 | 583.96 |

* The deposits are pledged against bank guarantees issued to sales tax authorities, and for cash credit/ letter of credit facilities.

19 Loans (current)

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--------------------------------------|------------------------|------------------------|------------------------|
| Unsecured, considered good | | | |
| Security deposits | 1.56 | 2.63 | 50.64 |
| Tender fee and earnest money deposit | 6.33 | 6.04 | 6.48 |
| | 7.89 | 8.67 | 57.12 |

20 Other financial assets (current)

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|-----------------------------|------------------------|------------------------|------------------------|
| Export benefits receivables | 126.92 | 198.13 | 141.60 |
| Other receivables* | 1.29 | - | - |
| | 128.21 | 198.13 | 141.60 |

*Refer note 49 for details about related party receivables.

21 Other current assets

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|-------------------------------------|------------------------|------------------------|------------------------|
| Advances to suppliers | 4.62 | 78.16 | 128.61 |
| Advances given to employees | 5.69 | 11.89 | 4.75 |
| Balances with statutory authorities | 38.13 | 57.80 | 215.67 |
| Prepaid expenses | 81.69 | 69.88 | 25.58 |
| | 130.13 | 217.73 | 374.61 |

(This space has been intentionally left blank)

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

22 Equity share capital

| | As at 31 March 2020 | | As at 31 March 2019 | | As at 01 April 2018 | |
|---|---------------------|-----------------|---------------------|-----------------|---------------------|-----------------|
| | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount |
| Authorised | | | | | | |
| Equity Shares of INR 10 each | 13,490,000 | 1,349.00 | 12,490,000 | 1,249.00 | 12,490,000 | 1,249.00 |
| Preference Shares of INR 10 each | 510,000 | 51.00 | 510,000 | 51.00 | 510,000 | 51.00 |
| | 14,000,000 | 1,400.00 | 13,000,000 | 1,300.00 | 13,000,000 | 1,300.00 |
| Issued, subscribed and fully paid up | | | | | | |
| Equity Shares of INR 10 each | 11,836,598 | 1,183.66 | 11,836,598 | 1,183.66 | 11,836,598 | 1,183.66 |
| | 11,836,598 | 1,183.66 | 11,836,598 | 1,183.66 | 11,836,598 | 1,183.66 |

a) Reconciliation of equity share outstanding at the beginning and end of the year

| | ended 31 March 2020 | ended 31 March 2019 |
|--------------------------------------|------------------------|------------------------|
| Balance at the beginning of the year | | 1,183.66 |
| Add: shares issued during the year | - | - |
| Balance at the end of the year | 1,183.66 | 1,183.66 |

b) Details of shareholders holding more than 5% of the shares of the Company

| | As at 31 March 2020 | | As at 31 March 2019 | | As at 01 April 2018 | |
|--|---------------------|--------------|---------------------|--------------|---------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding | Number of shares | % of holding |
| Mr. Pratik Patel | 1,921,065 | 16.23% | 1,921,065 | 16.23% | 1,911,465 | 16.15% |
| Mr. Axel Schutte | 770,000 | 6.51% | 770,000 | 6.51% | 770,000 | 6.51% |
| Sundaram Alternative Opportunites fund | 594,000 | 5.02% | 594,000 | 5.02% | 594,000 | 5.02% |

c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Shares reserved for issue under options

Information relating to Jash Engineering Employee Stock Option Scheme, including the details of options granted during the financial year and options outstanding at the end of reporting period are specified in note 52.

e) Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years to be given for each class of shares

There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years.

(This space has been intentionally left blank)

Jash Engineering Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amount in INR lakhs unless stated otherwise)
23 Other equity

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|------------------------------|------------------------|------------------------|------------------------|
| Security premium | 4,514.75 | 4,514.75 | 4,514.75 |
| General reserve | 1,050.00 | 1,050.00 | 1,050.00 |
| ESOP reserve (refer note 52) | 18.28 | - | - |
| Retained earnings | 8,126.02 | 6,381.00 | 4,802.86 |
| | 13,709.04 | 11,945.75 | 10,367.61 |

The Board of Directors of the Company, in their meeting held on 25 June 2020, recommended a final dividend of INR 0.90/- per fully paid up equity share of INR 10/- each, aggregating to INR 106.53 lakhs for the year ended 31 March 2020, subject to approval of shareholders at the ensuing Annual General Meeting of the Company.

Nature and purpose of reserves:

Securities premium: 'Securities premium represents premium received on issue of shares. The reserve is being utilised in accordance with the provisions of the Companies Act, 2013.

General reserve: General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another.

ESOP reserve: This reserve represents recognition of the grant date value of options issued to employees under Employee stock option plan and adjusted as and when such options are exercised or otherwise expire.

24 Non-current borrowings

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--|------------------------|------------------------|------------------------|
| Secured | | | |
| Term loans | | | |
| -Rupee loans from banks (refer note (i) below) | 381.57 | 133.51 | 13.45 |
| -Foreign currency loans from banks (refer note (i) below) | 861.69 | 264.83 | 699.22 |
| -Rupee loans from financial institutions (refer note (ii) below) | 238.61 | 424.35 | 577.00 |
| Vehicle loan (refer note (iii) below) | 3.52 | 31.17 | 57.88 |
| Lease liability (refer note 50) | 559.49 | 407.12 | 415.78 |
| | 2,044.88 | 1,260.98 | 1,763.33 |
| Less : Current maturities of lease liabilities | (67.52) | (48.89) | (49.23) |
| Less : Current maturities of other non-current borrowings | (419.51) | (614.34) | (514.32) |
| | 1,557.85 | 597.75 | 1,199.78 |
| Guaranteed by directors and related parties | | | |
| Rupee and foreign currency loans from banks and financial institutions | 1,481.87 | 822.69 | 1,289.67 |

Repayment terms and security for the outstanding long term borrowings (including current maturities):
i) Term loans from banks

1) The Company availed term loan facility from State Bank of India amounting to INR 1,200 lakhs at rate of interest of State Bank of India's base rate 10% plus 3.4%. Base rate keeps on changing. Repayment of term loan was to be done in 16 quarterly installment commencing from July 2015 with last installment falling due in year 2019-20. During the previous year ended 31 March 2019, the Company has converted its rupee term loan into foreign currency loan amounting to NIL (31 March 2019: INR 264.83 lakhs, 01 April 2018: INR 699.92 lakhs). Outstanding book balance of rupee term loan is Nil (31 March 2019: INR 133.51 lakhs and 01 April 2018: INR 13.45 lakhs) and outstanding book balance of foreign term loan is Nil (31 March 2019: INR 264.83 lakhs and 01 April 2018: INR 699.22 lakhs).

The aforesaid term loan is secured by way of :

(a) First pari passu charge over Company's entire stocks comprising raw materials, stock in process, finished goods, consumable stores and spares and receivables at Unit I and Unit II, SEZ.

(b) Exclusive first charge by way of equitable mortgage over land and shed and hypothecation over Company's entire present and future property, plant and equipment comprising land, building, plant and machinery and miscellaneous property, plant and equipment at Unit I and SEZ .

Further secured by following collateral securities:

(a) Second charge by way of equitable mortgage of land and shed and hypothecation of plant and machinery situated at plot no. 18-C, 29 to 31, 32 B Sector C, Industrial Area, Sanwer Road, Indore and Plot No. M-11, Misc Zone Phase -II SEZ, Pithampur Distt. Dhar, survey no. 74/1, 74/2/1, 76/1/3, 76/1 Patwari Halka no. 19, Bardari tehsil, Sanwer district - Indore and survey no. 77, Patwari Halka no. 36, Bardari, Sanwer, district Indore.

(b) First pari passu charge by way of equitable mortgage of factory land and building situated at Bardari village, Sanwer district Indore Patwari Halka no. 19, Khasra no. 74/2/2 admeasuring 1.179 hectare and first charge on khasra no 76/1/3 admeasuring 0.183 hectare and 76/1/1 admeasuring 0.243 hectare in the name of Patamin Investments Private Limited which is an entity in which key management personnel has significant influence.

(c) Pledge of 30% shares of Shivpad Engineers Private Limited.

Further secured by personal guarantee of Directors, Mr. Pratik Patel and Mr. L. D. Amin and corporate guarantee of M/s Patamin Investments Private Limited.

2) The Company availed loan against property facility from HDFC Bank amounting to INR 385.00 lakhs at rate of interest of 9.55 %. Repayment of term loan is to be done in 119 monthly installments of INR 5.02 lakhs with last installment falling due in year 2029-30. Outstanding book balance of term loan is INR 364.86 lakhs (31 March 2019: NIL, 01 April 2018 : NIL).

The aforesaid term loan is secured by way of :

First pari passu charge on all current assets.

First pari passu charge on 30% shares of Shivpad Engineers Private Limited.

Second pari passu charge on plant, property and equipment (including land and building) of Unit 1, unit 2 and SEZ.

Second pari passu charge by way of equitable mortgage of factory land and building situated at Bardari village, Sanwer district Indore Patwari Halka no. 19, Khasra no. 74/2/2 admeasuring 1.179 hectare and first charge on khasra no 76/1/3 admeasuring 0.183 hectare and 76/1/1 admeasuring 0.243 hectare in the name of Patamin Investments Private Limited which is an entity in which key management personnel has significant influence.

Personal guarantee by Mr. LD Amin and Mr. Pratik Patel.

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

3) The Company availed term loan facility from Axis Bank amounting to INR 918.94 lakhs at rate of interest of Axis Bank MCLR 8.45% plus 1.05% i.e. 9.50%. Repayment of term loan is to be done in 51 monthly installments of with last installment falling due in year 2024-25. The Company has converted its rupee term loan into foreign currency loan amounting to INR 871.95 lakhs (31 March 2019: Nil and 01 April 2018: Nil). Outstanding book balance of rupee term loan is INR 16.71 lakhs (31 March 2019: NIL, 01 April 2018 : NIL) and Outstanding book balance of foreign currency loan is INR 861.69 lakhs (31 March 2019: NIL, 01 April 2018 : NIL)

The aforesaid term loan is secured by way of :

- (a) First Charge by way of equitable mortgage of factory land & building situated at Plot No. M 19, SEZ PH II, Pithampur admeasuring total area 8661.67 sq. meters in name of Company.
 (b) First Charge by way of hypothecation over plant & machinery situated at Plot No. M 19, SEZ PH II, Pithampur.

Further secured by following collateral securities:

- (a) Second pari-passu charge on captioned property and plant and machinery with SBI, HDFC & for residual charge of SIDBI for their exposure on reciprocal basis.
 (b) Personal guarantee by Mr. LD Amin and Mr. Pratik Patel.
 (c) Corporate guarantee by Patamins Investment Private Limited.

ii) Term loans from financial institutions

1) The Company availed term loan facilities from Small Industries Development Bank of India amounting to INR 400 lakhs and INR 224.3 lakhs at rate of interest of 9.50%. Repayment of term loan is to be done in 36 monthly installments which commenced in the year ending 01 April 2018 with last installment falling due in year 2020-2021. Outstanding book balance of term loan is INR 238.61 lakhs (31 March 2019: INR 424.35 lakhs and 01 April 2018: INR 577.00 lakhs)

The aforesaid term loan is secured by way of :

- (a) First hypothecation charge over the company's movable such as plant machinery, vehicle, machinery spares, tools, office equipments, computer, computer fixture acquired under the project.
 (b) Extension of first charge by way of hypothecation of all movables including plant, machinery, vehicles, machinery spares, tools office equipments, computers acquired earlier financial assistance.
 (c) Residual charge by way of mortgage of leasehold factory land and Building (Unit-1) situated at Survey No. 18B2, 18E2, 18 D2, 18C, 19, 29, 30, 31 & 32B industrial area Sector C, village Sukhliya Tehsil & Dist Indore.
 (d) Residual charge by way of mortgage of leasehold factory land and Building situated at survey no. 74/1, 74/2/1, 76/1,3, 76/1 Patwari Halka no. 19, Bardari tehsil, Sanwer district, Indore and survey no. 77, Patwari Halka no. 36, Bardari tehsil, Sanwer district, Indore.
 (e) Residual charge by way of mortgage of land and building situated at plot no. M-11 SEZ, Pithampur, Tehsil & district Dhar.
 (f) Residual charge by way of mortgage of land and building situated at survey no. 74/2/2, 76/1/1 village Bardari, Sanwer, Dist. Indore owned by Patamin Investment Private Limited.
 (g) Further secured by personal guarantee of Directors, Mr. Pratik Patel and Mr. L. D. Amin and corporate guarantee of M/s Patamin Investments Private Limited.

iii) Vehicle loans from banks

| As at 31 March 2020 | Principal amount | Amount outstanding | Number of remaining installments | Installment amount | Date of loan | Rate of interest | Hypothecation of |
|---------------------|------------------|--------------------|----------------------------------|--------------------|------------------|------------------|------------------|
| Vehicle loan | 6.34 | 1.57 | 8.00 | 0.20 | 1 November 2017 | 9.60% | Vehicle |
| Vehicle loan | 6.00 | 0.75 | 4.00 | 0.19 | 28 June 2017 | 8.60% | Vehicle |
| Vehicle loan | 38.00 | 1.20 | 1.00 | 1.21 | 24 April 2017 | 9.10% | Vehicle |
| As at 31 March 2019 | Principal amount | Amount outstanding | Number of remaining installments | Installment amount | Date of loan | Rate of interest | Hypothecation of |
| Vehicle loan | 43.70 | 9.66 | 11.00 | 0.94 | 21 February 2015 | 10.40% | Vehicle |
| Vehicle loan | 6.34 | 3.75 | 20.00 | 0.20 | 1 November 2017 | 9.60% | Vehicle |
| Vehicle loan | 6.00 | 2.86 | 16.00 | 0.19 | 28 June 2017 | 8.60% | Vehicle |
| Vehicle loan | 38.00 | 14.90 | 13.00 | 1.21 | 24 April 2017 | 9.10% | Vehicle |
| As at 1 April 2018 | Principal amount | Amount outstanding | Number of remaining installments | Installment amount | Date of loan | Rate of interest | Hypothecation of |
| Vehicle loan | 43.70 | 19.34 | 23.00 | 0.94 | 21 February 2015 | 10.40% | Vehicle |
| Vehicle loan | 5.18 | 0.63 | 3.00 | 0.22 | 14 June 2015 | 10.10% | Vehicle |
| Vehicle loan | 6.34 | 5.72 | 32.00 | 0.20 | 1 November 2017 | 9.60% | Vehicle |
| Vehicle loan | 6.00 | 4.80 | 28.00 | 0.19 | 28 June 2017 | 8.60% | Vehicle |
| Vehicle loan | 38.00 | 27.38 | 25.00 | 1.21 | 24 April 2017 | 9.10% | Vehicle |

(This space has been intentionally left blank)

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

25 Provisions (non-current)

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---------------------------------|------------------------|------------------------|------------------------|
| Provision for employee benefits | | | |
| Gratuity * | 253.79 | 107.79 | 62.54 |
| Leave encashment * | 114.10 | 85.95 | 80.21 |
| | 367.89 | 193.74 | 142.75 |

* Refer note 45 for details

26 Deferred tax liabilities (net)

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---|------------------------|------------------------|------------------------|
| Deferred tax liability arising on account of : | | | |
| Temporary difference on account of property, plant and equipment and intangibles assets | 481.13 | 455.07 | 506.00 |
| Financial assets and liabilities at amortised cost | 3.87 | 0.73 | 2.75 |
| Deferred tax asset arising on account of : | | | |
| Provision for employee benefits | 114.90 | 60.63 | 53.46 |
| Deduction u/s 35D | 12.26 | - | - |
| MAT credit entitlement | - | 35.55 | - |
| Impairment of financial assets | 121.79 | 82.27 | 73.61 |
| Contract liabilities | - | 9.59 | 13.66 |
| Right of use asset and related liabilities | 16.78 | 12.29 | 10.87 |
| Deferred government grant | 1.04 | 1.00 | 0.14 |
| Deferred tax liabilities (net) | 218.23 | 254.47 | 357.01 |

Movement in deferred tax liabilities for the year ended 31 March 2020

| Particulars | 01 April 2019 | Deferred tax charge/credit in profit and loss | Deferred tax charge/credit in other comprehensive income | 31 March 2020 |
|---|---------------|---|--|---------------|
| Deferred tax liability arising on account of : | | | | |
| Temporary difference on account of property, plant and equipment and intangibles assets | 455.07 | 26.06 | - | 481.13 |
| Tax effect of adjustments | - | - | - | - |
| Financial assets and liabilities at amortised cost | 0.73 | 3.14 | - | 3.87 |
| Deferred tax asset arising on account of : | | | | |
| Provision for employee benefits | 60.63 | 35.90 | 18.37 | 114.90 |
| Deduction u/s 35D | - | 12.26 | - | 12.26 |
| MAT credit entitlement | 35.55 | (35.55) | - | - |
| Impairment of financial assets | 82.27 | 39.52 | - | 121.79 |
| Contract liabilities | 9.59 | (9.59) | - | - |
| Right of use asset and related liabilities | 12.29 | 4.49 | - | 16.78 |
| Deferred government grant | 1.00 | 0.04 | - | 1.04 |
| Deferred tax liabilities (net) | 254.47 | (17.87) | (18.37) | 218.23 |

Movement in deferred tax liabilities for the year ended 31 March 2019

| Particulars | 01 April 2018 | Deferred tax charge/credit in profit and loss | Deferred tax charge/credit in other comprehensive income | 31 March 2019 |
|---|---------------|---|--|---------------|
| Deferred tax liability arising on account of : | | | | |
| Temporary difference on account of property, plant and equipment and intangibles assets | 506.00 | (50.93) | - | 455.07 |
| Financial assets and liabilities at amortised cost | 2.75 | (2.02) | - | 0.73 |
| Deferred tax asset arising on account of : | | | | |
| Provision for employee benefits | 53.46 | 3.82 | 3.35 | 60.63 |
| MAT credit entitlement | - | 35.55 | - | 35.55 |
| Impairment of financial assets | 73.61 | 8.66 | - | 82.27 |
| Contract liabilities | 13.66 | (4.07) | - | 9.59 |
| Right of use asset and related liabilities | 10.87 | 1.42 | - | 12.29 |
| Deferred government grant | 0.14 | 0.86 | - | 1.00 |
| Deferred tax liabilities (net) | 357.01 | (99.19) | (3.35) | 254.47 |

27 Other non-current liabilities

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|-----------------------------------|------------------------|------------------------|------------------------|
| Deferred grant (refer note below) | 1.22 | 7.60 | 14.42 |
| | 1.22 | 7.60 | 14.42 |

Note:

Deferred grant is the component of the concessional rate borrowings availed from the bank at a lower rate than the market rate.

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

28 Current borrowings

Secured

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---|------------------------|------------------------|------------------------|
| Short term loan from bank (refer note (i) below) | 500.00 | - | 300.00 |
| Short term loan from financial institution (refer note (ii) below) | 684.60 | - | - |
| Cash credits facilities from bank (refer note (i),(iii) and (iv) below) | 4,422.80 | 4,914.44 | 2,957.29 |

Unsecured

| | | | |
|--|-----------------|-----------------|-----------------|
| Loans from related parties (refer note 49) | - | - | 21.39 |
| | 5,607.40 | 4,914.44 | 3,278.68 |

Notes:**A) Security for the outstanding short term borrowings :**

(i) Fund based credit facility of INR 2,100 lakhs (31 March 2019: INR 1,600 lakhs and 01 April 2018: INR 1,100 lakhs) sanctioned to the Company from HDFC Bank during the year. It comprise of Cash Credit ('CC') facility including sub-limit of short term loan facility at annual rate of interest of 1.2% above MCLR-1 year. Outstanding book balance for CC account from HDFC as on 31 March 2020 is INR 1,331 lakhs (31 March 2019: INR 1,569.12 lakhs, 01 April 2018: INR 365.99 lakhs) and outstanding balance of short term loan facility is INR 500 lakhs (31 March 2019: Nil , 01 April 2018: INR 300 lakhs).

The facilities from bank are secured by way of:

Primary security: First pari passu charge on all current assets of the Company as on 31 March 2020.

Collateral:

- Pledge of 30% shares of Shivpad Engineers Private Limited.
- Second pari passu charge on property, plant and equipment of Unit 1 and SEZ.
- Second pari passu charge on entire property, plant and equipment of Unit 2 and SEZ.
- Second pari passu charge on land owned by Patamin Investments Private Limited.

Also secured by way of guarantees from:

- Mr. L.D. Amin
- Mr. Pratik Patel

ii) Fund based credit facility sanctioned from Bajaj Finance Limited for purchase bills discounting amounting to INR 1,000.00 lakhs at annual rate of interest of 9% per annum and repayable at the end of each tranche tenor. Outstanding Book balance as on 31 March 2020 is INR 684.60 lakhs (31 March 2019 : Nil, 01 April 2018 : Nil). The facility from Bajaj Finance Limited is secured by existing secured multiple banking arrangement and secured by way of guarantees from Mr. L.D. Amin and Mr. Pratik Patel.

iii) Fund based credit facility sanctioned from State Bank of India comprise of cash credit facility amounting to INR 2,900 lakhs (31 March 2019: INR 2,900 lakhs, 01 April 2018: INR 2,900 lakhs) at an annual rate of interest 0.95% above MCLR-1 year, export packing credit ('EPC') within CC limit amounting to INR 2,100 lakhs (31 March 2019: INR 2,100 lakhs, 01 April 2018: INR 1,500 lakhs) and Standby letter of credit ('SLOC') amounting to INR 500 lakhs (31 March 2019: INR 500 lakhs, 01 April 2018: Nil) at an annual rate of 1.95% above MCLR-1 year. Outstanding book balance for CC account as on 31 March 2020 is INR 1,853.93 lakhs (31 March 2019 : INR 2,189.59 lakhs, 01 April 2018 : INR 1,847.81 lakhs), EPC account as on 31 March 2020 is INR 799.95 lakhs (31 March 2019: INR 657.43 lakhs, 01 April 2018: INR 743.49 lakhs) and SLOC account as on 31 March 2020 is Nil (31 March 2019: INR 498.30 lakhs, 01 April 2018: Nil).

The facilities from bank are secured by way of:

Primary security: First hypothecation charge over Company's entire stocks comprising raw materials, stock in process, finished goods, consumable stores and spares and receivables at Unit I and SEZ both or at such other places approved by the Bank including good in transit/shipment in the name of Company.

Collateral:

- Second charge by way of equitable mortgage of land and shed and hypothecation of plant and machinery situated at survey no. 74/1, 74/2/1, 76/1/3, 76/1 Patwari Halka no. 19, Bardari tehsil, Sanwer district, Indore and survey no. 77, Patwari Halka no. 36, Bardari tehsil, Sanwer district, Indore,
- Second charge by way of equitable mortgage of land and shed and hypothecation of plant and machinery situated at Unit I and SEZ both.
- First charge by way of equitable mortgage of diverted land situated at Bardari village, Sanwer district, Indore Patwari Halka no. 19, Khasra no. 74/2/2 admeasuring 1.179 hectare in the name of Patamin Investments Private Limited.
- Pledge of 30% shares of Shivpad Engineers Private Limited.

Also secured by way of guarantees from:

- Mr. L.D. Amin
- Mr. Pratik Patel
- Patamin Investments Private Limited

iv) Fund based credit facility sanctioned from Axis Bank during the year comprise of cash credit ('CC') facility of INR 550 lakhs (31 March 2019: Nil, 01 April 2018: Nil) at annual rate of interest of 1.2% above 3 month MCLR. Outstanding Book balance for CC account as on 31st march 2020 is INR 437.92 lakhs (31 March 2019: Nil, 01 April 2018: Nil).

The facilities from bank are secured by way of:

'Primary security: First pari-pasu charge over JEL's entire stock comprising raw materials, stock-in-process, finished goods, consumable stores and spares and receivables at 18C, 29-31, 32B, Sector C, Industrial area, Sanwar road, Indore, plot no. M-11, Misc zones, Phase-II SEZ, Pithampur Distt., Dhar, and Survey No. 74/1, 74/2/1, 76/1/3, 76/1 PH no. 19, Bardari Tehsil, distt. Sanwer, Indore and survey no. 77, PH No. 36, Bardari Tehsil, Sanwar District, Indore, Plot no. M 19, SEZ PH-II, Pithampur or at such other places approved by the bank including goods in transit/shipment in the name of the Company with SBI, HDFC Bank and Axis bank.

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

Collateral:

- a) Extension of first charge by way of mortgage over land and building of the Company situated at Plot No. M-19, SEZ Phase II, Pithampur admeasuring total area 8661.67 square meter in the name of the Company and first charge by way of hypothecation over plant and machinery situated at Plot no. M19, SEZ phase II, Pithampur (2nd pari-passu charge of SBI, HDFC and residual charge of SIDBI for their exposure respectively.
- b) 'Second pari passu charge with HDFC Bank by way of equitable mortgage of land, Shed/bulding and hypothication of Plant and Machinery situated at Unit-1, Unit-II and
- c) Second pari passu charge with HDFC Bank by way of equitable mortgage on land in the name of Patamin Investment private Limited.
- d) Personal guarantee by Mr. LD Amin and Mr. Pratik Patel
- e) Corporate guarantee by Patamins Investment Private Limited

B) Loan from related parties

Unsecured loan (repayable on demand) taken from Mr. Pratik Patel, amounting to Nil (31 March 2019: Nil, 01 April 2018: INR 21.39 lakhs) at annual rate of interest of 10% per annum.

C) Reconciliation of liabilities arising from financing activities

| | Non-current borrowings and Current maturities of non-current borrowings | Current borrowings | Total |
|--|---|--------------------|-----------------|
| As at 01 April 2018 | 1,763.33 | 3,278.68 | 5,042.02 |
| Cash flows: | | | |
| Proceeds from borrowings (net) | - | 1,635.76 | 1,635.76 |
| Repayment of borrowings | (508.21) | - | (508.21) |
| Repayment of principal component of lease obligation | (8.67) | - | (8.67) |
| Non-cash: | | | |
| Effective interest rate adjustment | 14.52 | - | 14.52 |
| As at 31 March 2019 | 1,260.98 | 4,914.44 | 6,175.42 |
| Cash flows: | | | |
| Proceeds from borrowings (net) | 1,279.12 | 692.96 | 1,972.08 |
| Repayment of borrowings | (717.00) | - | (717.00) |
| Repayment of principal component of lease obligation | (11.45) | - | (11.45) |
| Non-cash: | | | |
| Effective interest rate adjustment | 14.97 | - | 14.97 |
| Adjustment in lease liability through right of use asset | 163.82 | - | 163.82 |
| Other | 54.44 | - | 54.44 |
| As at 31 March 2020 | 2,044.88 | 5,607.40 | 7,652.28 |

29 Trade payables

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---|---------------------|---------------------|---------------------|
| Due to micro and small enterprises [refer note (i) below] | 645.78 | 1,042.62 | 297.63 |
| Dues to others | 2,927.25 | 4,109.50 | 4,206.90 |
| | 3,573.03 | 5,152.12 | 4,504.53 |

(i) Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED),2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act ,2006 (MSMED Act, 2006) and based on the information available with the company,the following are the details:

| | | | |
|--|--------|----------|--------|
| Principal amount remaining unpaid | 645.78 | 1,042.62 | 297.63 |
| Interest accrued and due thereon remaining unpaid | - | - | - |
| Interest paid by the company in terms of service 16 of MSMED Act 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year. | - | - | - |
| Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year), but without adding the interest specified under MSMED Act ,2006. | - | - | - |
| Interest accrued and remaining unpaid as at the end of the year | - | - | - |
| Further interest remaining due and payable even in the succeeding years ,until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act,2006. | - | - | - |

(This space has been intentionally left blank)

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

30 Other financial liabilities (Current)

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---|------------------------|------------------------|------------------------|
| Current maturities of non-current borrowings: | | | |
| -Rupee loans from banks | 226.31 | 133.82 | 15.68 |
| -Foreign currency loans from banks | - | 264.83 | 304.32 |
| -Rupee loans from financial institutions | 189.68 | 188.04 | 165.24 |
| -Lease liability | 67.52 | 48.89 | 49.23 |
| -Vehicle loan | 3.52 | 27.65 | 29.08 |
| Interest accrued but not due on borrowings | 30.84 | 10.34 | 6.47 |
| Employee related payables | 374.93 | 310.38 | 293.65 |
| Book overdraft | 67.52 | 62.69 | 41.71 |
| Security deposit | 14.47 | 11.92 | 8.64 |
| Capital creditors* | 404.49 | - | - |
| Derivative liability** | 76.22 | - | - |
| | 1,455.50 | 1,058.56 | 914.02 |

*Includes related party payables, refer note 49

**Derivatives are measured at fair value and are carried as asset when their fair value is positive and are carried as liability when their fair value is negative. The above derivative is a currency derivative pertaining to a forward exchange contract. This contract is entered by the company to mitigate the risk involved in expected foreign currency cash inflows and outflows. Refer note 46 for details of valuation techniques used.

31 Other current liabilities

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|----------------------------------|------------------------|------------------------|------------------------|
| Advance from customers | 1,009.99 | 944.05 | 400.92 |
| Payable to statutory authorities | 256.94 | 46.94 | 36.73 |
| Deferred grant* | 6.39 | 6.82 | 6.80 |
| | 1,273.32 | 997.81 | 444.45 |

*Deferred grant is the component of the concessional rate borrowings availed from the bank at a lower rate than the market rate.

32 Provisions (current)

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|-------------------|------------------------|------------------------|------------------------|
| Leave encashment* | 10.29 | 14.48 | 11.72 |
| | 10.29 | 14.48 | 11.72 |

* Refer note 45 for details.

33 Current tax liabilities (net)

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--------------------------|------------------------|------------------------|------------------------|
| Provision for tax (net)* | 277.20 | 104.01 | - |
| | 277.20 | 104.01 | - |

*Amount of advance tax paid and MAT credit adjusted INR 444.64 lakhs (31 March 2019: INR 358.06 lakhs, 31 March 2018: INR 181.28 lakhs)

(This space has been intentionally left blank)

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

34 Revenue from operations

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--------------------------------|-------------------------------------|-------------------------------------|
| Operating revenue* | | |
| Sale of products | 20,276.73 | 19,834.99 |
| Sale of services | 19.22 | 14.36 |
| Other operating revenue | | |
| Scrap sales | 266.95 | 242.43 |
| Export incentives | 54.14 | 60.91 |
| | 20,617.04 | 20,152.69 |

*Refer note 51 for revenue related disclosure.

35 Other income

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Interest from | | |
| <i>Bank deposits</i> | 61.62 | 41.20 |
| <i>Other financial assets carried at amortised cost</i> | 45.61 | 37.65 |
| Rental income | 19.27 | 18.68 |
| Dividend income | 175.51 | 54.00 |
| Net gain on foreign currency | 460.15 | 77.40 |
| Unclaimed balances written back | 10.82 | 19.99 |
| Grant income | 6.81 | 6.80 |
| Miscellaneous income | 36.65 | 87.12 |
| | 816.44 | 342.84 |

36 Cost of materials consumed

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Opening stock | | |
| Raw material | 2,967.14 | 2,713.80 |
| Add: Purchases made during the year | 9,203.65 | 10,418.87 |
| | 12,170.79 | 13,132.67 |
| Less: Closing stock | | |
| Raw material | 2,633.57 | 2,967.14 |
| | 9,537.22 | 10,165.53 |

37 Changes in inventories of finished goods and work-in-progress

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|-------------------------------|-------------------------------------|-------------------------------------|
| Opening stock | | |
| Work-in-progress | 1,215.95 | 950.75 |
| Finished goods | 751.40 | 724.32 |
| Goods in transit | 52.77 | 86.04 |
| Closing stock | | |
| Work-in-progress | 1,366.85 | 1,215.95 |
| Finished goods | 862.44 | 751.40 |
| Goods in transit | - | 52.76 |
| Changes in inventories | (209.17) | (259.00) |

Jash Engineering Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amount in INR lakhs unless stated otherwise)
38 Employee benefits expense

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Salaries and incentives* | 2,572.90 | 2,179.49 |
| Contributions to provident and other funds | 179.77 | 166.19 |
| Share based payments to employees | 16.38 | - |
| Staff welfare expenses | 113.55 | 90.31 |
| | 2,882.60 | 2,435.99 |

*Refer note 45 for details

39 Finance costs

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|-----------------------------|-------------------------------------|-------------------------------------|
| Interest on | | |
| <i>Term loans</i> | 707.05 | 545.08 |
| <i>On income tax delays</i> | 18.41 | 9.96 |
| <i>On lease obligations</i> | 58.63 | 42.69 |
| Other borrowing costs | 179.67 | 154.09 |
| | 963.76 | 751.82 |

40 Depreciation and amortisation expense

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Depreciation of property, plant and equipment (refer note 5) | 495.36 | 493.01 |
| Amortisation of intangible assets (refer note 7) | 22.24 | 26.90 |
| | 517.60 | 519.91 |

41 Other expenses

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Consumption of stores and spare parts | 900.39 | 963.20 |
| Job work charges | 1,137.22 | 1,118.53 |
| Power, fuel and water | 223.86 | 211.18 |
| Sub-contracting charges | 378.01 | 331.09 |
| Carriage outward | 299.16 | 319.04 |
| Legal and professional fees* | 120.45 | 67.45 |
| Advertisement and sales promotion expense | 187.77 | 98.03 |
| Travelling expense | 144.94 | 119.78 |
| Repairs and maintenance | | |
| <i>on buildings</i> | 2.70 | 7.19 |
| <i>on others</i> | 115.04 | 42.81 |
| Insurance charges | 42.64 | 28.07 |
| Rent | 8.17 | 1.25 |
| Rates and taxes | 69.00 | 84.18 |
| Royalty | 76.11 | 63.65 |
| Commission and brokerage | 234.27 | 95.76 |
| Provision for doubtful debt | 50.66 | 69.84 |
| Communication expenses | 10.06 | 9.51 |
| Conveyance expenses | 20.21 | 21.85 |
| Vendor balances written off | 239.40 | 140.41 |
| Vehicle running and maintenance | 16.83 | 19.76 |
| Export expenses | 252.38 | 711.98 |
| Drawing, designing and pattern charges | 124.34 | 117.02 |
| Provision for related party loans (refer note 62) | 85.04 | - |
| Miscellaneous expenses | 172.41 | 168.63 |
| | 4,911.06 | 4,810.21 |

Jash Engineering Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amount in INR lakhs unless stated otherwise)
*** Payment to the statutory auditor**

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---------------------------|-------------------------------------|-------------------------------------|
| For statutory audit | 20.00 | 20.00 |
| Certification services | 0.35 | 1.05 |
| Other services | - | - |
| Reimbursement of expenses | 1.09 | 1.26 |
| Total | 21.44 | 22.31 |

Note: The above amounts are exclusive of goods and service tax.

42 Tax expense

The income tax expense consists of the following:

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Current tax expense | | |
| <i>Tax expense for current year</i> | 666.54 | 452.48 |
| Deferred tax expense / (credit) | (17.87) | (99.19) |
| Total tax expense | 648.67 | 353.29 |

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 29.12% (previous year: 29.12%) and the reported tax expense in profit or loss are as follows:

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Accounting profit before income tax | 2,830.41 | 2,071.07 |
| At India's statutory income tax rate of 29.12% (31 March 2019: 29.12%) | 824.22 | 603.10 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Tax impact of exempted income | (51.11) | (15.73) |
| Effect of tax incentive u/s 10AA | (100.56) | (208.26) |
| Tax impact of expenses which will never be allowed | 10.06 | 3.60 |
| Effect of tax to be reversed during tax holiday period | (10.14) | 10.05 |
| Effect of change in tax rate | - | (56.61) |
| Earlier years tax adjustments (net) | - | 0.37 |
| Others | (23.80) | 16.78 |
| Income tax expense | 648.67 | 353.29 |

43 Earnings per equity share

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| a) Net profit attributable to equity shareholders | 2,181.74 | 1,717.78 |
| b) Weighted average number of shares* | 11,836,598 | 11,836,598 |
| c) Nominal value of shares | 10.00 | 10.00 |
| d) Earnings per share | | |
| Basic earnings per share | 18.43 | 14.51 |
| Diluted earnings per share* | 18.43 | 14.51 |

*The Company has granted employee stock option during the year 2019-20. However, the same are anti-dilutive for the year ended 31 March 2020.

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

44 Contingent liabilities and other matters

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--|------------------------|------------------------|------------------------|
| (a) Contingent liabilities (under litigation), not acknowledged as debt, include: | | | |
| Corporate guarantee given on behalf of Shivpad Engineers Private Limited | 350.00 | 550.00 | 450.00 |
| Standby letter of credit given on behalf of Jash USA Inc. | 1,770.06 | 1,624.14 | 2,048.76 |
| Demand for central sales tax | | - | |
| <i>Financial year 2014-15</i> | - | - | 220.65 |
| <i>Financial year 2015-16</i> | - | 51.35 | 73.70 |
| <i>Financial year 2016-17</i> | 131.22 | - | - |
| Demand for service tax | | | |
| <i>Financial year 2010-11</i> | - | 23.12 | 23.12 |
| <i>Financial year 2016-17</i> | 2.13 | - | - |
| | 2,253.41 | 2,248.61 | 2,816.23 |

Note: The company has certain litigations involving vendor and work contractor. Based on legal advice of in-house legal consultants, the management believes that no material liability will devolve on the Company in respect of these litigations

b) Commitments

| | | | |
|---|-------|-------|--------|
| Estimated amount of contracts remaining to be executed on capital accounts and not provided for | 23.08 | 67.01 | 292.50 |
|---|-------|-------|--------|

(This space has been intentionally left blank)

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

45 Employee benefits

A Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

(i) Amount recognised in the balance sheet is as under:

| Particulars | 31 March 2020 | | 31 March 2019 | | 01 April 2018 | |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | Current | Non-current | Current | Non-current | Current | Non-current |
| Gratuity* | - | 253.79 | - | 107.79 | - | 62.54 |

*The Company expects to pay its current liability on account of Gratuity through existing plan assets. Therefore, entire amount for provision for gratuity has been classified as non-current liability.

(ii) Amount recognised in the statement of profit and loss and comprehensive income is as under:

| Description | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Current service cost | 71.23 | 53.85 |
| Net interest cost | 8.24 | 4.82 |
| Net impact on profit (before tax) | 79.47 | 58.67 |
| Actuarial loss recognised during the year (other comprehensive income) | 63.09 | 11.52 |
| Amount recognised in total comprehensive income | 142.56 | 70.19 |

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

| Description | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Present value of defined benefit obligation as at the start of the year | 558.72 | 474.12 |
| Current service cost | 71.23 | 53.85 |
| Interest cost | 42.74 | 36.56 |
| Actuarial loss recognised during the year | 63.09 | 11.52 |
| Benefits paid | (22.12) | (17.33) |
| Present value of defined benefit obligation as at the end of the year | 713.66 | 558.72 |

(iv) Movement in the plan assets recognised in the balance sheet is as under:

| Description | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| Fair value of plan assets at beginning of year | 450.93 | 411.59 |
| Expected return on plan assets | 31.06 | 32.17 |
| Employer's contribution | - | 25.00 |
| Fund management charges | - | (4.52) |
| Benefits paid | (22.12) | (13.31) |
| Fair value of plan Assets at the end of the year | 459.87 | 450.93 |
| Actual return on plan assets | 31.06 | 32.17 |

(v) Breakup of actuarial loss:

| Description | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| Actuarial loss on arising from change in demographic assumption | 0.36 | - |
| Actuarial loss on arising from change in financial assumption | 54.77 | 3.41 |
| Actuarial loss on arising from experience adjustment | 7.96 | 8.11 |
| Total actuarial loss | 63.09 | 11.52 |

(vi) Actuarial assumptions

| Description | 31 March 2020 | 31 March 2019 | 01 April 2018 |
|---|---------------|----------------|----------------|
| Discount rate | 6.91% | 7.65% | 7.71% |
| Future salary increase | 8.00% | 8.00% | 8.00% |
| Expected average remaining working lives of employees (years) | 60/70 years | 60/70/80 years | 60/70/80 years |

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2006-08) Ultimate table.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(vi) Sensitivity analysis for gratuity liability

| Description | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Impact of the change in discount rate | | |
| - Impact due to increase of 0.5 % | (38.12) | (27.56) |
| - Impact due to decrease of 0.5 % | 41.77 | 30.13 |
| Impact of the change in salary increase | | |
| - Impact due to increase of 0.5 % | 40.02 | 29.17 |
| - Impact due to decrease of 0.5 % | (37.13) | (26.91) |

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(viii) Maturity profile of defined benefit obligation

| Description | 31 March 2020 | 31 March 2019 |
|-----------------------|---------------|---------------|
| Within next 12 months | 73.26 | 85.95 |
| Between 1-5 years | 138.16 | 139.38 |
| Beyond 5 years | 502.24 | 333.39 |

(ix) Category of plan assets :

| Particulars | 31 March 2020 | 31 March 2019 | 01 April 2018 |
|--|---------------|---------------|---------------|
| Investments with Life Insurance Corporation of India | 100.00% | 100.00% | 100.00% |

- (x) The expected expense on its gratuity plan in the next accounting period amounts to INR 97.17 lakhs (31 March 2019: INR 68.50 lakhs) and the extent of the Company's contribution to the plan assets will be based on future liquidity positions.

B Compensated absences (unfunded)

The leave obligations cover the Company's liability for sick and earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision balance above. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current. Amount of INR 56.89 lakhs (31 March 2019: INR 31.58 lakhs) has been recognised in the statement of profit and loss.

| Particulars | 31 March 2020 | | 31 March 2019 | | 01 April 2018 | |
|---------------------------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | Current | Non-current | Current | Non-current | Current | Non-current |
| Compensated absences (unfunded) | 10.29 | 114.10 | 14.48 | 85.95 | 11.72 | 80.21 |

C Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employee State Insurance Scheme which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and Employee State Insurance Scheme for the year amounting to INR 160.89 lakhs (31 March 2019: INR 139.60 lakhs) and INR 18.88 lakhs (31 March 2019: 26.59 lakhs) respectively.

(This space has been intentionally left blank)

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

46 Financial instruments

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

| Measured at | As at 31 March 2020 | | As at 31 March 2019 | | As at 01 April 2018 | |
|---|---------------------|--------------|---------------------|-------------|---------------------|-------------|
| | Amortised Cost** | FVTPL*** | Amortised Cost* | FVTPL*** | Amortised Cost* | FVTPL*** |
| Investments* | - | 0.11 | 0.00 | 0.56 | 0.00 | 0.91 |
| Trade receivables | 11,460.78 | - | 9,052.31 | - | 6,632.01 | - |
| Loans | 520.21 | - | 518.77 | - | 504.70 | - |
| Cash and cash equivalents | 31.89 | - | 25.04 | - | 29.05 | - |
| Other bank balances | 978.86 | - | 715.63 | - | 583.96 | - |
| Other financial assets | 128.21 | - | 199.04 | - | 141.60 | - |
| Total | 13,119.95 | 0.11 | 10,510.78 | 0.56 | 7,891.32 | 0.91 |
| Measured at | | | | | | |
| Borrowings (including current maturities of non-current borrowings) | 7,652.28 | - | 6,175.42 | - | 5,042.01 | - |
| Trade payables | 3,573.03 | - | 5,152.12 | - | 4,504.53 | - |
| Other financial liabilities | 892.26 | 76.22 | 395.33 | - | 350.47 | - |
| Total | 12,117.56 | 76.22 | 11,722.87 | - | 9,897.01 | - |

* Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

B Fair values hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

** Fair value of financial assets and liabilities measured at amortised cost approximates their respective carrying values as the management has assessed that there is no significant movement in factor such as discount rates, interest rates, credit risk from the date of the transition. The fair values are assessed by the management using Level 3 inputs.

***The financial instruments measured at FVTPL represents the following items constitutes to level 1 category and other financial liability containing derivative liability has been valued using level 2 valuation hierarchy above.

(i) Current investments (level 1) - The fair value of quoted equity shares amounting to INR 0.11 lakhs (31 March 2019: INR 0.56 lakhs, 31 March 2018: 0.91 lakhs) are based on the current bid price of respective investment as at the balance sheet date.

(ii) Derivative liabilities (level 2) - These derivative liabilities amounting to INR 76.22 lakhs (31 March 2019: Nil, 31 March 2018: Nil) are fair valued based on mark to market forward rates provided by the banks.

C Financial Risk Management

Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

| Risk | Exposure arising from | Measurement | Management |
|--------------------------------|---|-----------------------------|---|
| Credit risk | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost | Ageing analysis | Diversification of asset base and specified credit limits. |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market risk - foreign exchange | Recognised financial assets and liabilities not denominated in Indian rupee (INR) | Cash flow forecasting | Forward contract, if required |
| Market risk - Interest rate | Long-term and short-term borrowings at variable rates | Sensitivity analysis | Negotiation of terms that reflect the market factors |

The Company's risk management is carried out by a finance department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

I Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

a) Credit risk management

(i) Credit risk rating

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk

(ii) Moderate credit risk

(iii) High credit risk

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Financial assets (other than trade receivables) that expose the entity to credit risk are managed and categorised as follows:

| Basis of categorisation | Asset class exposed to credit risk | Provision for expected credit loss |
|-------------------------|--|--|
| Low credit risk | Cash and cash equivalents, other bank balances, loans and other financial assets | 12 month expected credit loss. |
| Moderate credit risk | Other financial assets | Other financial assets - 12 month expected credit loss, unless credit risk has increased significantly since initial recognition, in which case allowance is measured at lifetime expected credit loss |
| High credit risk | Other financial assets | Other financial assets - Life time expected credit loss (when there is significant deterioration) or specific provision, whichever is higher |

The Company recognises lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analysing historical trend of default (net of any recoveries from the insurance companies) relevant to each business segment based on the criteria defined above and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for).

Financial assets (other than trade receivables) that expose the entity to credit risk (Gross exposure) –

| Particulars | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--|---------------------|---------------------|---------------------|
| (i) Low credit risk on financial reporting date | | | |
| Cash and cash equivalents | 31.89 | 25.04 | 29.05 |
| Other bank balances | 978.86 | 715.63 | 583.96 |
| Loans | 520.21 | 518.77 | 504.70 |
| Other financial assets | 128.21 | 199.04 | 141.60 |
| (ii) High credit risk | | | |
| Loans | 85.04 | 0.00 | 0.00 |

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables and loans

Life time expected credit loss is provided for trade receivables. Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes export benefits receivables, bank deposits with maturity of more than 12 months and other receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

(ii) Concentration of trade receivables

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risk are controlled and managed accordingly. Details of the such identified concentrations of credit risk are disclosed below:

| Particulars | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--|---------------------|---------------------|---------------------|
| Rodney Hunt Inc. | 5,455.59 | 3,828.52 | 1,080.01 |
| Rajkamal Builders Infrastructure Private Limited | 1,390.93 | 1,387.98 | 974.99 |
| Total | 6,846.52 | 5,216.50 | 2,055.01 |

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

(iii) Expected credit losses

i) Financial assets (other than trade receivables)

Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses.

- For cash & cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.

- For loans - Credit risk for loan given to subsidiaries are evaluated on an individual basis by the management after considering the future cash flows expected to be derived (refer note 56 and 62 for more details). Credit risk for security deposits and loans is considered low because the Company is in possession of the underlying asset.

- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured. Credit risk in respect of other financial assets is considered as very low.

| As at 31 March 2020 | Gross carrying amount | Expected credit losses | Carrying amount net of impairment provision |
|---------------------------|-----------------------|------------------------|---|
| Cash and cash equivalents | 31.89 | - | 31.89 |
| Other bank balances | 978.86 | - | 978.86 |
| Loans | 605.25 | 85.04 | 520.21 |
| Other financial assets | 128.21 | - | 128.21 |

| As at 31 March 2019 | Gross carrying amount | Expected credit losses | Carrying amount net of impairment provision |
|---------------------------|-----------------------|------------------------|---|
| Cash and cash equivalents | 25.04 | - | 25.04 |
| Other bank balances | 715.63 | - | 715.63 |
| Loans | 518.77 | - | 518.77 |
| Other financial assets | 199.04 | - | 199.04 |

| As at 01 April 2018 | Gross carrying amount | Expected credit losses | Carrying amount net of impairment provision |
|---------------------------|-----------------------|------------------------|---|
| Cash and cash equivalents | 29.05 | - | 29.05 |
| Other bank balances | 583.96 | - | 583.96 |
| Loans | 504.70 | - | 504.70 |
| Other financial assets | 141.60 | - | 141.60 |

ii) Expected credit loss for trade receivables under simplified approach

The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analysing historical trend of default based on the criteria defined below and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for). Further, the Company has evaluated recovery of receivables on a case to case basis where these related parties will be able to generate adequate positive cash flows for payment of their dues to the Company. Hence, no provision on account of expected credit loss model has been considered for such related party balances.

| As at 31 March 2020 | Gross carrying amount- trade receivables | Expected loss rate | Expected credit loss |
|-----------------------------|--|--------------------|----------------------|
| Unrelated | | | |
| Not Due | 2,578.13 | 0.88% | 22.69 |
| Less than 6 Months past due | 2,045.67 | 6.84% | 139.84 |
| 6 Months to 1 Year past due | 677.07 | 8.29% | 56.13 |
| 1 Year to 2 Year past due | 607.32 | 18.02% | 109.43 |
| 2 Year to 3 Year past due | 6.15 | 47.02% | 2.89 |
| More than 3 Years past due | 2.22 | 100.00% | 2.22 |
| Related | 5,877.42 | | - |
| Total | 11,793.98 | | 333.20 |

| As at 31 March 2019 | Gross carrying amount- trade receivables | Expected loss rate | Expected credit loss |
|-----------------------------|--|--------------------|----------------------|
| Unrelated | | | |
| Not Due | 2,140.87 | 1.28% | 27.34 |
| Less than 6 Months past due | 379.66 | 3.62% | 13.76 |
| 6 Months to 1 Year past due | 1,984.53 | 9.96% | 197.67 |
| 1 Year to 2 Year past due | 109.41 | 25.36% | 27.75 |
| 2 Year to 3 Year past due | 35.03 | 30.64% | 10.73 |
| More than 3 Years past due | 5.29 | 100.00% | 5.29 |
| Related | 4,680.06 | | - |
| Total | 9,334.85 | | 282.54 |

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

| As at 01 April 2018 | Gross carrying amount- trade receivables | Expected loss rate | Expected credit loss |
|-----------------------------|--|--------------------|----------------------|
| Unrelated | | | |
| Not Due | 2,741.76 | 1.04% | 28.49 |
| Less than 6 Months past due | 824.75 | 3.62% | 29.89 |
| 6 Months to 1 Year past due | 292.95 | 9.96% | 29.18 |
| 1 Year to 2 Year past due | 147.60 | 25.36% | 37.44 |
| 2 Year to 3 Year past due | 242.96 | 30.64% | 74.45 |
| More than 3 Years past due | 13.25 | 100.00% | 13.25 |
| Related | 2,581.44 | | - |
| Total | 6,844.71 | | 212.70 |

Reconciliation of loss allowance provision from beginning to end of reporting period:

| Reconciliation of loss allowance | Trade receivables |
|--|-------------------|
| Loss allowance on 01 April 2018 | 212.70 |
| Add: Changes in loss allowances due to bad debts | 69.84 |
| Loss allowance on 31 March 2019 | 282.54 |
| Add: Changes in loss allowances due to bad debts | 50.66 |
| Loss allowance on 31 March 2020 | 333.20 |

II Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

a) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

| Floating rate | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|----------------------------|---------------------|---------------------|---------------------|
| - Expiring within one year | 1,441.92 | 85.56 | 1,042.71 |
| - Expiring beyond one year | - | - | - |
| Total | 1,441.92 | 85.56 | 1,042.71 |

The cash credit and other facilities may be drawn at any time and may be terminated by the bank without notice.

b) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Refer note 50 for maturities of lease liabilities

| As at 31 March 2020 | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|------------------|---------------|---------------|-------------------|------------------|
| Borrowings (including current maturities of non-current borrowings and excluding lease liabilities) | 6,026.91 | 283.16 | 232.06 | 570.39 | 7,112.53 |
| Trade payables | 3,573.03 | - | - | - | 3,573.03 |
| Other financial liabilities | 892.26 | - | - | - | 892.26 |
| Total | 10,492.20 | 283.16 | 232.06 | 570.39 | 11,577.82 |

| As at 31 March 2019 | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|------------------|---------------|--------------|-------------------|------------------|
| Borrowings (including current maturities of non-current borrowings and excluding lease liabilities) | 5,528.78 | 199.79 | 53.89 | - | 5,782.47 |
| Trade payables | 5,152.12 | - | - | - | 5,152.12 |
| Other financial liabilities | 395.33 | - | - | - | 395.33 |
| Total | 11,076.23 | 199.79 | 53.89 | - | 11,329.92 |

| As at 01 April 2018 | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|------------------|---------------|---------------|-------------------|-----------------|
| Borrowings (including current maturities of non-current borrowings and excluding lease liabilities) | 3,793.00 | 608.22 | 199.79 | 53.96 | 4,654.98 |
| Trade payables | 4,504.53 | - | - | - | 4,504.53 |
| Other financial liabilities | 350.47 | - | - | - | 350.47 |
| Total | 8,648.00 | 608.22 | 199.79 | 53.96 | 9,509.98 |

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

III Market risk

a) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, EURO, Singapore Dollar (SGD), Canadian Dollar(CAD) and GBP. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. Considering the volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited and the Company has taken certain forward contracts to manage its exposure.

(i) Foreign currency risk exposure in USD:

The Company's exposure to foreign currency risk at the end of the reporting period (Unhedged) are as follows:

| Particulars | As at 31 March 2020 Amount in USD | As at 31 March 2019 Amount in USD | As at 01 April 2018 Amount in USD |
|--|--------------------------------------|--------------------------------------|--------------------------------------|
| Trade Receivables | 74.23 | 67.79 | 38.16 |
| Trade payables | (6.41) | (0.12) | (0.01) |
| Non-current borrowings | (11.57) | (3.83) | (10.75) |
| Net exposure to foreign currency risk (liabilities) | 56.26 | 63.84 | 27.40 |

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|-------------------------|-------------------------------------|-------------------------------------|
| USD sensitivity | | |
| INR/USD- increase by 5% | 2.81 | 3.19 |
| INR/USD- decrease by 5% | (2.81) | (3.19) |

* Holding all other variables constant

(ii) Foreign currency risk exposure in EURO:

The Company's exposure to foreign currency risk at the end of the reporting period (Unhedged) are as follows:

| Particulars | As at 31 March 2020 Amount in EURO | As at 31 March 2019 Amount in EURO | As at 01 April 2018 Amount in EURO |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Trade Receivables | 1.35 | 0.18 | 1.80 |
| Trade payables | - | (0.94) | (0.15) |
| Net exposure to foreign currency risk (liabilities) | 1.35 | (0.76) | 1.65 |

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--------------------------|-------------------------------------|-------------------------------------|
| EURO sensitivity | | |
| INR/EURO- increase by 5% | 0.07 | (0.04) |
| INR/EURO- decrease by 5% | (0.07) | 0.04 |

* Holding all other variables constant

(iii) Foreign currency risk exposure in SGD:

The Company's exposure to foreign currency risk at the end of the reporting period (Unhedged) are as follows:

| Particulars | As at 31 March 2020 Amount in SGD | As at 31 March 2019 Amount in SGD | As at 01 April 2018 Amount in SGD |
|--|--------------------------------------|--------------------------------------|--------------------------------------|
| Trade Receivables | 29.33 | - | 6.78 |
| Trade payables | (0.81) | - | - |
| Net exposure to foreign currency risk (liabilities) | 28.52 | - | 6.78 |

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|-------------------------|-------------------------------------|-------------------------------------|
| SGD sensitivity | | |
| INR/SGD- increase by 5% | 1.43 | - |
| INR/SGD- decrease by 5% | (1.43) | - |

* Holding all other variables constant

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

(iv) Foreign currency risk exposure in Canadian Dollar ("CAD"):

The Company's exposure to foreign currency risk at the end of the reporting period (Unhedged) are as follows:

| Particulars | As at 31 March 2020 Amount in CAD | As at 31 March 2019 Amount in CAD | As at 01 April 2018 Amount in CAD |
|--|--------------------------------------|--------------------------------------|--------------------------------------|
| Trade Receivables | 2.21 | 2.13 | 3.74 |
| Net exposure to foreign currency risk (liabilities) | 2.21 | 2.13 | 3.74 |

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|-------------------------|-------------------------------------|-------------------------------------|
| CAD sensitivity | | |
| INR/CAD- increase by 5% | 0.11 | 0.11 |
| INR/CAD- decrease by 5% | (0.11) | (0.11) |

* Holding all other variables constant

(v) Foreign currency risk exposure in GBP:

The Company's exposure to foreign currency risk at the end of the reporting period (Unhedged) are as follows:

| Particulars | As at 31 March 2020 Amount in GBP | As at 31 March 2019 Amount in GBP | As at 01 April 2018 Amount in GBP |
|--|--------------------------------------|--------------------------------------|--------------------------------------|
| Trade Receivables | 1.33 | 2.12 | 1.19 |
| Trade payables | - | - | (0.01) |
| Net exposure to foreign currency risk (liabilities) | 1.33 | 2.12 | 1.18 |

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|-------------------------|-------------------------------------|-------------------------------------|
| GBP sensitivity | | |
| INR/GBP- increase by 5% | 0.07 | 0.11 |
| INR/GBP- decrease by 5% | (0.07) | (0.11) |

* Holding all other variables constant

III Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on external financing. The Company is exposed to changes in interest rates through bank borrowings carrying variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

| Particulars | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|-------------------------|---------------------|---------------------|---------------------|
| Variable rate borrowing | 5,812.14 | 5,313.09 | 3,972.19 |

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Interest sensitivity* | | |
| Interest rates – increase by 50 basis points (50 bps) | 29.06 | 53.13 |
| Interest rates – decrease by 50 basis points (50 bps) | (29.06) | (53.13) |

* Holding all other variables constant

b) Price risk

The Company do have investments in equity instruments which create an exposure to price risk. Considering, the amount of quoted investments is insignificant, sensitivity analysis to price changes have not been disclosed.

| Particulars | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|----------------------|---------------------|---------------------|---------------------|
| Investments (quoted) | 0.11 | 0.56 | 0.91 |
| | 0.11 | 0.56 | 0.91 |

Jash Engineering Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020***(All amount in INR lakhs unless stated otherwise)***47 Capital management**

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(a) Debt equity ratio

| Particulars | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---------------------------------|---------------------|---------------------|---------------------|
| Net debt | 7,652.28 | 6,175.42 | 5,042.01 |
| Total equity | 14,892.70 | 13,129.41 | 11,551.27 |
| Net debt to equity ratio | 51.38% | 47.03% | 43.65% |

48 Particulars of dividend paid to non-resident and foreign shareholders:

| Description | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Number of shareholders | 14.00 | 14.00 |
| Number of shares held on which dividend was due (in INR) | 1,187,307 | 1,187,307 |
| Amount remitted (gross): | | |
| - Final, pertaining to financial year 2018-19 (Previous year 2017-18) | 17.81 | 11.87 |
| - Interim dividend, pertaining to financial year 2019-20 (Previous year 2018-19) | 17.81 | - |

(This space has been intentionally left blank)

Jash Engineering Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(All amount in INR lakhs unless stated otherwise)

49 Related party transactions

Related party disclosures, as required by Indian Accounting Standard 24 - Related Party Disclosures is as under:

(i) Subsidiary companies

Jash USA Inc., United States of America
Rodney Hunt Inc., United States of America, a subsidiary of Jash USA Inc.
Shivpad Engineers Private Limited, India
Mahr Maschinenbau GmbH, Austria
Engineering and Manufacturing Jash Limited, Hong Kong

(ii) Key management personnel

Mr. L.D. Amin, Chairman and Managing Director
Mr. Pratik Patel, Managing Director
Mr. Axel Schutte, Director
Mr. Suresh Patel, Director (w.e.f 14 February 2020)
Mr. Brij Mohan Maheshwari, Independent Director
Mr. Sunil Kumar Choksi, Independent Director
Mr. Vishwapati Trivedi, Independent Director
Ms. Sunita Kishnani, Independent Director
Mr. DT Manwani, Independent Director

(iii) Relatives of key managerial personnel with whom there are transactions/balances during the year

Mrs. Bhairavi Patel (wife of Mr. Pratik Patel)
Mr. Harsh Patel (son of Mr. Pratik Patel)
Mrs. Swati Desai (sister of Mr. Pratik Patel)
Mr. Tarang Amin (brother-in law of Mr. Pratik Patel)
Mr. Rasesh Amin (son of Mr. L. D. Amin)
Ms. Avani Vipul Patel (daughter of Mr. L. D. Amin)

(iv) Entities in which key management personnel/director is having significant influence/interested with whom there are transactions/balances during the year

Patamin Investments Private Limited
Jash Precision Tools Limited
Schutte Industrieservice GmbH (till 31 March 2018)
Schutte Meyer Industries Private Limited (till 31 July 2017)
Schutte Meyer Ashwath Alloys Private Limited (till 31 July 2017)
Schütte Meyer Technical Services GmbH (till 31 March 2018)
Micro Flat Datums Private Limited
Jash Flowcon Engineers (a partnership firm)
L. D. Amin HUF

(This space has been intentionally left blank)

Jash Engineering Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amount in INR lakhs unless stated otherwise)

(vi) Transactions with related parties during the year

| Particulars | Subsidiary Companies | | Key management personnel and their relatives | | Entities in which key management personnel/director is having significant influence/ interested/ entity having significant influence over the Company | | Total | |
|--|----------------------|---------------|--|---------------|---|---------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| Managerial remuneration | - | - | 122.05 | 100.99 | - | - | 122.05 | 100.99 |
| Pratik Patel | - | - | 67.84 | 54.65 | - | - | 67.84 | 54.65 |
| L.D. Amin | - | - | 50.05 | 46.34 | - | - | 50.05 | 46.34 |
| Suresh Patel | - | - | 4.16 | - | - | - | 4.16 | - |
| Sale of goods | 2,555.06 | 3,567.13 | - | - | 266.37 | 568.08 | 2,821.42 | 4,135.21 |
| Jash Precision Tools Limited | - | - | - | - | 265.23 | 551.69 | 265.23 | 551.69 |
| Engineering and Manufacturing Jash Limited | - | 99.34 | - | - | - | - | - | 99.34 |
| Shivpad Engineers Private Limited | 7.48 | 6.38 | - | - | - | - | 7.48 | 6.38 |
| Jash USA Inc. | - | 135.85 | - | - | - | - | - | 135.85 |
| Micro Flat Datums Private Limited | - | - | - | - | 1.14 | 16.39 | 1.14 | 16.39 |
| Mahr Maschinenbau GmbH | 1.54 | 0.81 | - | - | - | - | 1.54 | 0.81 |
| Rodney Hunt Inc. | 2,546.04 | 3,324.75 | - | - | - | - | 2,546.04 | 3,324.75 |
| Purchase of goods | 55.54 | 279.34 | - | - | 130.39 | 84.01 | 185.93 | 363.34 |
| Jash Precision Tools Limited | - | - | - | - | 5.15 | - | 5.15 | - |
| Shivpad Engineers Private Limited | 43.23 | 53.71 | - | - | - | - | 43.23 | 53.71 |
| Jash USA Inc. | - | 217.08 | - | - | - | - | - | 217.08 |
| Rodney Hunt Inc. | 12.31 | 8.54 | - | - | - | - | 12.31 | 8.54 |
| Micro Flat Datums Private Limited | - | - | - | - | 125.24 | 84.01 | 125.24 | 84.01 |
| Job work charges and labour charges | 16.48 | 15.89 | - | - | 182.16 | 248.68 | 198.64 | 264.57 |
| Jash Precision Tools Limited | - | - | - | - | 61.65 | 150.34 | 61.65 | 150.34 |
| Jash Flowcon Engineers | - | - | - | - | 120.32 | 97.34 | 120.32 | 97.34 |
| Micro Flat Datums Private Limited | - | - | - | - | 0.19 | 1.00 | 0.19 | 1.00 |
| Shivpad Engineers Private Limited | 16.48 | 15.89 | - | - | - | - | 16.48 | 15.89 |
| Dividend income | 175.51 | 54.00 | - | - | - | - | 175.51 | 54.00 |
| Shivpad Engineers Private Limited | 175.51 | 54.00 | - | - | - | - | 175.51 | 54.00 |
| Share options issued to employees of subsidiary companies | 1.90 | - | - | - | - | - | 1.90 | - |
| Shivpad Engineers Private Limited | 1.33 | - | - | - | - | - | 1.33 | - |
| Jash USA Inc. | 0.57 | - | - | - | - | - | 0.57 | - |

Jash Engineering Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amount in INR lakhs unless stated otherwise)

| Particulars | Subsidiary Companies | | Key management personnel and their relatives | | Entities in which key management personnel/director is having significant influence/ interested/ entity having significant influence over the Company | | Total | |
|--|----------------------|---------------|--|---------------|---|---------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| | | | | | | | | |
| Dividend for the year (excluding dividend distribution tax) | | | | | | | | |
| Pratik Patel | - | - | 140.32 | 44.45 | 12.09 | 4.03 | 152.41 | 48.48 |
| L.D. Adlim | - | - | 57.63 | 19.21 | - | - | 57.63 | 19.21 |
| Axel Schutte | - | - | 8.02 | 2.67 | - | - | 8.02 | 2.67 |
| Patamin Investments Private Limited | - | - | 23.10 | 7.70 | - | - | 23.10 | 7.70 |
| Bhairavi Patel | - | - | - | - | 12.09 | 4.03 | 12.09 | 4.03 |
| Swati Desai | - | - | 7.57 | 2.52 | - | - | 7.57 | 2.52 |
| Tarang Amin | - | - | 7.56 | 0.20 | - | - | 7.56 | 0.20 |
| Rasesh Amin | - | - | 3.71 | 1.24 | - | - | 3.71 | 1.24 |
| Avani Vipul Patel | - | - | 13.31 | 4.43 | - | - | 13.31 | 4.43 |
| Harsh Patel | - | - | 5.92 | 1.97 | - | - | 5.92 | 1.97 |
| | - | - | 13.50 | 4.50 | - | - | 13.50 | 4.50 |
| Interest expense | | | | | | | | |
| Pratik Patel | - | - | - | 0.45 | 53.10 | 36.73 | 53.10 | 37.18 |
| Patamin Investments Private Limited* | - | - | - | 0.45 | - | - | - | 0.45 |
| | - | - | - | - | 53.10 | 36.73 | 53.10 | 36.73 |
| Interest income | | | | | | | | |
| Mahr Maschinenbau GmbH | 38.94 | 35.45 | - | - | - | - | 38.94 | 35.45 |
| Jash USA Inc. | 6.03 | 5.65 | - | - | - | - | 6.03 | 5.65 |
| | 32.91 | 29.81 | - | - | - | - | 32.91 | 29.81 |
| Expenses incurred/paid on behalf of Company | | | | | | | | |
| Jash USA Inc. | 51.07 | 185.05 | - | - | - | - | 51.07 | 185.05 |
| Rodney Hunt Inc. | 355.30 | - | - | - | - | - | 355.30 | - |
| Mahr Maschinenbau GmbH | - | 13.96 | - | - | - | - | - | 13.96 |
| Shivpad Engineers Private Limited | 4.02 | 3.90 | - | - | - | - | 4.02 | 3.90 |
| Lease payment | | | | | | | | |
| Patamin Investments Private Limited | - | - | - | - | 60.00 | 42.00 | 60.00 | 42.00 |
| | - | - | - | - | 60.00 | 42.00 | 60.00 | 42.00 |
| Purchase of capital goods | | | | | | | | |
| Jash USA Inc. | 503.70 | 136.96 | - | - | - | - | 503.70 | 136.96 |
| | 503.70 | 136.96 | - | - | - | - | 503.70 | 136.96 |
| Sales promotion expense | | | | | | | | |
| Mahr Maschinenbau GmbH | 105.78 | - | - | - | - | - | 105.78 | - |
| | 105.78 | - | - | - | - | - | 105.78 | - |
| Expenses incurred by Company on behalf of related parties | | | | | | | | |
| Jash Flowcon engineers | - | - | 0.78 | 4.47 | 2.52 | 2.47 | 87.68 | 45.76 |
| Jash Precision Tools Limited | - | - | - | - | 1.09 | 0.77 | 1.09 | 0.77 |
| Shivpad Engineers Private Limited | 84.38 | 38.82 | - | - | 1.43 | 1.70 | 84.38 | 38.82 |
| Pratik Patel | - | - | 0.78 | 4.47 | - | - | 0.78 | 4.47 |

Jash Engineering Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amount in INR lakhs unless stated otherwise)

| Particulars | Subsidiary Companies | | Key management personnel and their relatives | | Entities in which key management personnel/director is having significant influence/ interested/ entity having significant influence over the Company | | Total | |
|--|----------------------|---------------|--|---------------|---|---------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| Reimbursement of expenses | - | - | 8.75 | 21.09 | - | - | 8.75 | 21.09 |
| Pratik Patel | - | - | 8.75 | 19.92 | - | - | 8.75 | 19.92 |
| L. D. Amin | - | - | - | 1.18 | - | - | - | 1.18 |
| Investments made | - | 393.38 | - | - | - | - | - | 393.38 |
| Jash USA Inc. | - | 393.38 | - | - | - | - | - | 393.38 |
| Sitting fees | - | - | 3.00 | 3.75 | - | - | 3.00 | 3.75 |
| Mr. Brij Mohan Maheshwari | - | - | 1.00 | 1.00 | - | - | 1.00 | 1.00 |
| Mr. Sunil Kumar Choksi | - | - | 0.50 | 0.75 | - | - | 0.50 | 0.75 |
| Mr. Vishwapati Trivedi | - | - | 0.25 | 0.25 | - | - | 0.25 | 0.25 |
| Ms. Sunita Kishnani | - | - | 0.50 | 0.75 | - | - | 0.50 | 0.75 |
| Mr. DT Manwani | - | - | 0.75 | 1.00 | - | - | 0.75 | 1.00 |
| Legal and professional | - | - | 3.66 | - | - | - | 3.66 | - |
| Suresh Patel | - | - | 3.66 | - | - | - | 3.66 | - |
| Loan repaid/adjusted | - | - | - | 21.39 | - | - | - | 21.39 |
| Pratik Patel | - | - | - | 21.39 | - | - | - | 21.39 |
| Corporate guarantees/letter of credit given/(settled) by Company on behalf of related parties | (54.08) | 324.62 | - | - | - | - | (54.08) | (324.62) |
| Shivpad Engineers Private Limited | (200.00) | 100.00 | - | - | - | - | (200.00) | 100.00 |
| Jash USA Inc. | 145.92 | (424.62) | - | - | - | - | 145.92 | (424.62) |

*Interest expense related to Patamin Investments Private Limited is the notional expense booked pursuant to the guidance of Ind AS 116, Leases.

(This space has been intentionally left blank)

Jash Engineering Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amount in INR lakhs unless stated otherwise)

49 Related party transactions (continued)

(vii) Year end balances

| Particulars | Subsidiary Companies | | | Key management personnel and their relatives | | | Entities in which key management personnel/director is having significant influence/ interested/ entity having significant influence over the Company | | | Total | | |
|--|----------------------|---------------|---------------|--|---------------|---------------|---|---------------|---------------|---------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 | 01 April 2018 | 31 March 2020 | 31 March 2019 | 01 April 2018 | 31 March 2020 | 31 March 2019 | 01 April 2018 | 31 March 2020 | 31 March 2019 | 01 April 2018 |
| Trade receivables | | | | | | | | | | | | |
| Jash Precision Tools Limited | 5,509.95 | 4,256.85 | 2,343.75 | - | - | - | 367.48 | 423.21 | 237.69 | 5,877.42 | 4,680.06 | 2,581.44 |
| Schutte Industrieservice GmbH | - | - | - | - | - | - | 301.58 | 355.76 | 153.46 | 301.58 | 355.76 | 153.46 |
| Jash USA Inc. | 40.50 | 322.89 | 1,240.97 | - | - | - | - | - | 14.72 | - | - | 14.72 |
| Rodney Hunt Inc. | 5,455.59 | 3,828.52 | 1,080.01 | - | - | - | - | - | - | 5,455.59 | 3,828.52 | 1,080.01 |
| Mahr Maschinenbau GmbH | - | 6.09 | 22.77 | - | - | - | 65.90 | 67.45 | 69.50 | 65.90 | 67.45 | 69.50 |
| Engineering & Manufacturing Jash Limited | 13.86 | 99.34 | - | - | - | - | - | - | - | 13.86 | 99.34 | - |
| Loans and advances (including interest accrued) | | | | | | | | | | | | |
| Mahr Maschinenbau GmbH | 85.04 | 73.57 | 70.53 | - | - | - | - | - | - | 85.04 | 73.57 | 70.53 |
| Jash USA Inc. | 467.80 | 397.63 | 346.20 | - | - | - | - | - | - | 467.80 | 397.63 | 346.20 |
| Allowance for expected credit loss | | | | | | | | | | | | |
| Mahr Maschinenbau GmbH | 85.04 | - | - | - | - | - | - | - | - | 85.04 | - | - |
| Other recoverable | | | | | | | | | | | | |
| Shivpad Engineers Private Limited | 1.29 | - | - | - | - | - | - | - | - | 1.29 | - | - |
| Trade payables | | | | | | | | | | | | |
| Jash Precision Tools Limited | 179.58 | 484.96 | 33.79 | - | - | - | 91.27 | 99.95 | 47.32 | 270.85 | 584.91 | 81.11 |
| Micro Flat Datums Private Limited | - | - | - | - | - | - | - | 0.77 | - | - | 0.77 | - |
| Jash USA Inc. | - | 408.75 | - | - | - | - | 50.09 | 36.02 | - | 50.09 | 36.02 | - |
| Shivpad Engineers Private Limited | 105.73 | 67.67 | 30.10 | - | - | - | - | - | - | - | 408.75 | - |
| Jash Flowcon Engineers | - | - | - | - | - | - | 41.17 | 63.16 | 40.95 | 41.17 | 63.16 | 40.95 |
| Rodney Hunt Inc. | 73.84 | 8.54 | - | - | - | - | - | - | - | 73.84 | 8.54 | - |
| Schutte Industrieservice GmbH | - | - | - | - | - | - | - | - | 6.37 | - | - | 6.37 |
| Mahr Maschinenbau GmbH | - | - | 3.69 | - | - | - | - | - | - | - | - | 3.69 |
| Capital creditors | | | | | | | | | | | | |
| Jash USA Inc. | 404.49 | - | - | - | - | - | - | - | - | 404.49 | - | - |
| Short term borrowings | | | | | | | | | | | | |
| Pratik Patel | - | - | - | - | - | 21.39 | - | - | - | - | - | 21.39 |
| Investments in subsidiaries | | | | | | | | | | | | |
| Shivpad Engineers Private Limited | 3,720.27 | 3,718.37 | 3,323.21 | - | - | - | - | - | - | 3,720.27 | 3,718.37 | 3,323.21 |
| Jash USA Inc. | 569.67 | 568.34 | 568.34 | - | - | - | - | - | - | 569.67 | 568.34 | 568.34 |
| Mahr Maschinenbau GmbH | 1,573.32 | 1,572.75 | 1,177.60 | - | - | - | - | - | - | 1,573.32 | 1,572.75 | 1,177.60 |
| Engineering and Manufacturing Jash Limited* | 1,577.27 | 1,577.27 | 1,577.27 | - | - | - | - | - | - | 1,577.27 | 1,577.27 | 1,577.27 |
| | 0.00 | 0.00 | 0.00 | - | - | - | - | - | - | 0.00 | 0.00 | 0.00 |

Jash Engineering Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amount in INR lakhs unless stated otherwise)

| Particulars | Subsidiary Companies | | Key management personnel and their relatives | | Entities in which key management personnel/director is having significant influence/ interested/ entity having significant influence over the Company | | | | Total | | |
|--|----------------------|---------------|--|---------------|---|---------------|---------------|---------------|---------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 | 01 April 2018 | 31 March 2020 | 31 March 2019 | 01 April 2018 | 31 March 2020 | 31 March 2019 | 01 April 2018 | 31 March 2020 | 01 April 2018 |
| Security deposits | | | | | | | | | | | |
| Patamini Investments Private Limited** | - | - | - | - | - | 25.00 | 37.50 | 25.00 | 25.00 | 37.50 | 25.00 |
| Lease liability | - | - | - | - | - | 25.00 | 37.50 | 25.00 | 25.00 | 37.50 | 25.00 |
| Patamini Investments Private Limited | - | - | - | - | - | 350.99 | 507.92 | 350.99 | 356.27 | 507.92 | 356.27 |
| Corporate guarantees/letter of credit given by Company on behalf of related parties | | | | | | | | | | | |
| Shivpad Engineers Private Limited | 2,120.06 | 2,174.14 | 2,498.76 | - | - | - | - | - | - | 2,120.06 | 2,498.76 |
| Jash USA Inc. | 350.00 | 550.00 | 450.00 | - | - | - | - | - | - | 350.00 | 450.00 |
| Employee related payable | | | | | | | | | | | |
| Pratik Patel | 1,770.06 | 1,624.14 | 2,048.76 | - | - | - | - | - | - | 1,770.06 | 2,048.76 |
| L. D. Amin | - | - | - | 1.39 | 5.14 | 4.46 | - | - | - | 1.39 | 4.46 |
| Suresh Patel | - | - | - | 0.51 | 3.46 | 2.81 | - | - | - | 0.51 | 2.81 |
| Tour advance payable/(recoverable) by/from | | | | | | | | | | | |
| Pratik Patel | - | - | - | - | 1.68 | 1.65 | - | - | - | - | 1.68 |
| L. D. Amin | - | - | - | 0.88 | - | - | - | - | - | 0.88 | - |
| | - | - | - | (1.49) | 1.60 | - | - | - | - | (1.49) | 1.60 |
| | - | - | - | (1.09) | 1.74 | - | - | - | - | (1.09) | 1.74 |
| | - | - | - | (0.40) | (0.14) | - | - | - | - | (0.40) | (0.14) |

* Amount of investment in Engineering and Manufacturing Jash Limited is INR 8/- (31 March 2019: INR 8/-; 31 March 2018: INR 8/-).

**The above amount of security deposit is the amount given as per agreement. However, the same has been carried at amortised cost.

(This space has been intentionally left blank)

Jash Engineering Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amount in INR lakhs unless stated otherwise)
50 Lease related disclosures

The Company has leases for various land locations at different plant sites across India and related facilities. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

A Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|-------------------|-------------------------------------|-------------------------------------|
| Short-term leases | 8.17 | 1.25 |

B Total cash outflow for leases for the year ended 31 March 2020 was INR 70.08 lakhs (31 March 2019: INR 51.36 lakhs).

C Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

| Gross lease payments | Minimum lease payments due | | | | | | Total |
|----------------------|----------------------------|-----------|-----------|-----------|-----------|-------------------|-----------------|
| | Within 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | More than 5 years | |
| 31 March 2020 | 70.35 | 69.08 | 64.63 | 64.63 | 64.63 | 1,116.23 | 1,449.57 |
| 31 March 2019 | 52.08 | 52.35 | 51.08 | 46.63 | 46.63 | 889.01 | 1,137.78 |
| 01 April 2018 | 51.35 | 52.08 | 52.35 | 51.08 | 46.63 | 935.65 | 1,189.14 |

D Extension and termination options

The Company has lease contracts for the land sites where the manufacturing plants are being set up. The Company has considered enforceable extension options available for land leases in lease period assessment since the Company can enforce its right to extend the lease beyond the initial lease period is likely to be benefited by exercising the extension options.

(This space has been intentionally left blank)

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

51 Revenue from Contracts with Customers

The Company supplies various category of goods along with installation services. The revenue in respect of these is recognised on point in time basis when the control of goods is transferred to the customer. Following are the major category of products supplied by the Company.

Description of nature of goods sold

- (i) Castings
- (ii) Screening equipment
- (iii) Sluice gate
- (iv) Valves and valves components
- (v) Process Equipments
- (vi) HydroScrew
- (vii) Special purpose valve

Sale of services includes installation charges in respect of sale of goods.

(a) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

For the year ended 31 March 2020

| Revenue from contracts with customers | Goods | Services | Other operating revenue* | Total |
|---------------------------------------|------------------|--------------|--------------------------|------------------|
| Revenue by geography | | | | |
| Domestic | 13,140.07 | 13.11 | 266.95 | 13,420.14 |
| Export | 7,136.66 | 6.11 | - | 7,142.77 |
| Total | 20,276.73 | 19.22 | 266.95 | 20,562.90 |
| Revenue by time | | | | |
| Revenue recognised at point in time | 20,276.73 | 19.22 | 266.95 | 20,562.90 |
| Revenue recognised over time | - | - | - | - |
| Total | 20,276.73 | 19.22 | 266.95 | 20,562.90 |

For the year ended 31 March 2019

| Revenue from contracts with customers | Goods | Services | Other operating revenue* | Total |
|---------------------------------------|------------------|--------------|--------------------------|------------------|
| Revenue by geography | | | | |
| Domestic | 11,526.80 | 14.36 | 242.43 | 11,783.59 |
| Export | 8,308.19 | - | - | 8,308.19 |
| Total | 19,834.99 | 14.36 | 242.43 | 20,091.78 |
| Revenue by time | | | | |
| Revenue recognised at point in time | 19,834.99 | 14.36 | 242.43 | 20,091.78 |
| Revenue recognised over time | - | - | - | - |
| Total | 19,834.99 | 14.36 | 242.43 | 20,091.78 |

* Export incentives has been excluded from other operating revenue as same does not pertain to contract with customers

(b) Assets and liabilities related to contracts with customers

| Description | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--|---------------------|---------------------|---------------------|
| | Current | Current | Current |
| Contract liabilities related to sale of goods | | | |
| Advance from customers* | 1,009.99 | 944.05 | 400.92 |

*Advance from customers are contract liabilities, where money has been received and performance obligations are not yet satisfied.

(c) Significant change in contract liabilities

| Description- Advance from customers | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|----------------------------------|----------------------------------|
| Opening | 944.05 | 400.92 |
| Less: Goods and services delivered during the period against opening contract liabilities | (838.11) | (391.63) |
| Add: Advances received during the period | 904.05 | 934.76 |
| Closing balance | 1,009.99 | 944.05 |

(d) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price

| Description | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|----------------------------------|----------------------------------|
| Contract price | 20,585.39 | 20,162.58 |
| Less: Late delivery charges | (22.49) | (70.80) |
| Revenue from operations as per Statement of Profit and Loss | 20,562.90 | 20,091.78 |

(e) Company has not incurred any cost for obtaining contracts except administrative cost required for preparation of offers and the same is charged to Statement of Profit and Loss.

(f) At the end of the financial year, there are no unsatisfied performance obligation for the contracts with original expected period of satisfaction of performance obligation of more than one year.

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

52 Share-based payments**a) Employee option plan**

The establishment of the Jash Engineering Employee Stock Option Scheme was approved by shareholders through postal ballot on 10 August 2019. The Employee Option Plan is designed to provide incentives to employees who have completed three years in company to deliver long-term returns. Under the plan, participants are granted options which vest in four tranches in four years from the grant date. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Once vested, the options remain exercisable for a period of one month.

Options carry no dividend or voting rights until they are exercised. When exercisable, each option is convertible into one equity share. The exercise price of the options is 20% discount on the closing market price of one day prior to the date of grant on stock exchange where the equity shares of the Company are listed.

Set out below is a summary of options granted under the plan:

| | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|-----------------------------|---|-------------------|---|-------------------|
| | Average exercise price per share option (INR) | Number of options | Average exercise price per share option (INR) | Number of options |
| Opening balance | | | | |
| Granted during the year | 118.64 | 481,400 | | |
| Exercised during the year * | | | | |
| Forfeited during the year | | | | |
| Closing balance | | 481,400 | | |
| Vested and exercisable | - | - | - | - |

Share options outstanding at the end of the year have the following expiry date and exercise prices:

| Grant Date | Expiry Date | Exercise price (INR) | Fair value of options (INR) | Share options | | |
|---|---------------|----------------------|-----------------------------|---------------------|---------------------|---------------------|
| | | | | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
| 14 February 2020 | 14 March 2021 | 118.64 | 61.80 | 48,140 | | |
| 14 February 2020 | 14 March 2022 | 118.64 | 71.33 | 96,280 | | |
| 14 February 2020 | 14 March 2023 | 118.64 | 80.68 | 144,420 | | |
| 14 February 2020 | 14 March 2024 | 118.64 | 87.43 | 192,560 | | |
| Total | | | | 481,400 | | |
| Weighted average remaining contractual life of options outstanding at end of period | | | | 2.95 | | |

Fair value of options granted

The fair value of the equity-settled options at grant date is determined using the Black Scholes Model using the following key inputs:

- Options will vest in a graded manner over four years from the date of grant. These options are exercisable within a period of one month of vesting.
- Exercise price: INR 118.64
- Share price at grant date: INR 148.30
- Weighted average expected price volatility*: 72.44%
- Weighted average expected dividend yield: 1.36%
- Risk-free interest rate: 6.10% for all tranches
- Weighted average option life : 3.08 years

*The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility based on publicly available information.

(c) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Employee option plan | 16.38 | |
| Total employee share-based payment expense | 16.38 | |

The above expense pertains to 431,400 options. The rest of the 50,000 options were issued to employees of subsidiary companies and there was no recharge done from the subsidiaries. The proportionate fair value in respect of these options amounting to INR 1.90 lakhs has been recorded as deemed investment in subsidiaries (refer note 9.1).

Jash Engineering Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020***(All amount in INR lakhs unless stated otherwise)***53 Segment Reporting**

The Company has opted to provide segment information in its consolidated Ind AS financial statement in accordance with para 4 of Ind AS 108 - Operating Segments.

54 The Company has two units which is located in Special Economic Zone (the "SEZ"). Unit 1 is 100% exempted from income tax (current tax) till 31 March 2015, 50% exempted from 1 April 2015 to 31 March 2020 and further 50% exempted (but subject to compliance of certain conditions and transfer of 50% profits to SEZ Reserve Account) from 1 April 2020 to 31 March 2025 - under the provisions of Section 10AA of the Income Tax Act, 1961 and Unit II is 100% exempted from income tax (current tax) till 31 March 2024, 50% exempted from 1 April 2024 to 31 March 2029 and further 50% exempted (but subject to compliance of certain conditions and transfer of 50% profits to SEZ reserve Account) from 1 April 2029 to 31 March 2034 under the provision of Section 10AA of Income Tax Act, 1961. Deferred tax pertaining to this unit is recognized on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods beyond the periods during which the respective units are exempt from incometax as aforesaid.

55 The Company has not received the payment of outstanding foreign receivables within the period mentioned in the Master Circular on Export of Goods and Services issued by the Reserve Bank of India ("RBI"). Trade receivables amounting to INR 3,215.51 lakhs (31 March 2019: INR 1,396.95 lakhs) due from overseas parties is outstanding for a period of more than nine months.

In respect of rest of the receivables – the Company has made application to RBI through its authorised dealer bank for seeking extension of period of realisation beyond 9 months along with detailed plan of action as allowed to authorised dealer bank under clause (i) of para C.18 of Master Direction No. 16/15-16 (RBI/FED/2015-16/11). Pending the final outcome of the aforesaid matters, which is presently unascertainable, no adjustments have been made in these standalone financial statements.

56 As at 31 March 2020, the Company has investment of INR 1,573.32 lakhs (31 March 2019: INR 1,572.75 lakhs; 1 April 2018: INR 1,179.37 lakhs) in Jash USA Inc. (a wholly owned subsidiary company or 'Jash USA') and the Company has also outstanding loan of INR 467.80 lakhs (31 March 2019: INR 397.63 lakhs, 31 March 2018: INR 346.20 lakhs). Jash USA Inc. has accumulated losses amounting to INR 3,030.43 lakhs (31 March 2019: INR 2,329.02 lakhs; 1 April 2018: INR 1,291.08 lakhs), which has eroded a significant portion of net worth of the subsidiary. Basis the order books and certain other positive factors, the management of the Company has carried out valuation using an independent valuer for the Jash USA Inc. and is confident that it will be able to generate adequate positive cash flows in order to meet their present and future obligations in the ordinary course of business. Based on the valuation done, no provision for diminution in respect of this investment has been recognized in the standalone financial statements.

57 The Hon'ble Supreme Court of India (SC) has, vide its decision dated 28 February 2019 ('SC decision'), ruled that various allowances like conveyance allowance, special allowance, education allowance, medical allowance etc., paid uniformly and universally by an employer to its employees would form part of basic wages for computing the provident fund ('PF' or 'the fund') contribution and thereby, has laid down principles to exclude (or include) a particular allowance or payments from 'basic wage' for the purpose of computing PF contribution.

Consequent to the above SC judgement, the management implemented necessary changes to comply with the judgement prospectively. While the above SC judgement is applicable retrospectively, there are uncertainty with respect to manner in which it needs to be applied for the earlier period. Accordingly no provision has been recognized in the financial statements in respect of period prior to the judgement.

58 As per transfer pricing legislation under section 92-92F of the Income Tax Act, 1961, the Company is required to use certain specific methods in computing arm's length prices of international transaction with associated enterprises and maintain adequate documentation in this respect. The legislations require that such information and documentation to be contemporaneous in nature, the Company has appointed independent consultant (the 'Consultant') for conducting the Transfer Pricing Study (the 'Study') to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arm's length basis". Management is of the opinion that the Company's international transaction are at arm's length and require no transfer pricing adjustments.

60 Directors remuneration:

| Description | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| Salaries, wages and bonus* | 113.08 | 91.65 |
| Contribution to provident and other funds | 4.34 | 4.13 |
| Perquisites | 0.79 | 0.79 |
| Compensated absences | 3.84 | 4.42 |
| Total | 122.05 | 100.99 |

*Exclusive of provisions for future liabilities in respect of gratuity and compensated absences as the actuarial valuation is done for all the employees together.

61 World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on 11 March 2020. Consequent to this, Government of India declared lockdown on 23 March 2020 and the Company temporarily suspended the operations in all the units of the Company in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. during the lock-down period which has been extended till 17 May 2020. However, production and supply of goods has commenced, starting from 29 April 2020 till 21 May 2020, all the manufacturing units of the Company after obtaining permissions from the appropriate government authorities.

There are uncertainties regarding the impact, COVID-19 is going to have on the operations of the Company and the management is closely monitoring the developments. The management of the Company has considered all internal and external sources of information, including economic forecasts and estimates from market sources as at the date of the approval of these financial statements in determining carrying values of its assets and liabilities in accordance with applicable Ind AS. The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, advances, property, plant and equipment, intangibles etc. as well as liabilities accrued and has concluded that no material adjustments are required at this stage in the financial results. The actual impact of the global health pandemic may be different from that which has been estimated due to unforeseen circumstances, as the COVID-19 situation evolves in India and globally. The Company will continue to monitor any material changes to future economic conditions.

62 As at 31 March 2020, the Company has investment of INR 1,577.27 lakhs (31 March 2019: INR 1,577.27 lakhs; 1 April 2018: INR 1,577.27 lakhs) in Mahr Maschinenbau GmbH (a wholly owned subsidiary company or 'Mahr') and the Company has also outstanding loan of INR 85.04 lakhs (31 March 2019: INR 73.57 lakhs, 31 March 2018: INR 70.53 lakhs). In view of revised business strategy of Mahr, the board of directors of the Company in the meeting held on 14 February 2020, approved to proceed for voluntary liquidation of Mahr and pursuant to this process, the patents held by Mahr will be transferred to the Company. The Company has done its impairment and recoverability assessment of such investments and loans respectively, and basis such assessment, a provision on recoverability of loans amounting to INR 85.04 lakhs has been recognized in the standalone financial statements, for the year ended 31 March 2020.

63 As per Regulation 24(1) of the SEBI (LODR) Regulations, 2015, at least one independent director on the Board of a listed entity must be a director on the Board of an unlisted material subsidiary of such listed entity whether incorporated in India or not. Accordingly, Jash Engineering Limited has appointed Mr. D. T. Manwani as a director on the Board of Jash USA Inc., a material subsidiary company on 30 April 2020.

Jash Engineering Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020***(All amount in INR lakhs unless stated otherwise)***64 First time adoption of Indian Accounting Standards ('Ind AS')**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2020, the comparative information presented in these financial statements for the year ended 31 March 2019 and in the preparation of an opening Ind AS balance sheet at 01 April 2018 (the Company's date of transition). An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A Ind AS optional exemptions**1 Deemed cost for property, plant and equipment and intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption has also been used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying value.

2 Deemed cost for investments in subsidiaries

The Company has elected to continue with the carrying value of all of its investments in subsidiaries recognised as of transition date measured as per the Previous GAAP as its deemed cost as at the date of transition.

3 Leases

The Company has elected to measure the right of use assets at the date of transition as if Ind AS 116 had been applied since the commencement date of the lease, but discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS. Further, the following expedients were used on transition to Ind AS:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the accounting for operating leases with a remaining lease term of less than 12 months as on the transition date as short-term leases
- the exclusion of initial direct costs for the measurement of the Right-of-use asset at the date of initial application

B Ind AS mandatory exceptions**1 Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 01 April 2018 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

The Company has applied modified retrospective approach to all lease contracts existing as at 01 April 2018 under Ind AS 101. Further, The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS.

2 Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition. Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

3 Impairment of financial assets

At the date of transition to Ind AS, determine whether there has been a significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised.

C Reconciliations between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.

1 Reconciliation of total equity as at 31 March 2019 and 01 April 2018

| | Notes | 31 March 2019 | 01 April 2018 |
|---|----------|------------------|------------------|
| Total equity as per previous GAAP | | 13,383.58 | 11,731.76 |
| Ind AS adjustments on account of | | | |
| Measurement of financial assets and financial liabilities at amortised cost | Note – 1 | 2.51 | 7.96 |
| Recognition of loss allowance for expected credit losses on financial assets measured at amortised cost | Note – 2 | (282.54) | (212.70) |
| Deferral of margin for export sales for which control is not transferred | Note – 3 | (32.93) | (39.47) |
| Lease accounting adjustment under Ind AS 116 | Note – 4 | (42.19) | (31.40) |
| Income effects of government grants | Note – 5 | (3.44) | (0.41) |
| Deferred tax impact on above Ind AS and other transition adjustments | Note – 7 | 104.42 | 95.53 |
| Total adjustments | | (254.17) | (180.49) |
| Total equity as per Ind AS | | 13,129.41 | 11,551.27 |

2 Reconciliation of total comprehensive income for the year ended 31 March 2019

| | Notes | 31 March 2019 |
|---|--------------|-----------------|
| Profit after tax as reported under previous GAAP | | 1,783.29 |
| Ind AS adjustments on account of | | |
| Measurement of financial assets and financial liabilities at amortised cost | Note – 1 | (5.45) |
| Recognition of loss allowance for expected credit losses on financial assets measured at amortised cost | Note – 2 | (69.84) |
| Deferral of margin for export sales for which control is not transferred | Note – 3 | 6.54 |
| Lease accounting adjustment under Ind AS 116 | Note – 4 | (10.79) |
| Income effects of government grants | Note – 5 | (3.03) |
| Re-measurement gains on defined benefit plans | Note – 6 | 11.52 |
| Deferred tax impact on above Ind AS and other transition adjustments | Note – 7 | 5.54 |
| Total adjustments | | (65.51) |
| Profit after tax as reported under Ind AS | | 1,717.78 |
| Other comprehensive loss (net of tax) | Note – 6 & 7 | (8.17) |
| Total comprehensive income for the year under Ind AS | | 1,709.61 |

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

3 Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at 31 March 2019 is as follows:

| Description | | Per Previous GAAP* | Ind AS adjustments | As per Ind AS |
|--|-----------------------------|--------------------|--------------------|------------------|
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | Note – 4 | 5,080.33 | 393.50 | 5,473.83 |
| Capital work-in-progress | | 1,142.25 | - | 1,142.25 |
| Intangible assets | | 87.34 | - | 87.34 |
| Intangible assets under development | | 90.24 | - | 90.24 |
| Financial assets | | | | |
| Investments | | 3,718.37 | - | 3,718.37 |
| Loans | Note – 4 | 539.61 | (29.51) | 510.10 |
| Other financial assets | | 0.91 | - | 0.91 |
| Non-current tax assets (net) | | 44.12 | - | 44.12 |
| Other non-current assets | | 54.54 | - | 54.54 |
| Total non-current assets | | 10,757.71 | 363.99 | 11,121.70 |
| Current assets | | | | |
| Inventories | Note – 3 | 5,031.86 | 52.76 | 5,084.62 |
| Financial assets | | | | |
| Investment | | 0.56 | - | 0.56 |
| Trade receivables | Note – 2 | 9,420.54 | (368.23) | 9,052.31 |
| Cash and cash equivalents | | 25.04 | - | 25.04 |
| Other bank balances | | 715.63 | - | 715.63 |
| Loans | | 8.67 | - | 8.67 |
| Other financial assets | | 198.13 | - | 198.13 |
| Other current assets | | 217.73 | - | 217.73 |
| Total current assets | | 15,618.16 | (315.47) | 15,302.69 |
| Total assets | | 26,375.87 | 48.52 | 26,424.39 |
| Equity and liabilities | | | | |
| Equity | | | | |
| Equity share capital | | 1,183.66 | - | 1,183.66 |
| Other equity | Note – 1, 2, 3, 4, 5, 6 & 7 | 12,199.92 | (254.17) | 11,945.75 |
| Total equity | | 13,383.58 | (254.17) | 13,129.41 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | Note – 1 | 253.76 | 343.99 | 597.75 |
| Other financial liabilities | | - | - | - |
| Provisions | Note – 4 | 193.93 | (0.19) | 193.74 |
| Deferred tax liabilities (net) | Note – 7 | 358.89 | (104.42) | 254.47 |
| Other non-current liabilities | Note – 5 | - | 7.60 | 7.60 |
| Total non-current liabilities | | 806.58 | 246.98 | 1,053.56 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | | 4,914.44 | - | 4,914.44 |
| Trade payables | | | | |
| (a) total outstanding dues of micro enterprises and small enterprises; and | | 1,042.62 | - | 1,042.62 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | | 4,109.50 | - | 4,109.50 |
| Other financial liabilities | Note – 4 | 1,009.67 | 48.89 | 1,058.56 |
| Other current liabilities | Note – 5 | 990.99 | 6.82 | 997.81 |
| Provisions | | 14.48 | - | 14.48 |
| Current tax liabilities (net) | | 104.01 | - | 104.01 |
| Total current liabilities | | 12,185.71 | 55.71 | 12,241.42 |
| Total equity and liabilities | | 26,375.87 | 48.52 | 26,424.39 |

* The previous year numbers have been regrouped/reclassified to meet the presentation criteria defined under Division II of Schedule III to The Companies Act 2013.

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

4 Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at 01 April 2018 is as follows:

| Description | | Per Previous GAAP* | Ind AS adjustments | Per Ind AS |
|--|-----------------------------|--------------------|--------------------|------------------|
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | Note – 4 | 5,409.20 | 413.08 | 5,822.28 |
| Capital work-in-progress | | 47.56 | - | 47.56 |
| Intangible assets | | 107.03 | - | 107.03 |
| Intangible assets under development | | 77.65 | - | 77.65 |
| Financial assets | | | | |
| Investments | | 3,324.99 | - | 3,324.99 |
| Loans | Note – 4 | 476.52 | (28.94) | 447.58 |
| Other financial assets | | - | - | - |
| Non-current tax assets (net) | | 45.28 | - | 45.28 |
| Other non-current assets | | 159.43 | - | 159.43 |
| Total non-current assets | | 9,647.66 | 384.14 | 10,031.80 |
| Current assets | | | | |
| Inventories | Note – 3 | 4,481.53 | 86.04 | 4,567.57 |
| Financial assets | | | | |
| Investment | | 0.91 | - | 0.91 |
| Trade receivables | Note – 2 | 6,970.22 | (338.21) | 6,632.01 |
| Cash and cash equivalents | | 29.05 | - | 29.05 |
| Other bank balances | | 583.96 | - | 583.96 |
| Loans | Note – 4 | 57.12 | - | 57.12 |
| Other financial assets | | 141.60 | - | 141.60 |
| Other current assets | | 374.61 | - | 374.61 |
| Total current assets | | 12,639.00 | (252.17) | 12,386.83 |
| Total assets | | 22,286.66 | 131.97 | 22,418.63 |
| Equity and liabilities | | | | |
| Equity | | | | |
| Equity share capital | | 1,183.66 | - | 1,183.66 |
| Other equity | Note – 1, 2, 3, 4, 5, 6 & 7 | 10,548.10 | (180.49) | 10,367.61 |
| Total equity | | 11,731.76 | (180.49) | 11,551.27 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | Note – 1 | 861.98 | 337.80 | 1,199.78 |
| Other financial liabilities | | - | - | - |
| Provisions | Note – 4 | 143.00 | (0.25) | 142.75 |
| Deferred tax liabilities (net) | Note – 7 | 452.53 | (95.52) | 357.01 |
| Other non-current liabilities | Note – 5 | - | 14.42 | 14.42 |
| Total non-current liabilities | | 1,457.51 | 256.45 | 1,713.96 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | | 3,278.68 | - | 3,278.68 |
| Trade payables | | | | |
| (a) total outstanding dues of micro enterprises and small enterprises; and | | 297.63 | - | 297.63 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | | 4,206.90 | - | 4,206.90 |
| Other financial liabilities | Note – 4 | 864.80 | 49.22 | 914.02 |
| Other current liabilities | Note – 5 | 437.66 | 6.79 | 444.45 |
| Provisions | | 11.72 | - | 11.72 |
| Current tax liabilities (net) | | - | - | - |
| Total current liabilities | | 9,097.39 | 56.01 | 9,153.40 |
| Total equity and liabilities | | 22,286.66 | 131.97 | 22,418.63 |

* The previous year numbers has been regrouped/reclassified to meet the presentation criteria defined under Division II of Schedule III to The Companies Act 2013.

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

5 Reconciliation of the income and expenses presented in the statement of profit and loss prepared as per Indian GAAP and as per Ind AS as at March 31, 2019 is as follows:

| Description | | Per Previous GAAP* | Ind AS adjustments | Per Ind AS |
|---|--------------|--------------------|--------------------|------------------|
| Income | | | | |
| Revenue from operations | Note – 3 | 20,183.68 | (30.99) | 20,152.69 |
| Other income | Note – 1 & 5 | 335.42 | 7.42 | 342.84 |
| Total income | | 20,519.10 | (23.57) | 20,495.53 |
| Expenses | | | | |
| Cost of materials consumed | | 10,165.53 | - | 10,165.53 |
| Changes in inventories of finished goods and work-in-progress | Note – 3 | (292.28) | 33.28 | (259.00) |
| Employee benefits expense | Note – 6 | 2,447.51 | (11.52) | 2,435.99 |
| Finance costs | Note – 1 & 4 | 694.62 | 57.20 | 751.82 |
| Depreciation and amortisation expense | Note – 4 | 499.14 | 20.77 | 519.91 |
| Other expenses | Note – 2 & 4 | 4,862.46 | (52.25) | 4,810.21 |
| Total expenses | | 18,376.98 | 47.48 | 18,424.46 |
| Profit before tax | | 2,142.12 | (71.05) | 2,071.07 |
| Tax expense | | | | |
| Current tax | | 452.48 | - | 452.48 |
| Deferred tax | Note – 7 | (93.65) | (5.54) | (99.19) |
| Net profit for the year | | 1,783.29 | (65.51) | 1,717.78 |
| Other comprehensive income | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| Re-measurement losses on defined benefit obligations | Note – 6 | - | (11.52) | (11.52) |
| Income tax relating to above | Note – 7 | - | 3.35 | 3.35 |
| Other comprehensive loss for the year | | - | (8.17) | (8.17) |
| Total comprehensive income for the year | | 1,783.29 | (73.68) | 1,709.61 |

* The previous year numbers has been regrouped/reclassified to meet the presentation criteria defined under Division II of Schedule III to The Companies Act 2013.

6 Impact of Ind AS on the adoption in the statement of cash flow for the year ended 31 March 2019

| Description | | Per Previous GAAP* | Ind AS adjustments | Per Ind AS |
|---|----------|--------------------|--------------------|---------------|
| Net cash flow from operating activities | Note – 4 | 1,351.85 | 51.37 | 1,403.22 |
| Net cash used from investing activities | | (1,661.21) | - | (1,661.21) |
| Net cash used in financing activities | Note – 4 | 305.35 | (51.37) | 253.98 |
| Net decrease in cash and cash equivalents | | (4.01) | - | (4.01) |
| Cash and cash equivalents at the beginning of the year | | 29.05 | - | 29.05 |
| Cash and cash equivalents at the end of the year | | 25.04 | - | 25.04 |

* The previous year numbers has been regrouped/reclassified to meet the presentation criteria defined under Division II of Schedule III to The Companies Act 2013.

(This space has been intentionally left blank)

Jash Engineering Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020***(All amount in INR lakhs unless stated otherwise)***Note – 1****Measurement of financial assets and financial liabilities at amortised cost**

Under Previous GAAP, all financial assets and financial liabilities were carried at cost.

Under Ind AS, certain financial assets and financial liabilities are subsequently measured at amortised cost which involves the application of effective interest method. In applying the effective interest method, an entity identifies, fees that are an integral part of the effective interest rate of a financial instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or financial liability.

For certain financial liabilities, the fair value of the financial liability at the date of transition to Ind AS has been considered as the new amortised cost of that financial liability at the date of transition to Ind AS.

Note – 2**Recognition of loss allowance for expected credit losses on financial assets measured at amortised cost**

Under Previous GAAP, provision for doubtful debts was recognised based on the estimates of the outcome and of the financial effect of contingencies determined by the management of the Company. This judgement was based on consideration of information available up to the date on which the financial statements were approved and included a review of events occurring after the balance sheet date.

Under Ind AS, a loss allowance for expected credit losses is recognised on financial assets carried at amortised cost. Expected loss on individually significant receivables is assessed when they are past due and based on company's historical counterparty default rates and forecast of macro-economic factors. Other receivables have been segmented by reference to the industry of the counterparty and other shared credit risk characteristics to evaluate the expected credit loss. The expected credit loss estimate is then based on recent historical counterparty default rates for each identified segment.

Note – 3**Deferral of margin for export sales for which control is not transferred**

Revenue under the previous GAAP used to be recognised when the related risk and reward was transferred. However, under Ind AS 115, the revenue is recognised when the control is transferred. For the same purpose, Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts.

Note – 4**Lease accounting adjustment under Ind AS 116**

The Company has leases for land site and related facilities. Under the previous GAAP, all the of the payments in regard to these leases were expensed off in the statement of profit and loss. However, under Ind AS 116, the accounting is a little different as each lease is reflected on the balance sheet as a right-of-use asset and a lease liability with the exception of short-term leases and leases of low-value underlying assets which is expensed off in the statement of profit and loss. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

The above adjustment has also impacted cash flow statement of the Company as under the previous GAAP, the rent paid was used to be classified as operating activity; while the payments of lease liability under Ind AS 116 is classified under financing activities as per Ind AS 7.

Note – 5**Income effects of government grants**

Borrowings under the previous GAAP were recognised at their respective contractual amounts. However, as per Ind AS, concessional rate borrowings from government agencies are to be initially recognised at their respective fair value and difference between the transaction value and fair value is recognised as deferred grant where there is a reasonable assurance that the grant will be received. Such deferred government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Note – 6**Re-measurement gains on defined benefit plans**

Under Ind AS, Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability, are recognized in other comprehensive income instead of profit or loss in Previous GAAP.

Note – 7**Deferred tax impact on above Ind AS and other transition adjustments**

Under Previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences.

This is a Summary of Significant accounting policies and other explanatory information referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Sd/-
Nitin Toshniwal
Partner
Membership No.: 507568

Place: Faridabad
Date: 25 June 2020

For and on behalf of Board of Directors of
Jash Engineering Limited

Sd/-
Pratik Patel
Managing Director
DIN - 00780920

Sd/-
Dharmendra Jain
Chief Financial officer

Place: Indore
Date: 25 June 2020

Sd/-
Suresh Patel
Executive director
DIN:00012072

Sd/-
Tushar Kharpade
Company Secretary
Membership No. - A30144

Independent Auditor's Report

To the Members of Jash Engineering Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Jash Engineering Limited ('the Holding Company' or 'the Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure A, which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group as at 31 March 2020, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 62 of the accompanying consolidated financial statements, which describes the uncertainties due to outbreak of Covid-19 pandemic and the management's evaluation of the impact on the consolidated financial statement of the Group as at the balance sheet date. The impact of these uncertainties on the Group's operations is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| <p>Impairment of Goodwill</p> <p>Refer Note 3.8 for accounting policy and Note 9 for disclosures in consolidated financial statements.</p> <p>The carrying value of goodwill as of 31 March 2020, in relation to acquisition of subsidiaries is INR 2,043.76 lakhs as disclosed in the accompanying consolidated financial statements.</p> <p>In accordance with the requirements of Ind AS 36, Impairment of Assets, Goodwill is tested for impairment annually at the cash generation unit (CGU) level, whereby the carrying amount of the CGU (including goodwill) is compared with the recoverable amount of the CGU.</p> <p>The aforesaid assessment of the impairment involves exercising a significant judgement with regard to assumptions and estimates involved in forecasting future cash flows, including identification of cash-generating unit, expectations regarding future developments in the economy and the market in which the subsidiary companies operate. These assumptions include growth rates, discount rates, estimated future operating and capital expenditure, and operating margins.</p> <p>Changes in the management forecasts, assumptions or government policies can impact the assessment of the discounted cash flows and consequently the valuation of such subsidiary companies. Complexity involved in such assumptions and estimates has increased in the current year due to the impact of COVID-19 pandemic outbreak on the Group's operations as disclosed in Note 62 to the accompanying consolidated financial statements.</p> <p>Considering the significance of the amounts involved, subjectivity involved in estimates and auditor attention required to test the appropriateness of accounting estimates that involves high estimation uncertainty around the key assumptions used in determining the cash flows which is used for impairment evaluation, we have determined impairment of goodwill as a key audit matter for current year audit.</p> | <p>Our audit procedures in relation to testing of goodwill impairment included, but was not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management process and controls for identification of possible impairment indicators and process performed by the management for impairment testing as per the requirements of Ind AS 36. • Assessed appropriateness of the CGU determined by the management for impairment testing of goodwill. • Evaluated the independent valuation specialist's professional competence, expertise and objectivity. • Tested the accuracy of the input data provided by the management to the valuation specialist by reconciling the projected cash flows to approved business plans of the subsidiary companies. • Involved our valuation specialists to tested the reasonableness of the key assumptions used in the cash flow projections and valuation, such as growth rates, discount rate, etc. including the impact of COVID-19 on such assumptions; considering our understanding of the business, industry and relevant market factors. • Performed sensitivity analysis on management's calculated recoverable value for key assumptions such as growth rates during explicit period, the discount rates etc. used in the calculations performed. • Tested the arithmetical accuracy of the cash flow projections, fair valuation computation and sensitivity analysis prepared by the management. • Evaluated the appropriateness and adequacy of disclosures made in the consolidated financial statements in relation to goodwill pertaining to such acquired subsidiary companies in accordance with the applicable accounting standards. |
| <p>Key audit matter</p> <p>Valuation of Inventory:</p> <p>Refer Note 3.7 for accounting policy and Note 15 for disclosures in consolidated financial statements</p> <p>At the balance sheet date 31 March 2020, the Holding Company held inventories comprising of raw materials, work-in-progress, finished goods and stores, spares and other consumables worth INR 6,109.89 lakhs as included in Note 15 of the accompanying consolidated financial statements.</p> <p>The Holding Company follows manual inventory valuation methods which includes allocation of various production and administration related</p> | <p>How our audit addressed the key audit matter</p> <p>Our audit procedures to assess valuation of inventories included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management's process of valuation of inventory. • Evaluated the design and tested the operating effectiveness of key controls around valuation including around estimates, stage of completion, complex overhead computations, and determination of net realizable value of inventory items. |

| | |
|--|--|
| <p>overheads on the finished goods and inventory which is classified as work in progress.</p> <p>Owing to the nature of the business, which involves manufacture of engineering products specific to the needs of the customers, the valuation of inventory involves evaluating reasonableness of materials (BOM) used for each product being manufactured.</p> <p>In addition to the above, the complexities involved in this assessment include:</p> <ul style="list-style-type: none"> • Identification of products where specific administration and production overheads and others allocations such as job work costs and design costs are to be added to the cost of inventory • Assessment of the completion percentage of products • Judgement involved in computation of machine hour rate, machine hours' efficiency, foundry and quality department labour hours etc., which are subject to high estimation uncertainty due to rapid technological changes. <p>Further, at the end of each reporting period, the management of the Holding Company also assesses whether there is any objective evidence that net realizable value of any item of inventory is below the carrying value. If so, such inventories are written down to their net realizable value in accordance with Ind AS 2, Inventories. Such specific identification performed by management to ascertain slow moving and obsolete inventories, and assessment of net realizable value of such slow moving and obsolete inventory items require significant judgement and estimation.</p> <p>Considering the complexities and materiality of amounts involved, this matter has been determined to be a key audit matter for current year audit.</p> | <ul style="list-style-type: none"> • Evaluated the appropriateness of the Holding Company's accounting policy and valuation method of inventory in accordance with the accounting standards. • Discussed with management the rationale supporting assumptions and estimates used in carrying out the inventory valuation and corroborated the same to our understanding of the business. Tested the computation of various overhead absorption rates by tracing the underlying data to audited historical operational results of the Holding Company. • On a sample basis, recomputed the cost of the inventory by applying management's valuation model, which included inspection of approved bills of material (BOM), testing underlying cost of acquisition of raw materials consumed, and testing overheads and labour cost allocation to such inventory items. • Obtained the understanding of management process for identification of slow moving, non-moving or obsolete inventories and ensured that the same is consistently applied. • Performed an independent analysis of the ageing of inventory line items leading to specific inquiries with the management to ensure the completeness of the inventory identified as slow moving, non-moving and obsolete. • For slow and non-moving inventories as on 31 March 2020 identified by the management, recomputed the allowance created by the management using management's model which has been consistently applied. • Tested the net realizable value of finished goods inventory on a sample basis to recent selling prices less costs to sell, to identify allowance required for finished goods. • Evaluated the appropriateness and adequacy of disclosures made in the accompanying standalone financial statements in accordance with the applicable accounting standards. |
| <p>Key audit matters</p> | <p>How our audit addressed the key audit matters</p> |
| <p>First time adoption of Ind AS framework</p> <p>As disclosed in Note 64 of the accompanying consolidated financial statements, the Group has adopted the Indian Accounting Standards notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ('Ind AS') with effect from 1 April 2019 (1 April 2018 being the transition date) and prepared the first set of consolidated financial statements under Ind AS framework in the current year.</p> <p>For periods up to and including the year ended 31 March 2019, the Group has prepared its consolidated financial statements in accordance with accounting</p> | <p>Our procedures in respect of the first-time adoption of Ind AS financial reporting framework included, but not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's processes and controls around adoption of Ind AS. We sought explanations from the management for areas involving complex judgments or interpretations to assess its appropriateness. • Reviewed the implementation of exemptions availed and options chosen by the Group in accordance with the requirements of Ind AS 101, First Time Adoption of Indian Accounting Standards (Ind AS 101). |

standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

This change in the financial reporting framework required an end-to-end evaluation of the potential impact on each component of the financial statements which involved significant efforts required by the management. This process also required the management to apply significant judgments to identify and elect appropriate accounting policies suitable for various transactions and balances relating to the operations of the Group including electing of available options for transition of balances as at transition date from the previous GAAP to the new GAAP.

Further, the first time preparation of the Ind AS consolidated financial statements involved preparation and presentation of additional notes and disclosures as required by the Ind AS framework as compared to the previous GAAP in addition to Note 64 of the consolidated financial statements setting forth the reconciliation of balances from previous GAAP to the new GAAP as at the transition date, and the impact of restatement on the results of the comparative period due to such transition.

The areas where there was a significant impact on account of first-time adoption of Ind AS; involved the following standards amongst others:

- a) Ind AS 109, Financial Instruments
- b) Ind AS 116, Leases
- c) Ind AS 115, Revenue from Contracts with Customers

Considering the significance of the above transition with respect to the consolidated financial statements, the complexities and efforts involved, this matter has been determined as a key audit matter for the current year audit.

- Evaluated the accounting policies adopted by the Group on transition to Ind AS and assessed its appropriateness basis our understanding of the entity and its operations and the requirements of relevant accounting standards under the Ind AS framework.
- Evaluated whether the presentation and disclosures in the financial statements are in accordance with the requirements of the applicable standards and regulatory requirements.
- Evaluated the appropriateness and adequacy of disclosures with respect to the reconciliations prepared and presented by the management in the financial statements in accordance with Ind AS 101.

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

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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; and
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
13. 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16. We did not audit the financial statements of three subsidiaries, whose financial statements reflects total assets of INR 7,537.80 lakhs and net assets of INR (-) 494.48 lakhs as at 31 March 2020, total revenues of INR 10,004.79 lakhs and net cash inflows amounting to INR 149.27 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

17. We did not audit the financial information of two subsidiaries, whose financial information reflects total assets of INR 83.81 lakhs and net assets of INR (-) 109.17 lakhs as at 31 March 2020, total revenues of INR 122.30 lakhs and net cash outflows amounting to INR 57.06 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

18. The Holding Company had prepared separate sets of statutory consolidated financial statements for the year ended 31 March 2019 and 31 March 2018 in accordance with {Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended)} on which we issued auditor's reports to the shareholders of the Company dated 28 May 2019 and 29 May 2018 respectively. These consolidated financial statements have been adjusted for the differences in the accounting principles adopted by the Holding Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

19. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 16, on separate financial statements of one the Subsidiary Company, which is the Company cover under the Act, we report that the Holding Company paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary company covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary company.
20. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements of one of the Subsidiary Company, which is the Company covered under the Act, 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 purpose of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
 - e) the matter described in paragraph 4 of the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Group;
 - f) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of one its subsidiary companies covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
 - h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 47 to the consolidated financial statements;
 - ii. the Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - 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 companies during the year ended 31 March 2020; and

- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

S/d-

Nitin Toshniwal

Partner

Membership No.: 507568

UDIN: 20507568AAAABU1699

Place: Faridabad

Date: 25 June 2020

Annexure A**List of entities included in the Consolidated Financial Statements****Subsidiaries and step-down subsidiaries**

| Name of subsidiary companies | Country of incorporation | % of holding as at 31 March 2020 |
|--|---------------------------------|---|
| Jash USA Inc. | USA | 100% |
| Mahr Maschinenbau Gesellschaft m.b.H | Austria | 100% |
| Shivpad Engineers Private Limited | India | 100% |
| Engineering and Manufacturing Jash Limited | Hongkong | 100% |
| Rodney Hunt Inc. (Wholly Owned Subsidiary of Jash USA Inc.) | USA | - |

(This space has been intentionally left blank)

**Annexure B to the Independent Auditor's Report of even date to the members of
Jash Engineering Limited on the consolidated financial statements for the year ended 31 March 2020**

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Jash Engineering Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company which are company covered under the Act, are 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 controls stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the '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 the Company's business, including adherence to the 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion and based on the consideration of the reports of the other auditor on internal financial controls with reference to financial statements of the subsidiary company, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is the company covered under the Act, whose financial statements reflect total assets of INR 1,140.57 lakhs and net assets of INR 761.32 lakhs as at 31 March 2020, total revenues of INR 1,802.68 lakhs and net cash outflows amounting to INR 15.58 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statement in so far as it relates to such subsidiary company has been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statement for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the reports of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

S/d-
Nitin Toshniwal
Partner
Membership No.: 507568

UDIN: 20507568AAAABU1699

Place: Faridabad
Date: 25 June 2020

Jash Engineering Limited
Summary to the significant accounting policies and other explanatory information for the year ended 31 March 2020

1. Group overview

Jash Engineering Limited ('Jash Engineering' or 'the Holding Company') along with its subsidiaries, collectively referred to as 'the Group' in following notes. The Holding Company is a public limited company domiciled in India and is incorporated on 29 September 1973. Its shares are listed on National Stock Exchange of India limited. The registered office of the Holding Company is situated at 31, Sector-C, Sanwer Road, Industrial Area, Indore - 452015, Madhya Pradesh.

The Group is engaged in the business of manufacturing and trading of varied engineering products for general engineering industry, water and wastewater industry and bulk solids handling industry as well as plant supply as a total system for water treatment, wastewater treatment and sewage treatment plants.

Following are the details of the subsidiaries consolidated in these financial statements:

| Name of the entity | Principal activities | Country of Incorporation | % equity interest | | |
|--|---|--------------------------|-------------------|---------------|---------------|
| | | | 31 March 2020 | 31 March 2019 | 01 April 2018 |
| Shivpad Engineers Private Limited | Trading business of equipment as well as plant supply | India | 100% | 100% | 100% |
| Jash USA Inc. | Manufacture and trading of measuring tools, machine tools, water control gates etc. | USA | 100% | 100% | 100% |
| Rodney Hunt Inc. | Manufacture and trading of measuring tools, machine tools, water control gates etc. | USA | 100% | 100% | 100% |
| Mahr Maschinenbau GmbH | Manufacture of other non - economic machines | Austria | 100% | 100% | 100% |
| Engineering and Manufacturing Jash Limited | Trading of engineered goods | Hong Kong | 100% | 100% | 100% |

2. General information and statement of compliance with Ind AS

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies for the periods presented.

The consolidated financial statements for the year ended 31 March 2020 are the first consolidated financial statements which the Group has prepared in accordance with Ind AS. Previously, for all the periods up to (and including) the year ended 31 March 2019, the Group had prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP"), which have been adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS. For the purpose of comparatives, consolidated financial statements for the year ended 31 March 2019 and opening balance sheet as at 1 April 2018 have been also prepared and presented as per Ind AS.

The consolidated financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 25 June 2020.

Basis of preparation

The consolidated financial statements have been prepared on going concern basis in accordance with the accounting principles generally accepted in India. Further, the consolidated financial statements have been prepared have been prepared on accrual and going concern basis. All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Jash Engineering Limited

Summary to the significant accounting policies and other explanatory information for the year ended 31 March 2020

The consolidated financial statements have been prepared under historical cost convention basis except for the following –

- w Certain financial assets which are measured at fair value;
- w Defined benefit plans – plan assets measured at fair value
- w Share based payments which are measured at fair value of the options; and
- w Assets held for sale – measured at lower of carrying amount and fair value less cost to sell

Basis of consolidation

The consolidated financial statements have comprised financial statements of the Holding Company and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners.
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

Functional and presentation currency

The consolidated financial statements have been prepared and presented in Indian Rupees (INR), which is the Group's functional and presentation currency.

3. Summary of significant accounting policies

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at cost, less accumulated depreciation and amortisation. The cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Jash Engineering Limited
Summary to the significant accounting policies and other explanatory information for the year ended 31 March 2020

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Act.

| Asset class | Useful life (years) |
|------------------------------|----------------------------|
| Plant & Machinery | 15 |
| Buildings (RCC structures) | 60 |
| Factory building | 30 |
| Computers | 3 |
| Furniture and fixtures | 10 |
| Office Equipment | 5 |
| Vehicles | 8 |

De-recognition

An item of property, plant and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset/significant component (calculated as the difference between the net disposal proceeds and the carrying amount of the asset/significant component) is recognised in statement of profit and loss, when the asset is de-recognised.

3.2 Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses acquire property, plant and equipment. Assets which are not ready to be intended use are also shown under capital work-in-progress.

3.3 Intangible assets

Recognition and initial measurement

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Other Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement

Intangible assets consisting of technical know-how and computer software. These are amortised on a straight-line basis over the estimated useful lives from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits & is reviewed at the end of each financial year & the amortisation period is revised to reflect the changed pattern, if any.

| Asset class | Useful life (years) |
|--------------------|----------------------------|
| Technical know how | 15 |
| Computer software | 3 to 6 |

3.4 Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management.

These are recognised as assets when the Group can demonstrate following recognition requirements:

The development costs can be measured reliably

- w The project is technically and commercially feasible
- w The Group intends to and has sufficient resources to complete the project

Jash Engineering Limited**Summary to the significant accounting policies and other explanatory information for the year ended 31 March 2020**

- w The Group has the ability to use or sell such intangible asset
- w The software will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

3.5 Revenue recognition

The Group generates revenue from sale of varied engineering products for general engineering industry, water and waste, water industry, bulk solids handling industry and also from rendering installation services along with the sale of goods, if specified in the contract with customers.

To determine whether to recognise revenue, the Group follows a 5-step process in accordance with Ind AS- 115- Revenue from contracts with customers.

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax (GST). In case of multi-element revenue arrangements, which involve delivery or performance of multiple products, services, evaluation will be done of all deliverables in an arrangement to determine whether they represent separate units of accounting at the inception of arrangement. Total arrangement consideration related to the bundled contract is allocated among the different elements based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables). In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated to the different components based on residual value method.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

Sale of services

Revenue from sale of services in respect of ancillary field services relating to its products for which revenue is recognised when the performance obligation is completed.

Export benefits

Income from export incentives are accounted for on exports of goods if the entitlement can be estimated with reasonable accuracy and conditions precedent to claim are reasonable expected to be fulfilled.

Interest income

Interest income is recognised on time proportion basis considering the amount outstanding and rate applicable. For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

Jash Engineering Limited
Summary to the significant accounting policies and other explanatory information for the year ended 31 March 2020

Dividend income

Dividend income is recognised at the time when right to receive the payment is established.

3.6 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease in accordance with Ind AS- 116 Leases. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Jash Engineering Limited
Summary to the significant accounting policies and other explanatory information for the year ended 31 March 2020

3.7 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on first in, first out basis
- Goods purchased for resale (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 first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.8 Impairment testing of goodwill, other intangible assets and property, plant and equipment and right-of-use asset.

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets of a "Cash Generating Unit" (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. 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 an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the 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 assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or 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. The increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

3.9 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Jash Engineering Limited**Summary to the significant accounting policies and other explanatory information for the year ended 31 March 2020****3.10 Foreign currency**

Initial recognition of Transactions

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate applicable as at the date of the transaction.

Subsequent recognition of balances

Foreign currency non-monetary items (item balances) which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the balance sheet date.

Exchange differences

Exchange differences arising on the settlement/restatement of monetary items at the exchange rates different from those at which they were initially recorded during the year or reported in the previous consolidated financial statements, are recognised as income or expense in the year in which they arise.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of the Group entities with functional currency other than the Indian Rupee are translated into Indian Rupee upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period. On consolidation, assets and liabilities have been translated into Indian Rupee at the closing rate at the reporting date. Fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Indian Rupee at the closing rate. Income and expenses have been translated into Indian Rupee at the average rate over the reporting period. Exchange differences are charged/ credited to other comprehensive income and recognized in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognized in equity are reclassified to the statement of profit or loss and are recognized as part of the gain or loss on disposal.

3.11 Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

Financial assets carried at amortised cost – A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- w The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- w Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

De-recognition of financial assets

A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

Jash Engineering Limited**Summary to the significant accounting policies and other explanatory information for the year ended 31 March 2020**

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counter party.

4 Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss ('ECL') model for measurement and recognition of impairment loss for financial assets. ECL is provided for when there has been a significant increase in credit risk and then, factors historical trends and forward looking information. An impairment loss is recognised either based on the 12 months' probability of default or lifetime probability of default.

Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of such receivables.

Other financial assets

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

3.13 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (Minimum alternate tax credit entitlement) or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at

Jash Engineering Limited
Summary to the significant accounting policies and other explanatory information for the year ended 31 March 2020

the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

3.14 Dividend

The Group recognises a liability to pay dividend to equity holders of the Holding Company when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.15 Employee benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Defined contribution plan

Provident fund benefit is a defined contribution plan under which the Group pays fixed contributions to Regional Provident Fund Commissioner in accordance with Employees Provident Fund and Miscellaneous Provision Act, 1952. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognised in respect of defined contribution plans are expensed as they accrue. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in non-current/current liabilities or non-current/current assets, respectively.

Defined benefit plan

The Group provides for gratuity, a defined benefit retirement plan, which defines an amount of benefit that an employee will receive on separation from the Group, usually dependent on one or more factors such as age, years of service and remuneration. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The liability recognised in the balance sheet for defined benefit plans is the present value of the defined benefit obligation ('DBO') at the balance sheet date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations. The present value of DBO is calculated annually by an independent actuary using the projected unit credit method. Actuarial gains/losses resulting from re-measurements of the liability due to change in actuarial assumptions are included in other comprehensive income.

Other long-term employee benefits

The Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after time balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method, actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gains or losses are determined.

3.16 Non-current assets held for sale and discontinued operations

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Jash Engineering Limited
Summary to the significant accounting policies and other explanatory information for the year ended 31 March 2020

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale. Profit or loss from discontinued operations comprise the post-tax profit or loss of discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale. Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item, profit or loss from discontinued operations.

3.17 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When provisions are discounted, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for :

- w Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- w Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

3.18 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.19 Share based payments

The Group has equity-settled share-based remuneration plans for its employees. None of the Group's plans are cash settled.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

3.20 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors assess the financial performance and position of the Group and makes strategic decisions and therefore the board would be the chief operating decision maker. Refer note 56 for segment information presented.

Jash Engineering Limited
Summary to the significant accounting policies and other explanatory information for the year ended 31 March 2020
3.21 Standards issued but not yet effective

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

4. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

Significant management judgements

- a) **Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized.
- b) **Evaluation of indicators for impairment of Plant, property and equipment** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- c) **Contingent liabilities**– At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.
- d) **Provisions** – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.
- e) **Impact of Covid-19 Outbreak** – The extent to which the Covid-19 pandemic will impact the Group will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the Covid-19 pandemic and any further action by the Government or the Group to contain its spread or mitigate its impact.

Significant estimates

- a) **Impairment of financial assets** – At each balance sheet date, based on historical default rates observed over expected life, existing market conditions as well as forward looking estimates, the management assesses the expected credit losses on outstanding receivables and advances. Further, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with industry and country in which the customer operates.
- b) **Fair value measurements** – Management applies valuation techniques to determine fair value of stock options. This involves developing estimates and assumptions around volatility, dividend yield which may affect the value of stock options.
- c) **Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- d) **Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.
- e) **Impairment of Goodwill** – Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Jash Engineering Limited
Consolidated Balance Sheet as at 31 March 2020
(All amount in INR lakhs unless stated otherwise)

| | Notes | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--|-------|------------------------|------------------------|------------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 5 | 7,220.57 | 6,194.87 | 6,315.46 |
| Capital work-in-progress | 6 | 554.71 | 1,113.96 | 47.56 |
| Intangible assets | 7 | 840.40 | 900.02 | 967.09 |
| Intangible assets under development | 8 | 59.35 | 90.24 | 77.65 |
| Goodwill on consolidation | 9 | 2,043.76 | 1,940.85 | 1,997.04 |
| Financial assets | | | | |
| Loans | 10 | 54.06 | 42.68 | 34.27 |
| Other financial assets | 11 | - | 0.91 | - |
| Non-current tax assets (net) | 12 | 35.69 | 44.12 | 45.28 |
| Deferred tax assets (net) | 13 | 10.96 | 4.90 | 151.11 |
| Other non-current assets | 14 | 97.05 | 54.54 | 106.01 |
| Total non-current assets | | 10,916.55 | 10,387.09 | 9,741.47 |
| Current assets | | | | |
| Inventories | 15 | 6,109.89 | 6,131.12 | 5,067.59 |
| Financial assets | | | | |
| Investments | 16 | 0.11 | 0.56 | 0.91 |
| Trade receivables | 17 | 8,441.42 | 7,346.23 | 5,586.90 |
| Cash and cash equivalents | 18 | 309.32 | 181.01 | 287.05 |
| Other bank balances | 19 | 1,459.53 | 1,011.34 | 850.41 |
| Loans | 20 | 7.89 | 8.67 | 57.12 |
| Other financial assets | 21 | 266.02 | 468.68 | 147.74 |
| Current tax assets (net) | 22 | - | - | 9.07 |
| Other current assets | 23 | 165.11 | 397.47 | 481.46 |
| | | 16,759.29 | 15,545.08 | 12,488.25 |
| Assets classified as held for sale | 24 | 791.55 | 934.16 | 1,187.18 |
| Total current assets | | 17,550.84 | 16,479.24 | 13,675.43 |
| Total assets | | 28,467.39 | 26,866.33 | 23,416.90 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity share capital | 25 | 1,183.66 | 1,183.66 | 1,183.66 |
| Other equity | 26 | 11,363.47 | 9,816.51 | 9,241.14 |
| Total equity | | 12,547.13 | 11,000.17 | 10,424.80 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | 27 | 1,691.31 | 1,122.77 | 2,332.94 |
| Provisions | 28 | 390.44 | 201.89 | 147.71 |
| Deferred tax liabilities (net) | 13 | 218.22 | 254.47 | 357.01 |
| Other non-current liabilities | 29 | 1.22 | 7.60 | 14.42 |
| Total non-current liabilities | | 2,301.19 | 1,586.73 | 2,852.08 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | 30 | 5,607.40 | 4,914.44 | 3,278.68 |
| Trade payables | | | | |
| Total outstanding dues of micro enterprises and small enterprises | 31 | 755.99 | 1,042.62 | 297.63 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 3,263.96 | 4,822.01 | 4,501.22 |
| Other financial liabilities | 32 | 1,873.92 | 1,982.19 | 1,565.62 |
| Other current liabilities | 33 | 1,823.56 | 1,393.12 | 466.48 |
| Provisions | 34 | 12.25 | 14.48 | 15.77 |
| Current tax liabilities (net) | 35 | 281.99 | 110.57 | 14.62 |
| Total current liabilities | | 13,619.07 | 14,279.43 | 10,140.02 |
| Total liabilities | | 15,920.26 | 15,866.16 | 12,992.10 |
| Total equity and liabilities | | 28,467.39 | 26,866.33 | 23,416.90 |

Summary of significant accounting policies 3
The accompanying notes form an integral part of these consolidated financial statements

This is the Consolidated Balance Sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Sd/-
Nitin Toshniwal
Partner
Membership No.: 507568

Place: Faridabad
Date: 25 June 2020

For and on behalf of Board of Directors of
Jash Engineering Limited

Sd/-
Pratik Patel
Managing Director
DIN - 00780920

Sd/-
Dharmendra Jain
Chief Financial officer

Place: Indore
Date: 25 June 2020

Sd/-
Suresh Patel
Executive director
DIN:00012072

Sd/-
Tushar Kharpade
Company Secretary
Membership No. - A30144

Jash Engineering Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2020
(All amount in INR lakhs unless stated otherwise)

| | Notes | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------|-------------------------------------|-------------------------------------|
| Income | | | |
| Revenue from operations | 36 | 27,773.79 | 24,773.17 |
| Other income | 37 | 790.34 | 695.34 |
| Total income | | 28,564.13 | 25,468.51 |
| Expenses | | | |
| Cost of materials consumed | 38 | 12,111.20 | 11,872.01 |
| Purchase of traded goods | 39 | 1,176.68 | 739.31 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 40 | (735.52) | (760.63) |
| Employee benefits expense | 41 | 4,891.05 | 3,976.35 |
| Finance costs | 42 | 1,033.50 | 850.04 |
| Depreciation and amortisation expense | 43 | 782.22 | 724.87 |
| Other expenses | 44 | 6,530.65 | 6,685.58 |
| Total expenses | | 25,789.78 | 24,087.53 |
| Profit before tax | | 2,774.35 | 1,380.98 |
| Tax expense | 45 | | |
| Current tax | | 787.22 | 553.97 |
| Deferred tax | | (22.55) | 57.42 |
| Total tax expense | | 764.67 | 611.39 |
| Net profit for the year | | 2,009.68 | 769.59 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Re-measurement losses on defined benefit obligations | | (68.57) | (11.52) |
| Income tax relating to these items | | 19.75 | 3.35 |
| Items that will be reclassified to profit or loss | | | |
| Exchange differences on translating foreign operations | | (4.07) | (43.58) |
| Income tax relating to these items | | - | - |
| Other comprehensive loss for the year | | (52.89) | (51.75) |
| Total comprehensive income for the year | | 1,956.79 | 717.84 |
| Earnings per equity share (Nominal value of equity share INR 10/- each) | | | |
| Basic | 46 | 16.98 | 6.50 |
| Diluted | | 16.98 | 6.50 |
| Summary of significant accounting policies | 3 | | |
| The accompanying notes form an integral part of these consolidated financial statements | | | |

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Sd/-
Nitin Toshniwal
Partner
Membership No.: 507568

Place: Faridabad
Date: 25 June 2020

For and on behalf of Board of Directors of
Jash Engineering Limited

Sd/-
Pratik Patel
Managing Director
DIN - 00780920

Sd/-
Dharmendra Jain
Chief Financial officer

Place: Indore
Date: 25 June 2020

Sd/-
Suresh Patel
Executive director
DIN:00012072

Sd/-
Tushar Kharpade
Company Secretary
Membership No. - A30144

Jash Engineering Limited

Consolidated Statement of Changes in Equity for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

A Equity share capital

| Particulars | Amount |
|---|-----------------|
| Balance as at 01 April 2018 | 1,183.66 |
| Changes in equity share capital during the year | - |
| Balance as at 31 March 2019 | 1,183.66 |
| Changes in equity share capital during the year | - |
| Balance as at 31 March 2020 | 1,183.66 |

B Other equity

| | Securities premium | General reserve | ESOP reserve | Foreign currency translation reserve | Retained earnings | Total |
|---------------------------------------|--------------------|-----------------|--------------|--------------------------------------|-------------------|------------------|
| Balance as at 01 April 2018 | 4,514.75 | 1,108.92 | - | - | 3,617.47 | 9,241.14 |
| Profit for the year | - | - | - | - | 769.59 | 769.59 |
| Movement during the year | - | - | - | (43.58) | - | (43.58) |
| Dividends paid | - | - | - | - | (118.37) | (118.37) |
| Tax on dividends | - | - | - | - | (24.10) | (24.10) |
| Other comprehensive loss for the year | - | - | - | - | (8.17) | (8.17) |
| Transferred to general reserve | - | 38.24 | - | - | (38.24) | - |
| Balance as at 31 March 2019 | 4,514.75 | 1,147.16 | - | (43.58) | 4,198.18 | 9,816.51 |
| Profit for the year | - | - | - | - | 2,009.68 | 2,009.68 |
| Movement during the year | - | - | 18.28 | (4.07) | - | 14.21 |
| Dividends paid | - | - | - | - | (355.13) | (355.13) |
| Tax on dividends | - | - | - | - | (72.98) | (72.98) |
| Other comprehensive loss for the year | - | - | - | - | (48.82) | (48.82) |
| Transferred to general reserve | - | 53.11 | - | - | (53.11) | - |
| Balance as at 31 March 2020 | 4,514.75 | 1,200.27 | 18.28 | (47.65) | 5,677.82 | 11,363.47 |

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Sd/-
Nitin Toshniwal
Partner
Membership No.: 507568

Place: Faridabad
Date: 25 June 2020

For and on behalf of Board of Directors of
Jash Engineering Limited

Sd/-
Pratik Patel
Managing Director
DIN - 00780920

Sd/-
Dharmendra Jain
Chief Financial officer

Place: Indore
Date: 25 June 2020

Sd/-
Suresh Patel
Executive director
DIN:00012072

Sd/-
Tushar Kharpade
Company Secretary
Membership No. - A30144

Jash Engineering Limited
Consolidated Cash Flow Statement for the year ended 31 March 2020
(All amount in INR lakhs unless stated otherwise)

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| A CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 2,774.35 | 1,380.98 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 652.14 | 591.82 |
| Amortization of intangible assets | 130.08 | 133.05 |
| Loss on disposal of property, plant and equipment (net) | 6.73 | 0.01 |
| Interest income on bank deposits | (89.79) | (56.23) |
| Interest income on other financials assets measured at amortised cost | (12.67) | (15.61) |
| Interest income on government grant | (6.81) | (6.80) |
| Net unrealised gain on foreign currency | (318.06) | (50.88) |
| Net loss on fair valuation of short term investment | 0.45 | 0.35 |
| Unclaimed balances written back | (10.96) | (20.04) |
| Advances and other balance written off | 239.40 | 276.69 |
| Share based payments to employees | 18.28 | - |
| Loss allowance for expected credit losses | 183.50 | 69.84 |
| Finance cost | 1,033.50 | 850.04 |
| Operating profit before working capital changes | 4,600.14 | 3,153.22 |
| Movement of working capital: | | |
| -in trade receivables | (859.94) | (2,054.99) |
| -in inventory | 89.91 | (1,065.45) |
| -in financial and other assets | 381.20 | (135.24) |
| -in provisions | 109.90 | 41.36 |
| -in financial and other liabilities | 462.92 | 1,219.97 |
| -in trade payables | (2,311.07) | 1,065.75 |
| Cash flow from operations | 2,473.06 | 2,224.62 |
| Income-tax paid (net of refunds) | (625.79) | (468.06) |
| Net cash flow from operating activities (A) | 1,847.27 | 1,756.56 |
| B CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment and intangible assets | (426.83) | (1,615.94) |
| Proceeds from sale of property, plant and equipment | 0.84 | 0.40 |
| Investment in bank deposits | (439.10) | (128.68) |
| Sale/(Purchase) of asset held for sale | (65.57) | 253.03 |
| Interest received | 111.70 | 37.70 |
| Net cash used from investing activities (B) | (818.96) | (1,453.49) |
| C CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from long term borrowings | 1,184.68 | 52.91 |
| Repayment of long term borrowings | (1,334.77) | (1,117.76) |
| Proceeds from short term borrowings (net) | 692.96 | 1,635.76 |
| Repayment of principal component of lease obligation | (54.12) | (20.45) |
| Payment of interest on lease obligation | (64.90) | (49.02) |
| Other Interest paid | (914.71) | (782.62) |
| Dividend paid (including DDT) | (428.11) | (142.47) |
| Net cash used in financing activities (C) | (918.97) | (423.65) |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | 109.34 | (120.58) |
| Cash and cash equivalents at the beginning of the year | 181.01 | 287.05 |
| Effect of exchange rate changes in cash and cash equivalents | 18.97 | 14.54 |
| Cash and cash equivalents at the end of the year | 309.32 | 181.01 |
| Reconciliation of cash and cash equivalents as per cash flow statement | | |
| Cash in hand | 9.57 | 8.57 |
| Balances with banks- in current accounts and cash credits | 299.75 | 172.44 |
| | 309.32 | 181.01 |

This is the Consolidated Cash Flow Statement referred to in our report of even date.
For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Sd/-
Nitin Toshniwal
Partner
Membership No.: 507568

Place: Faridabad
Date: 25 June 2020

For and on behalf of Board of Directors of
Jash Engineering Limited

Sd/-
Pratik Patel
Managing Director
DIN - 00780920

Sd/-
Dharmendra Jain
Chief Financial officer

Place: Indore
Date: 25 June 2020

Sd/-
Suresh Patel
Executive director
DIN:00012072

Sd/-
Tushar Kharpade
Company Secretary
Membership No. - A30144

Jash Engineering Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amount in INR lakhs unless stated otherwise)

5 Property plant and equipment

| | Right of use - land | Right of use - office premises | Freehold land | Buildings | Plant and equipments | Computers | Furniture and fixtures | Vehicles | Office equipments | Total |
|------------------------------------|------------------------|-----------------------------------|---------------|-----------|-------------------------|-----------|---------------------------|----------|----------------------|-----------|
| Gross carrying value | | | | | | | | | | |
| Balance as at 01 April 2018 | 682.10 | - | 589.65 | 3,591.47 | 4,077.89 | 199.74 | 335.66 | 211.50 | 140.61 | 9,828.63 |
| Additions | 1.19 | - | - | 120.54 | 274.45 | 15.34 | 1.19 | 2.93 | 31.05 | 446.69 |
| Disposals | - | - | - | - | - | - | - | (7.55) | (0.03) | (7.57) |
| Exchange differences | (0.76) | - | - | 15.38 | 8.26 | 0.33 | - | - | 1.50 | 24.71 |
| Balance as at 31 March 2019 | 682.54 | - | 589.65 | 3,727.39 | 4,360.60 | 215.41 | 336.85 | 206.88 | 173.13 | 10,292.45 |
| Additions | 174.75 | 161.30 | - | 767.90 | 414.58 | 47.98 | 47.34 | (5.80) | 34.19 | 1,642.22 |
| Disposals | - | - | - | - | (0.37) | (0.32) | - | (0.45) | (26.63) | (27.78) |
| Exchange differences | 1.02 | 10.26 | - | 34.75 | 28.54 | 0.84 | - | 0.31 | 4.57 | 80.28 |
| Balance as at 31 March 2020 | 858.31 | 171.56 | 589.65 | 4,530.04 | 4,803.34 | 263.90 | 384.19 | 200.93 | 185.26 | 11,987.17 |
| Accumulated depreciation | | | | | | | | | | |
| Balance as at 01 April 2018 | 41.62 | - | - | 867.04 | 2,118.56 | 159.93 | 179.93 | 63.56 | 82.53 | 3,513.16 |
| Depreciation charge | 39.14 | - | - | 131.94 | 327.82 | 26.92 | 36.09 | 21.20 | 8.71 | 591.82 |
| Adjustments for disposals | - | - | - | - | - | - | - | (7.17) | (0.01) | (7.18) |
| Exchange differences | (0.22) | - | - | - | - | - | - | - | - | (0.22) |
| Balance as at 31 March 2019 | 80.54 | - | - | 998.98 | 2,446.37 | 186.85 | 216.02 | 77.59 | 91.23 | 4,097.58 |
| Depreciation charge | 48.61 | 24.24 | - | 169.67 | 295.55 | 27.58 | 34.19 | 41.49 | 10.82 | 652.14 |
| Adjustments for disposals | - | - | - | - | (0.25) | (0.30) | - | (0.43) | (0.23) | (1.22) |
| Exchange differences | 0.32 | 1.19 | - | 5.13 | 8.87 | 0.50 | - | 0.12 | 1.98 | 18.10 |
| Balance as at 31 March 2020 | 129.47 | 25.43 | - | 1,173.77 | 2,750.54 | 214.62 | 250.21 | 118.78 | 103.79 | 4,766.60 |
| Net block | | | | | | | | | | |
| Balance as at 01 April 2018 | 640.49 | - | 589.65 | 2,724.43 | 1,959.33 | 39.81 | 155.73 | 147.94 | 58.09 | 6,315.46 |
| Balance as at 31 March 2019 | 602.00 | - | 589.65 | 2,728.41 | 1,914.22 | 28.55 | 120.83 | 129.28 | 81.91 | 6,194.87 |
| Balance as at 31 March 2020 | 728.84 | 146.13 | 589.65 | 3,356.26 | 2,052.80 | 49.28 | 133.99 | 82.15 | 81.47 | 7,220.57 |

Notes:

(i) The Group has elected Ind AS 101 exemption and continue with the carrying value for all of its tangible and intangible assets as its deemed cost as at the date of transition. Refer note 64 for details.

(ii) Contractual obligations

Refer note 47 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Property, plant and equipment pledged as security

Refer note 27 and 30 for information on property, plant and equipment pledged as security by the Group.

(iv) Depreciation for the year has been included in "Depreciation and amortisation expense" line item in statement of profit and loss.

6 Capital work in progress

Capital work in progress

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--|------------------------|------------------------|------------------------|
| | 554.71 | 1,113.96 | 47.56 |

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

7 Intangible asset

| | Technical know how and trademarks | Computer software | Total |
|------------------------------------|-----------------------------------|-------------------|-----------------|
| Gross block | | | |
| Balance as at 01 April 2018 | 1,038.64 | 227.35 | 1,265.99 |
| Additions | - | 11.08 | 11.08 |
| Exchange differences | 54.90 | - | 54.90 |
| Balance as at 31 March 2019 | 1,093.54 | 238.43 | 1,331.97 |
| Additions | - | 4.91 | 4.91 |
| Exchange differences | 90.11 | - | 90.11 |
| Balance as at 31 March 2020 | 1,183.66 | 243.33 | 1,426.99 |
| Accumulated depreciation | | | |
| Balance as at 01 April 2018 | 176.92 | 121.97 | 298.90 |
| Amortization | 104.03 | 24.08 | 128.10 |
| Exchange differences | 4.94 | - | 4.94 |
| Balance as at 31 March 2019 | 285.89 | 146.05 | 431.95 |
| Amortization | 104.08 | 26.01 | 130.08 |
| Exchange differences | 24.56 | - | 24.56 |
| Balance as at 31 March 2020 | 414.53 | 172.06 | 586.59 |
| Net block | | | |
| Balance as at 01 April 2018 | 861.72 | 105.37 | 967.09 |
| Balance as at 31 March 2019 | 807.65 | 92.37 | 900.02 |
| Balance as at 31 March 2020 | 769.13 | 71.27 | 840.40 |

Notes:

- (i) The Group has elected Ind AS 101 exemption and continue with the carrying value for all of its intangible assets as its deemed cost as at the date of transition. Refer note 64 for details.
- (ii) **Contractual obligations**
Refer note 47 for disclosure of contractual commitments for the acquisition of intangible assets
- (iii) Amortisation for the year has been included in line item 'Depreciation and amortisation expense' in statement of profit and loss.

8 Intangible assets under development

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--------------------------------------|------------------------|------------------------|------------------------|
| Intangible assets under development* | 59.35 | 90.24 | 77.65 |

*Intangible assets under development pertains to software under development.

9 Goodwill on consolidation

| | Goodwill |
|-----------------------------|-----------------|
| Gross carrying value | |
| As at 1 April 2018 | 1,997.04 |
| Exchange differences | (56.19) |
| As at 31 March 2019 | 1,940.85 |
| Exchange differences | 102.91 |
| As at 31 March 2020 | 2,043.76 |

(i) Impairment tests for goodwill

Goodwill is monitored by management at the level of the different Cash generating units as follows:

| Goodwill | Trading operations under Shivpad Engineers Private Limited | Manufacturing of industrial components* | Total |
|---------------|--|---|----------|
| 31 March 2020 | 445.42 | 1,598.34 | 2,043.76 |
| 31 March 2019 | 445.42 | 1,495.43 | 1,940.85 |
| 1 April 2018 | 445.42 | 1,551.62 | 1,997.04 |

Jash Engineering Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020***(All amount in INR lakhs unless stated otherwise)*

*As at 31 March 2020, the Group has recognised goodwill on consolidation amounting to INR 1,598.34 lakhs (31 March 2019: INR 1,495.43 lakhs; 1 April 2018: INR 1,551.62 lakhs) related to its earlier acquisition of Mahr Maschinenbau GmbH (‘Mahr’) in these consolidated financial statements. In view of revised business strategy of Mahr, the board of directors of the Holding Company in the meeting held on 14 February 2020, approved to proceed for voluntary liquidation of Mahr and pursuant to this process, the patents held by Mahr will be transferred to the Holding Company.

Considering, the net assets in Mahr does not collectively fall into the definition of separate cash-generating unit (‘CGU’) as specified in Ind AS 36, Impairment of Assets as they are significantly integrated with Holding Company’s manufacturing process. Therefore, for the purposes of impairment testing as per Ind AS 36, the carrying amount of goodwill mentioned above has been allocated to the net assets of the larger CGU in which the Group operates i.e. “Manufacturing of industrial components. Based on assessment carried out by the management of the Company, there is no impairment of goodwill as at 31 March 2020, 2019 and 1 April 2018.

(ii) Significant estimate: key assumptions used for value-in-use calculations

Pursuant to Ind AS-36, Impairment of Assets, the Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the cash generating units (CGUs) was determined based on amounts of value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates (normalised) stated below.

The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them:

| Particulars | Trading operations under Shivpad Engineers Private Limited | Manufacturing of industrial components |
|---------------------------|--|--|
| Growth rate | 2.50% | 5.00% |
| Pre-tax discount rate (%) | 26.10% | 19.87% |

Management has determined the values assigned to each of the above key assumptions as follows:

| Assumption | Approach used to determining values |
|------------------|---|
| Growth rate | Average annual growth rate over the five-year forecast period; based on past performance and management’s expectations of market development. |
| Pre-tax discount | Reflect specific risks relating to relevant businesses in which they operate. |

The management have considered and assessed reasonably possible parameters and other key assumptions and have not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount.

(This space has been intentionally left blank)

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

10 Loans (Non-current)

Unsecured, considered good
Security deposits

| As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|------------------------|------------------------|------------------------|
| 54.06 | 42.68 | 34.27 |
| 54.06 | 42.68 | 34.27 |

11 Other financial assets

Bank deposits with maturity of more than 12 months

| As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|------------------------|------------------------|------------------------|
| - | 0.91 | - |
| - | 0.91 | - |

12 Non-current tax assets (net)

Income tax assets (net)

| As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|------------------------|------------------------|------------------------|
| 35.69 | 44.12 | 45.28 |
| 35.69 | 44.12 | 45.28 |

13 Deferred tax liabilities (net)

Deferred tax liability arising on account of :

Temporary difference on account of property, plant and equipment and intangibles assets
Financial assets and liabilities at amortised cost

| As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|------------------------|------------------------|------------------------|
| 479.99 | 454.66 | 505.98 |
| 3.83 | 0.11 | 1.90 |

Deferred tax asset arising on account of :

Provision for employee benefits
Deduction u/s 35D
Unabsorbed carried forward business losses
MAT credit entitlement
Impairment of financial assets
Contract liabilities
Right of use asset and related liabilities
Deferred government grant
Others

| | | |
|--------|-------|--------|
| 116.28 | 63.95 | 54.83 |
| 12.26 | - | - |
| - | - | 139.62 |
| - | 35.55 | - |
| 121.79 | 82.27 | 73.61 |
| - | 9.59 | 13.66 |
| 18.52 | 12.85 | 10.48 |
| 1.04 | 1.00 | 0.14 |
| 6.67 | - | 9.64 |

Net deferred tax liabilities

| | | |
|-----------------|-----------------|-----------------|
| (207.26) | (249.57) | (205.90) |
|-----------------|-----------------|-----------------|

Disclosed in financial statements:

| | | | |
|--------------------------|--------|--------|--------|
| Deferred Tax Assets | 10.96 | 4.90 | 151.11 |
| Deferred Tax Liabilities | 218.22 | 254.47 | 357.01 |

Movement in deferred tax liabilities for the year ended 31 March 2020

| Particulars | Deferred tax assets as at 01 April 2019 | Deferred tax liabilities as at 01 April 2019 | Deferred tax charge/credit in profit and loss | Deferred tax charge/credit in other comprehensive income | Deferred tax liabilities as at 31 March 2020 | Deferred tax assets as at 31 March 2020 |
|---|---|--|---|---|--|---|
| Deferred tax asset/(liability) arising on account of : | | | | | | |
| Temporary difference on account of property, plant and equipment and intangibles assets | 0.40 | (455.07) | (25.33) | - | (481.12) | 1.13 |
| Financial assets and liabilities at amortised cost | 0.62 | (0.73) | (3.72) | - | (3.87) | 0.04 |
| Provision for employee benefits | 3.32 | 60.63 | 32.58 | 19.75 | 114.90 | 1.38 |
| Deduction u/s 35D | - | - | 12.26 | - | 12.26 | - |
| Impairment of financial assets | - | 82.27 | 39.52 | - | 121.79 | - |
| Contract liabilities | - | 9.59 | (9.59) | - | - | - |
| Right of use asset and related liabilities | 0.56 | 12.29 | 5.67 | - | 16.78 | 1.74 |
| Deferred government grant | - | 1.00 | 0.04 | - | 1.04 | - |
| Others | - | - | 6.67 | - | - | 6.67 |
| Net deferred tax assets/(liabilities) | 4.90 | (254.47) | 22.55 | 19.75 | (218.22) | 10.96 |

Movement in deferred tax liabilities for the year ended 31 March 2019

| Particulars | Deferred tax assets as at 01 April 2018 | Deferred tax liabilities as at 01 April 2018 | Deferred tax charge/credit in profit and loss | Deferred tax charge/credit in other comprehensive income | Exchange differences | Deferred tax liabilities as at 31 March 2019 | Deferred tax assets as at 31 March 2019 |
|---|---|--|---|--|-------------------------|--|---|
| Deferred tax asset/(liability) arising on account of : | | | | | | | |
| Temporary difference on account of property, plant and equipment and intangibles assets | 0.01 | (506.00) | 51.32 | - | - | (455.07) | 0.40 |
| Financial assets and liabilities at amortised cost | 0.85 | (2.75) | 1.78 | - | - | (0.73) | 0.62 |
| Provision for employee benefits | 1.37 | 53.46 | 5.77 | 3.35 | - | 60.63 | 3.32 |
| Unabsorbed carried forward business losses | 139.62 | - | (150.02) | - | 10.40 | - | - |
| MAT credit entitlement | - | - | 35.55 | - | - | 35.55 | - |
| Impairment of financial assets | - | 73.61 | 8.66 | - | - | 82.27 | - |
| Contract liabilities | - | 13.66 | (4.07) | - | - | 9.59 | - |
| Right of use asset and related liabilities | (0.38) | 10.87 | 2.36 | - | - | 12.29 | 0.56 |
| Deferred government grant | - | 0.14 | 0.86 | - | - | 1.00 | - |
| Others | 9.64 | - | (9.64) | - | - | - | - |
| Deferred tax liabilities (net) | 151.11 | (357.01) | (57.42) | 3.35 | 10.40 | (254.47) | 4.90 |

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

14 Other non-current assets

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|------------------------------------|------------------------|------------------------|------------------------|
| Capital advances | 68.90 | 32.72 | 57.89 |
| Balance with statutory authorities | 13.64 | 8.50 | 44.10 |
| Prepaid expenses | 13.97 | 12.89 | 3.17 |
| Others | 0.54 | 0.42 | 0.85 |
| | 97.05 | 54.54 | 106.01 |

15 Inventories

(Valued at lower of cost and net realisable value, unless otherwise stated)

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--------------------------------------|------------------------|------------------------|------------------------|
| Raw materials | 2,725.52 | 3,566.40 | 2,713.80 |
| Work-in-progress | 1,822.32 | 1,215.95 | 950.75 |
| Finished goods and stock-in-trade | 1,444.63 | 1,198.65 | 1,214.50 |
| Stores, spares and other consumables | 117.42 | 97.37 | 102.50 |
| Goods in transit | - | 52.77 | 86.04 |
| | 6,109.89 | 6,131.12 | 5,067.59 |

16 Current investments**Investment in equity instruments(quoted)**

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--|------------------------|------------------------|------------------------|
| Ramky Infrastructure Limited 489 (31 March 2019: 489) equity shares (fully paid up) of INR 10 each | 0.10 | 0.52 | 0.84 |
| VA Tech Wabag Limited 12 (31 March 2019: 12) equity shares (fully paid up) of INR 10 each | 0.01 | 0.04 | 0.07 |
| | 0.11 | 0.56 | 0.91 |

Note: The carrying amount of the above quoted investments represents the current market value.
Refer note 64 for details.

17 Trade receivables

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--|------------------------|------------------------|------------------------|
| Trade receivables | | | |
| Unsecured, considered good | 8,964.92 | 7,693.09 | 5,786.34 |
| Less: Allowance for expected credit loss | (523.51) | (346.86) | (199.45) |
| | 8,441.42 | 7,346.23 | 5,586.90 |
| Credit impaired receivables | 97.06 | 69.71 | 28.89 |
| Less: Allowance for expected credit loss | (97.06) | (69.71) | (28.89) |
| | - | - | - |
| | 8,441.42 | 7,346.23 | 5,586.90 |

Refer note 27 & 30 for information on trade receivables pledged as security by the Group.
Refer note 52 for receivables from related parties included in trade receivables.

18 Cash and cash equivalents

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---------------------------------------|------------------------|------------------------|------------------------|
| Balances with banks: | | | |
| - in current and cash credit accounts | 299.75 | 172.44 | 281.09 |
| Cash in hand | 9.57 | 8.57 | 5.96 |
| | 309.32 | 181.01 | 287.05 |

19 Other bank balances

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|------------------------|------------------------|------------------------|------------------------|
| Margin money deposits* | 978.86 | 734.26 | 583.96 |
| Cash credit | - | 24.27 | 53.42 |
| Fixed deposits | 480.67 | 252.81 | 213.04 |
| | 1,459.53 | 1,011.34 | 850.41 |

* The deposits are pledged against: Bank guarantees issued to sales tax authorities, and for cash credit/ letter of credit facilities.

20 Loans (Current)

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--------------------------------------|------------------------|------------------------|------------------------|
| <i>Unsecured, considered good</i> | | | |
| Security deposits | 1.56 | 2.63 | 50.64 |
| Tender fee and earnest money deposit | 6.34 | 6.05 | 6.48 |
| | 7.89 | 8.67 | 57.12 |

21 Other financial assets (current)

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|-----------------------------|------------------------|------------------------|------------------------|
| Export benefits receivables | 126.92 | 198.13 | 141.60 |
| Accrued revenue | 139.10 | 269.39 | - |
| Other receivables | - | 1.16 | 6.14 |
| | 266.02 | 468.68 | 147.74 |

22 Current tax assets

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|------------------------------|------------------------|------------------------|------------------------|
| Income tax refund receivable | - | - | 9.07 |
| | - | - | 9.07 |

Jash Engineering Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020***(All amount in INR lakhs unless stated otherwise)***23 Other current assets**

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|-------------------------------------|------------------------|------------------------|------------------------|
| Advances to suppliers | 24.96 | 101.13 | 96.76 |
| Balances with statutory authorities | 46.82 | 64.06 | 228.90 |
| Prepaid expenses | 84.69 | 84.06 | 25.97 |
| Advances to financial institutions | 2.95 | 136.32 | 125.07 |
| Advances given to employees | 5.69 | 11.89 | 4.76 |
| | 165.11 | 397.47 | 481.46 |

24 Asset held for sale

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--------------------------------|------------------------|------------------------|------------------------|
| Tangible assets held for sale* | | | |
| - Land and factory shed | 791.55 | 726.30 | 829.31 |
| - Plant and machinery | - | 207.86 | 357.87 |
| | 791.55 | 934.16 | 1,187.18 |

*After the acquisition of land and factory shed by Jash USA Inc from VAG USA LLC, the management had decided to sell major portion of land and factory shed and identified a buyer for the same. However, such sale of land and factory shed got delayed because of certain circumstances which were beyond the control of management. With the revised proposal given to the buyer, the management is now expecting that the land and factory shed will be sold during the year ended 31 March 2021. Further, the carrying value of assets held for sale valued at lower of cost or realizable value.

(This space has been intentionally left blank)

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

| 25 Equity share capital | As at 31 March 2020 | | As at 31 March 2019 | | As at 01 April 2018 | |
|---|---------------------|-----------------|---------------------|-----------------|---------------------|-----------------|
| | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount |
| Authorised | | | | | | |
| Equity shares of INR 10 each | 13,490,000 | 1,349.00 | 12,490,000 | 1,249.00 | 12,490,000 | 1,249.00 |
| Preference shares of INR 10 each | 510,000 | 51.00 | 510,000 | 51.00 | 510,000 | 51.00 |
| | 14,000,000 | 1,400.00 | 13,000,000 | 1,300.00 | 13,000,000 | 1,300.00 |
| Issued, subscribed and fully paid up | | | | | | |
| Equity Shares of INR 10 each | 11,836,598 | 1,183.66 | 11,836,598 | 1,183.66 | 11,836,598 | 1,183.66 |
| | 11,836,598 | 1,183.66 | 11,836,598 | 1,183.66 | 11,836,598 | 1,183.66 |

a) Reconciliation of equity share outstanding at the beginning and end of the year

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--------------------------------------|-------------------------------------|-------------------------------------|
| Balance at the beginning of the year | 11,836,598 | 11,836,598 |
| Add: shares issued during the year | - | - |
| Balance at the end of the year | 11,836,598 | 11,836,598 |

b) Details of shareholders holding more than 5% of the shares of the Group

| | As at 31 March 2020 | | As at 31 March 2019 | | As at 01 April 2018 | |
|--|---------------------|--------------|---------------------|--------------|---------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding | Number of shares | % of holding |
| Mr. Pratik Patel | 1,921,065 | 16.23% | 1,921,065 | 16.23% | 1,911,465 | 16.15% |
| Mr. Axel Schutte | 770,000 | 6.51% | 770,000 | 6.51% | 770,000 | 6.51% |
| Sundaram Alternative Opportunites fund | 594,000 | 5.02% | 594,000 | 5.02% | 594,000 | 5.02% |

c) Terms/rights attached to equity shares

The Group has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Shares reserved for issue under options

Information relating to Jash Engineering Employee Stock Option Scheme, including the details of options granted during the financial year and options outstanding at the end of reporting period are specified in note 52.

e) Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years to be

There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years.

| 26 Other equity | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| | Securities premium | 4,514.75 |
| General reserve | 1,200.27 | 1,147.16 |
| ESOP reserve (refer note 55) | 18.28 | - |
| Foreign currency translation reserve | (47.65) | (43.58) |
| Surplus in the Statement of Profit and Loss | 5,677.82 | 4,198.18 |
| | 11,363.47 | 9,816.51 |

The Board of Directors of the Holding Company, in their meeting held on 25 June 2020, recommended a final dividend of INR 0.90 per fully paid up equity share of INR 10 each, aggregating to INR 106.53 lakhs for the year ended 31 March 2020, subject to approval of shareholders at the ensuing Annual General Meeting of the Group.

Securities premium: Securities premium represents premium received on issue of shares. The reserve is being utilised in accordance with the provisions of the Companies Act, 2013.

General reserve: General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another.

ESOP reserve: This reserve represents recognition of the grant date value of options issued to employees under Employee stock option plan and adjusted as and when such options are exercised or otherwise expire.

Foreign currency translation reserve: Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

(This space has been intentionally left blank)

Jash Engineering Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020***(All amount in INR lakhs unless stated otherwise)***27 Non-current borrowings**

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--|------------------------|------------------------|------------------------|
| Secured | | | |
| Term loans | | | |
| -Term loans from banks (refer note (i) below) | 381.57 | 133.51 | 13.45 |
| -Foreign currency loans from banks (refer note (i) below) | 1,389.96 | 1,404.68 | 2,392.83 |
| -Term loans from financial institutions (refer note (ii) below) | 238.61 | 424.35 | 577.00 |
| Vehicle loans from banks (refer note (iii) below) | 5.03 | 35.71 | 65.31 |
| Lease liabilities | 747.34 | 465.94 | 486.39 |
| | 2,762.51 | 2,464.20 | 3,534.98 |
| Less : Current maturities of lease liabilities | (122.03) | (65.76) | (65.93) |
| Less : Current maturities of other non-current borrowings | (949.18) | (1,275.66) | (1,136.11) |
| | 1,691.31 | 1,122.77 | 2,332.94 |

Details of guarantee for each type of borrowings**Guaranteed by directors and related parties**

| | | | |
|--|----------|--------|----------|
| Term loans from banks and financial institutions | 1,481.87 | 822.69 | 1,289.67 |
|--|----------|--------|----------|

Repayment terms and security for the outstanding long term borrowings (including current maturities):**i) Term loans from banks**

1) The Holding Company availed term loan facility from State Bank of India amounting to INR 1,200.00 lakhs at rate of interest of State Bank of India's base rate 10% plus 3.4%. Base rate keeps on changing. Repayment of term loan was to be done in 16 quarterly installment commencing from July 2015 with last installment falling due in year 2019-20. During the previous year ended 31 March 2019, the Holding Company has converted its rupee term loan into foreign currency loan amounting to NIL (31 March 2019: INR 264.83 lakhs, 01 April 2018: INR 699.92 lakhs). Outstanding book balance of rupee term loan is Nil (31 March 2019: INR 133.51 lakhs and 01 April 2018: INR 13.45 lakhs) and outstanding book balance of foreign term loan is Nil (31 March 2019: INR 264.83 lakhs and 01 April 2018: INR 699.22 lakhs).

The aforesaid term loan is secured by way of :

(a) First pari passu charge over Holding Company's entire stocks comprising raw materials, stock in process, finished goods, consumable stores and spares and receivables at Unit I and Unit II, SEZ.

(b) Exclusive first charge by way of equitable mortgage over land and shed and hypothecation over Holding Company's entire present and future property, plant and equipment comprising land, building, plant and machinery and miscellaneous property, plant and equipment at Unit I and SEZ .

Further secured by following collateral securities:

(a) Second charge by way of equitable mortgage of land and shed and hypothecation of plant and machinery situated at plot no. 18-C, 29 to 31,32 B Sector C, Industrial Area, Sanwer Road, Indore and Plot No. M-11, Misc Zone Phase -II SEZ, Pithampur Distt. Dhar, survey no. 74/1, 74/2/1, 76/1/3, 76/1 Patwari Halka no. 19, Bardari tehsil, Sanwer district - Indore and survey no. 77, Patwari Halka no. 36, Bardari, Sanwer, district Indore.

(b) First pari passu charge by way of equitable mortgage of factory land and building situated at Bardari village, Sanwer district Indore Patwari Halka no. 19, Khasra no. 74/2/2 admeasuring 1.179 hectare and first charge on khasra no 76/1/3 admeasuring 0.183 hectare and 76/1/1 admeasuring 0.243 hectare in the name of Patamin Investments Private Limited which is an entity in which key management personnel has significant influence.

(c) Pledge of 30% shares of Shivpad Engineers Private Limited.

Further secured by personal guarantee of Directors, Mr. Pratik Patel and Mr. L. D. Amin and corporate guarantee of M/s Patamin Investments Private Limited.

2) The Holding Company availed loan against property facility from HDFC Bank amounting to INR 385.00 lakhs at rate of interest of 9.55 %. Repayment of term loan is to be done in 119 monthly installments of INR 5.02 lakhs with last installment falling due in year 2029-30. Outstanding book balance of rupee term loan is INR 364.86 lakhs (31 March 2019: Nil, 01 April 2018 : Nil).

The aforesaid term loan is secured by way of :

First pari passu charge on all current assets.

First pari passu charge on 30% shares of Shivpad Engineers Private Limited.

Second pari passu charge on plant, property and equipment (including land and building) of Unit 1, unit 2 and SEZ.

Second pari passu charge by way of equitable mortgage of factory land and building situated at Bardari village, Sanwer district Indore Patwari Halka no. 19, Khasra no. 74/2/2 admeasuring 1.179 hectare and first charge on khasra no 76/1/3 admeasuring 0.183 hectare and 76/1/1 admeasuring 0.243 hectare in the name of Patamin Investments Private Limited which is an entity in which key management personnel has significant influence.

Personal guarantee by Mr. LD Amin and Mr. Pratik Patel.

3) The Holding Company availed term loan facility from Axis Bank amounting to INR 918.94 lakhs at rate of interest of Axis Bank MCLR 8.45% plus 1.05% i.e. 9.50%. Repayment of term loan is to be done in 51 monthly installments of with last installment falling due in year 2024-25. The Company has converted its rupee term loan into foreign currency loan amounting to INR 871.95 lakhs (31 March 2019: Nil and 01 April 2018: Nil). Outstanding book balance of rupee term loan is INR 16.71 lakhs (31 March 2019: NIL, 01 April 2018: NIL) and Outstanding book balance of foreign currency loan is INR 861.69 lakhs (31 March 2019: NIL, 01 April 2018 : NIL)

The aforesaid term loan is secured by way of :

(a) First Charge by way of equitable mortgage of factory land & building situated at plot no. M 19, SEZ PH II, Pithampur admeasuring total area 8,661.67 sq. meters in name of Company.

(b) First Charge by way of hypothecation over plant & machinery situated at Plot No. M 19, SEZ PH II, Pithampur.

Further secured by following collateral securities:

(a) Second pari-passu charge on captioned property and plant and machinery with SBI, HDFC & for residual charge of SIDBI for their exposure on reciprocal basis.

(b) Personal guarantee by Mr. LD Amin and Mr. Pratik Patel.

(c) Corporate guarantee by Patamins Investment Private Limited.

Jash Engineering Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020***(All amount in INR lakhs unless stated otherwise)*

3) The Subsidiary Company Jash USA INC obtained a loan from HDFC Bank, Bahrain amounting to \$1,450,000 on 24 January 2017. It further obtained additional loan amounting to \$1,400,000 during the year ended 31 March 2018. The Group utilized this loan for acquisition of assets from VAG USA LLC. The loan is entirely guaranteed by the Holding Company. The said loans bear an interest of prevailing 6-month LIBOR+2.5% (average interest rate for the year ended 31 March 2020: 4.45%). These loans are payable in 42 months from the date of borrowing. Outstanding balance of the term loan is INR 528.26 lakhs (31 March 2019: INR 1,139.86 lakhs, 31 March 2018: INR 1,693.61 lakhs). The term loan is secured by SBLC equal to 110% of loan value by the Holding Company issued in favour of HDFC Bank and corporate guarantee by the Holding Company.

ii) Term loans from financial institutions

1) The Holding Company availed term loan facilities from Small Industries Development Bank of India amounting to INR 400.00 lakhs and INR 224.3 lakhs at rate of interest of 9.50%. Repayment of term loan is to be done in 36 monthly installments which commenced in the year ending 01 April 2018 with last installment falling due in year 2020-2021. Outstanding book balance of term loan is INR 238.61 lakhs (31 March 2019: INR 424.35 lakhs and 01 April 2018: INR 577.00 lakhs).

The aforesaid term loan is secured by way of :

- (a) First hypothecation charge over the Holding Company's movable such as plant machinery, vehicle, machinery spares, tools, office equipments, computer, computer fixture acquired under the project.
- (b) Extension of first charge by way of hypothecation of all movables including plant, machinery, vehicles, machinery spares, tools office equipments, computers acquired earlier financial assistance.
- (c) Residual charge by way of mortgage of leasehold factory land and Building (Unit-1) situated at Survey No. 18B2, 18E2, 18 D2, 18C, 19, 29, 30, 31 & 32B industrial area Sector C, village Sukhliya Tehsil & Dist Indore.
- (d) Residual charge by way of mortgage of leasehold factory land and Building situated at survey no. 74/1, 74/2/1, 76/1/,3, 76/1 Patwari Halka no. 19, Bardari tehsil, Sanwer district, Indore and survey no. 77, Patwari Halka no. 36, Bardari tehsil, Sanwer district, Indore.
- (e) Residual charge by way of mortgage of land and building situated at plot no. M-11 SEZ, Pithampur, Tehsil & district Dhar.
- (f) Residual charge by way of mortgage of land and building situated at survey no. 74/2/2, 76/1/1 village Bardari, Sanwer, Dist. Indore owned by Patamin Investment Private Limited.
- (g) Further secured by personal guarantee of Directors, Mr. Pratik Patel and Mr. L. D. Amin and corporate guarantee of M/s Patamin Investments Private Limited.

iii) Vehicle loans from banks

| As at 31 March 2020 | Principal amount | Amount outstanding | Number of remaining installments | Installment amount | Date of loan | Rate of interest | Hypothecation of |
|------------------------|------------------|-----------------------|--|-----------------------|-----------------|------------------|---------------------|
| Vehicle loan | 6.34 | 1.57 | 8.00 | 0.20 | 1 November 2017 | 9.60% | Vehicle |
| Vehicle loan | 6.00 | 0.75 | 4.00 | 0.19 | 28 June 2017 | 8.60% | Vehicle |
| Vehicle loan | 38.00 | 1.20 | 1.00 | 1.21 | 24 April 2017 | 9.10% | Vehicle |
| Vehicle loan | 9.00 | 1.51 | 5.00 | 0.28 | 8 August 2017 | 8.60% | Vehicle |

| As at 31 March 2019 | Principal amount | Amount outstanding | Number of remaining installments | Installment amount | Date of loan | Rate of interest | Hypothecation of |
|------------------------|------------------|-----------------------|--|-----------------------|------------------|------------------|---------------------|
| Vehicle loan | 43.70 | 9.66 | 11.00 | 0.94 | 21 February 2015 | 10.40% | Vehicle |
| Vehicle loan | 6.34 | 3.75 | 20.00 | 0.20 | 1 November 2017 | 9.60% | Vehicle |
| Vehicle loan | 6.00 | 2.86 | 16.00 | 0.19 | 28 June 2017 | 8.60% | Vehicle |
| Vehicle loan | 38.00 | 14.90 | 13.00 | 1.21 | 24 April 2017 | 9.10% | Vehicle |
| Vehicle loan | 9.00 | 4.54 | 17.00 | 0.28 | 8 August 2017 | 8.60% | Vehicle |

| As at 1 April 2018 | Principal amount | Amount outstanding | Number of remaining installments | Installment amount | Date of loan | Rate of interest | Hypothecation of |
|-----------------------|------------------|-----------------------|--|-----------------------|------------------|------------------|---------------------|
| Vehicle loan | 43.70 | 19.34 | 23.00 | 0.94 | 21 February 2015 | 10.40% | Vehicle |
| Vehicle loan | 5.18 | 0.63 | 3.00 | 0.22 | 14 June 2015 | 10.10% | Vehicle |
| Vehicle loan | 6.34 | 5.72 | 32.00 | 0.20 | 1 November 2017 | 9.60% | Vehicle |
| Vehicle loan | 6.00 | 4.80 | 28.00 | 0.19 | 28 June 2017 | 8.60% | Vehicle |
| Vehicle loan | 38.00 | 27.38 | 25.00 | 1.21 | 24 April 2017 | 9.10% | Vehicle |
| Vehicle loan | 9.00 | 7.43 | 29.00 | 0.28 | 8 August 2017 | 8.60% | Vehicle |

28 Provisions (non-current)

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---|------------------------|------------------------|------------------------|
| Provision for employee benefits* | | | |
| Gratuity | 269.49 | 115.95 | 67.50 |
| Leave encashment | 120.95 | 85.95 | 80.21 |
| | 390.44 | 201.89 | 147.71 |

* Refer note 48 for details

29 Other non-current liabilities

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|------------------|------------------------|------------------------|------------------------|
| Deferred grant * | 1.22 | 7.60 | 14.42 |
| | 1.22 | 7.60 | 14.42 |

*Deferred grant is the component of the concessional rate borrowings availed from the bank at a lower rate than the market rate.

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

30 Current borrowings

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--|------------------------|------------------------|------------------------|
| Secured | | | |
| Short term loan from bank (refer note (i) below) | 500.00 | - | 300.00 |
| Short term loan from financial institution (refer note (ii) below) | 684.60 | - | - |
| Cash credit facilities from bank (refer note (i),(iii) and (iv) below) | 4,422.80 | 4,914.44 | 2,957.29 |
| Unsecured | | | |
| Loans from related parties (refer note 52) | - | - | 21.39 |
| | 5,607.40 | 4,914.44 | 3,278.68 |

Notes:

(i) Security for the outstanding short term borrowings :

(i) 'Fund based credit facility of INR 2,100.00 lakhs (31 March 2019: INR 1,600.00 lakhs and 01 April 2018: INR 1,100.00 lakhs) sanctioned to the Holding Company from HDFC Bank during the year. It comprise of CC facility including sub-limit of short term loan facility at annual rate of interest of 1.2% above MCLR-1 year. Outstanding book balance for CC account from HDFC as on 31 March 2020 is INR 1,331.00 lakhs (31 March 2019: INR 1,569.12 lakhs, 01 April 2018: INR 365.99 lakhs) and outstanding balance of short term loan facility is INR 500.00 lakhs (31 March 2019: Nil, 01 April 2018: INR 300.00 lakhs).

The facilities from bank are secured by way of:

Primary security: First pari passu charge on all current assets of the Group as on 31 March 2020.

Collateral:

- Pledge of 30% shares of Shivpad Engineers Private Limited.
- Second pari passu charge on property, plant and equipment of Unit 1 and SEZ.
- Second pari passu charge on entire property, plant and equipment of Unit 2 and SEZ.
- Second pari passu charge on land owned by Patamin Investments Private Limited.

Also secured by way of guarantees from:

- Mr. L.D. Amin
- Mr. Pratik Patel

ii) Fund based credit facility sanctioned from Bajaj Finance Limited for purchase bills discounting amounting to INR 1,000.00 lakhs at annual rate of interest of 9% per annum and repayable at the end of each tranche tenor. Outstanding Book balance as on 31 March 2020 is INR 684.60 lakhs (31 March 2019: Nil, 01 April 2018: Nil). The facility from Bajaj Finance Limited is secured by existing secured multiple banking arrangement and secured by way of guarantees from Mr. L.D. Amin and Mr. Pratik Patel.

iii) Fund based credit facility sanctioned from State Bank of India comprise of cash credit facility amounting to INR 2,900 lakhs (31 March 2019: INR 2,900 lakhs, 01 April 2018: INR 2,900 lakhs) at an annual rate of interest 0.95% above MCLR-1 year, export packing credit ('EPC') within CC limit amounting to INR 2,100 lakhs (31 March 2019: INR 2,100 lakhs, 01 April 2018: INR 1,500 lakhs) and Standby letter of credit ('SLOC') amounting to INR 500 lakhs (31 March 2019: INR 500 lakhs, 01 April 2018: Nil) at an annual rate of 1.95% above MCLR-1 year. Outstanding Book balance for CC account as on 31 March 2020 is INR 1,854.22 lakhs (31 March 2019 : INR 2,189.59 lakhs, 01 April 2018 : INR 1,878.81 lakhs), EPC account as on 31 March 2020 is INR 799.95 lakhs (31 March 2019: INR 657.43 lakhs, 01 April 2018: INR 743.49 lakhs) and SLOC account as on 31 March 2020 is Nil (31 March 2019: INR 498.30 lakhs, 01 April 2018: Nil).

The facilities from bank are secured by way of:

Primary security: First hypothecation charge over Group's entire stocks comprising raw materials, stock in process, finished goods, consumable stores and spares and receivables at Unit I and SEZ both or at such other places approved by the Bank including good in transit/shipment in the name of Group.

Collateral:

- Second charge by way of equitable mortgage of land and shed and hypothecation of plant and machinery situated at survey no. 74/1, 74/2/1, 76/1./3, 76/1 Patwari Halka no. 19, Bardari tehsil, Sanwer district, Indore and survey no. 77, Patwari Halka no. 36, Bardari tehsil, Sanwer district, Indore.
- Second charge by way of equitable mortgage of land and shed and hypothecation of plant and machinery situated at Unit I and SEZ both.
- First charge by way of equitable mortgage of diverted land situated at Bardari village, Sanwer district, Indore Patwari Halka no. 19, Khasra no. 74/2/2 admeasuring 1.179 hectare in the name of Patamin Investments Private Limited.
- Pledge of 30% shares of Shivpad Engineers Private Limited.

Also secured by way of guarantees from:

- Mr. L.D. Amin
- Mr. Pratik Patel
- Patamin Investments Private Limited

iv) Fund based credit facility sanctioned from Axis Bank during the year comprise of cash credit ('CC') facility of INR 550.00 lakhs (31 March 2019: Nil, 01 April 2018: Nil) at annual rate of interest of 1.2% above 3 month MCLR. Outstanding Book balance for CC account as on 31st march 2020 is INR 437.92 lakhs (31 March 2019: Nil, 01 April 2018: Nil).

The facilities from bank are secured by way of:

'Primary security: First pari-pasu charge over JEL's entire stock comprising raw materials, stock-in-process, finished goods, consumable stores and spares and receivables at 18C, 29-31, 32B, Sector C, Industrial area, Sanwar road, Indore, plot no. M-11, Misc zones, Phase-II SEZ, Pithampur Distt., Dhar, and Survey No. 74/1, 74/2/1, 76/1/3, 76/1 PH no. 19, Bardari Tehsil, distt. Sanwer, Indore and survey no. 77, PH No. 36, Bardari Tehsil, Sanwar District, Indore, Plot no. M 19, SEZ PH-II, Pithampur or at such other places approved by the bank including goods in transit/shipment in the name of the Group with SBI, HDFC Bank and Axis bank.

Jash Engineering Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020***(All amount in INR lakhs unless stated otherwise)***Collateral:**

- a) Extension of first charge by way of mortgage over land and building of the Group situated at Plot No. M-19, SEZ Phase II, Pithampur admeasuring total area 8661.67 square meter in the name of the Group and first charge by way of hypothecation over plant and machinery situated at Plot no. M19, SEZ phase II, Pithampur (2nd pari-passu charge of SBI, HDFC and residual charge of SIDBI for their exposure respectively.
- b) Second pari passu charge with HDFC Bank by way of equitable mortgage of land, Shed/bulding and hypothication of Plant and Machinery situated at Unit-1, Unit-II and SEZ unit.
- c) Second pari passu charge with HDFC Bank by way of equitable mortgage on land in the name of Patamin Investment private Limited.
- d) Personal guarantee by Mr. LD Amin and Mr. Pratik Patel.
- e) Corporate guarantee by Patamins Investment Private Limited

(ii) Loan from related parties

Unsecured loan (repayable on demand) taken from Mr. Pratik Patel, amounting to Nil (31 March 2019: Nil, 01 April 2018: INR 21.39 lakhs) at annual rate of interest of 10% per annum.

(iii) Reconciliation of liabilities arising from financing activities

| | Non-current borrowings and Current maturities of non-current borrowings | Current borrowings | Total |
|--|---|--------------------|-------------------|
| As at 01 April 2018 | 3,534.98 | 3,278.68 | 6,813.66 |
| Cash flows: | | | |
| Proceeds from borrowings | 52.91 | 1,635.76 | 1,688.67 |
| Repayment of borrowings | (1,117.76) | - | (1,117.76) |
| Repayment of principal component of lease obligation | (20.45) | - | (20.45) |
| Non-cash: | | | |
| Effective interest rate adjustment | 14.52 | - | 14.52 |
| As at 31 March 2019 | 2,464.20 | 4,914.44 | 7,378.64 |
| Cash flows: | | | |
| Proceeds from borrowings | 1,184.68 | 692.96 | 1,877.64 |
| Repayment of borrowings | (1,334.77) | - | (1,334.77) |
| Repayment of principal component of lease obligation | (54.12) | - | (54.12) |
| Non-cash: | | | |
| Effective interest rate adjustment | 14.97 | - | 14.97 |
| Adjustment in lease liability through right-of-use asset | 333.33 | - | 333.33 |
| Others | 154.23 | - | 154.23 |
| As at 31 March 2020 | 2,762.51 | 5,607.40 | 8,369.91 |

31 Trade payables

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---|---------------------|---------------------|---------------------|
| Due to micro and small enterprises [refer note (i) below] | 755.99 | 1,042.62 | 297.63 |
| Dues to others | 3,263.96 | 4,822.01 | 4,501.22 |
| | 4,019.95 | 5,864.63 | 4,798.85 |

(i) Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act ,2006 (MSMED Act, 2006) and based on the information available with the Group, the following are the details:

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---|---------------------|---------------------|---------------------|
| Principal amount remaining unpaid | 755.99 | 1,042.62 | 297.63 |
| Interest accrued and due thereon remaining unpaid | - | - | - |
| Interest paid by the Group in terms of service 16 of MSMED Act 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year. | - | - | - |
| Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year), but without adding the interest specified under MSMED Act, 2006. | - | - | - |
| Interest accrued and remaining unpaid as at the end of the year | - | - | - |
| Further interest remaining due and payable even in the succeeding years ,until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | - | - | - |
| | 755.99 | 1,042.62 | 297.63 |

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

32 Other financial liabilities (current)

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--|------------------------|------------------------|------------------------|
| Current maturities of long-term debts | 1,071.21 | 1,341.42 | 1,202.04 |
| Interest accrued but not due on borrowings | 30.84 | 10.34 | 6.47 |
| Employee related payables | 539.74 | 328.56 | 300.29 |
| Book overdraft | 67.52 | 62.69 | 41.71 |
| Expenses payable | 70.86 | 163.29 | 6.47 |
| Derivative liabilities* | 76.22 | - | - |
| Warranty claims | 3.06 | 63.97 | - |
| Security deposit | 14.47 | 11.92 | 8.64 |
| | 1,873.92 | 1,982.19 | 1,565.62 |

*Derivatives are measured at fair value and are carried as asset when their fair value is positive and are carried as liability when their fair value is negative. The above derivative is a currency derivative pertaining to a forward exchange contract. This contract is entered by the Group to mitigate the risk involved in expected foreign currency cash inflows and outflows. Refer note 49 for details of valuation techniques used.

33 Other current liabilities

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--|------------------------|------------------------|------------------------|
| Income received in advance (refer note 54 for details) | 1,541.59 | 1,293.41 | 419.03 |
| Payable to statutory authorities | 275.58 | 92.89 | 40.65 |
| Deferred grant* | 6.39 | 6.82 | 6.80 |
| | 1,823.56 | 1,393.12 | 466.48 |

*Deferred grant is the component of the concessional rate borrowings availed from the bank at a lower rate than the market rate.

34 Provisions (current)

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---|------------------------|------------------------|------------------------|
| Provision for employee benefits* | | | |
| Gratuity | 1.13 | - | 4.05 |
| Leave encashment | 11.12 | 14.48 | 11.72 |
| | 12.25 | 14.48 | 15.77 |

* Refer note 48 for details

35 Current tax liabilities (net)

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|-------------------------|------------------------|------------------------|------------------------|
| Provision for tax (net) | 281.99 | 110.57 | 14.62 |
| | 281.99 | 110.57 | 14.62 |

*Amount of advance tax paid and MAT credit adjusted INR 444.64 lakhs (31 March 2019: INR 358.06 lakhs, 31 March 2018: INR 181.28 lakhs)

(This space has been intentionally left blank)

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

36 Revenue from operations

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---------------------------------|-------------------------------------|-------------------------------------|
| Operating revenue | | |
| Manufactured goods | 26,308.73 | 24,411.97 |
| Sale of services | 124.09 | 57.55 |
| Other operating revenues | | |
| Scrap sales | 1,286.83 | 242.74 |
| Export benefits | 54.14 | 60.91 |
| | 27,773.79 | 24,773.17 |

37 Other income

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Interest from | | |
| Bank deposits | 89.79 | 56.23 |
| Other financial assets carried at amortised cost | 12.67 | 15.61 |
| Income Tax Department | 0.67 | - |
| Rental income | 19.27 | 18.68 |
| Foreign currency gain (net) | 460.15 | 77.51 |
| Unclaimed balances written back | 10.96 | 20.04 |
| Profit on sale of property, plant and equipment (net) | 0.05 | - |
| Grant income | 6.81 | 6.80 |
| Miscellaneous income | 189.97 | 500.48 |
| | 790.34 | 695.34 |

38 Cost of materials consumed

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Opening stock | | |
| Raw material | 3,566.40 | 2,713.80 |
| Add: Purchases made during the year | 11,250.03 | 12,718.39 |
| | 14,816.43 | 15,432.19 |
| Less: Closing stock | | |
| Raw material | 2,725.52 | 3,566.40 |
| | 12,090.91 | 11,865.79 |
| Exchange differences | 20.29 | 6.22 |
| | 12,111.20 | 11,872.01 |

39 Purchase of traded goods

| | | |
|--------------------------|-----------------|---------------|
| Purchase of traded goods | 1,176.68 | 739.31 |
| | 1,176.68 | 739.31 |

40 Changes in inventories of finished goods, work-in-progress and stock-in-trade

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|----------------------|-------------------------------------|-------------------------------------|
| Opening stock | | |
| Work-in-progress | 1,215.95 | 950.75 |
| Finished goods | 1,198.65 | 1,214.50 |
| Goods in transit | 52.77 | 86.04 |
| | 2,467.36 | 2,251.29 |
| Closing stock | | |
| Work-in-progress | (1,822.32) | (1,215.95) |
| Finished goods | (1,444.63) | (1,198.65) |
| Goods in transit | - | (52.77) |
| | (3,266.95) | (2,467.36) |
| Exchange differences | 64.07 | (544.56) |
| | (735.52) | (760.63) |

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

41 Employee benefits expense

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Salary, wages and bonus | 4,521.17 | 3,678.40 |
| Contribution to provident and other funds | 205.95 | 189.66 |
| Share based payments to employees (refer note 55) | 18.28 | - |
| Staff welfare expenses | 145.65 | 108.29 |
| | 4,891.05 | 3,976.35 |

42 Finance costs

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|-----------------------|-------------------------------------|-------------------------------------|
| Interest on | | |
| Term loans | 709.02 | 549.12 |
| On income tax delays | 18.41 | 9.96 |
| On lease obligations | 64.90 | 49.02 |
| On others | 40.77 | 74.83 |
| Other borrowing costs | 200.39 | 167.10 |
| | 1,033.50 | 850.04 |

43 Depreciation and amortisation expense

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Depreciation of property, plant and equipment* | 652.14 | 591.82 |
| Amortisation of intangible assets (refer note 7) | 130.08 | 133.05 |
| | 782.22 | 724.87 |

*Includes depreciation on right-of-use assets amounting to INR 72.85 lakhs (31 March 2019: INR 39.14 lakhs). Refer note 5 for further details.

44 Other expenses

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Consumption of stores and spare parts | 900.39 | 963.20 |
| Power, fuel and water charges | 362.20 | 367.80 |
| Contractual labour charges | 378.01 | 331.55 |
| Freight charges | 685.60 | 325.49 |
| Legal and professional fees | 222.16 | 171.00 |
| Advertisement and sales promotion expenses | 82.12 | 168.20 |
| Travelling expenses | 234.00 | 228.22 |
| Repairs and maintenance | | |
| on buildings | 2.70 | 54.74 |
| on others | 121.21 | 77.97 |
| Insurance | 115.10 | 31.13 |
| Rent | 17.27 | 32.49 |
| Rates and taxes | 71.27 | 86.54 |
| Royalty | 78.16 | 67.17 |
| Commission and brokerage | 577.55 | 232.57 |
| Job work charges | 1,137.22 | 1,102.65 |
| Communication expenses | 13.47 | 14.04 |
| Warranty cost | - | 61.42 |
| Conveyance expenses | 22.85 | 22.87 |
| Advances and other balance written off | 239.40 | 276.69 |
| Vehicle running and maintenance | 24.17 | 26.27 |
| Export expenses | 252.38 | 711.98 |
| Drawing, designing and pattern charges | 124.34 | 117.02 |
| Service charges | 31.23 | 36.59 |
| Loss on sale of property, plant and equipment | 6.73 | 0.01 |
| Loss allowance for expected credit losses (refer note 49) | 183.50 | 69.84 |
| Miscellaneous expenses | 647.62 | 1,108.10 |
| | 6,530.65 | 6,685.58 |

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

45 Tax expense

The income tax expense consists of the following:

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Current tax expense | | |
| <i>Tax expense for current year</i> | 787.22 | 553.97 |
| Deferred tax expense / (credit) | (22.55) | 57.42 |
| Total tax expense | 764.67 | 611.39 |

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Group at 29.12% (previous year: 29.12%) and the reported tax expense in profit or loss are as follows:

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Accounting profit before income tax | 2,774.35 | 1,380.98 |
| At India's statutory income tax rate of 29.12% (31 March 2019: 29.12%) | 807.89 | 402.14 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Effect of tax incentive u/s 10AA | (100.56) | (208.26) |
| Non-deductible expenses | 11.08 | 5.03 |
| Effect of tax to be reversed during tax holiday period | (10.14) | 10.05 |
| Effect of change in tax rate | - | (56.61) |
| Effect of different tax rate of subsidiaries | 9.13 | 67.57 |
| Earlier years tax adjustments (net) | (2.25) | 1.06 |
| Items on which deferred tax was not created | 135.32 | 363.19 |
| Others | (85.80) | 27.22 |
| Income tax expense | 764.67 | 611.39 |

Unsued tax losses

The Group has two subsidiary companies where there are unused tax losses or credits for which no deferred tax assets are recognised.

a) In Jash USA INC, total accumulated net operating tax losses as at 31 March 2020 amounts to INR 3,627.86 lakhs (31 March 2019: INR 3,760.79 lakhs). The expiry of these losses are based on US federal and state tax laws. Significant tax losses under the US federal laws will begin to expire after 2031 and only tax losses amounting to INR 91.13 lakhs (31 March 2019: INR 767.71 lakhs) is allowed to be carried forward indefinitely.

b) In Mahr Maschinenbau GmbH, the amount of assessed unused tax losses as at the end of reporting period amounts to INR 685.64 lakhs and the Group expects that these losses shall be settled in the next accounting period on liquidation of this entity.

Unrecognised temporary differences

A subsidiary of the Group have undistributive earnings of INR 596.45 lakhs (31 March 2019: INR 528.09 lakhs) which, if paid out as dividends, would be subject to tax in the hand of the recipient. An assessable temporary differences exists, but no deferred tax liability has been recognised as the Holding company is able to control the timings of the distributions from this subsidiary and is not expected to distribute these profits in the foreseeable future.

46 Earnings per equity share

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| a) Net profit attributable to equity shareholders | 2,009.68 | 769.59 |
| b) Weighted average number of shares* | 11,836,598 | 11,836,598 |
| c) Nominal value of shares | 10.00 | 10.00 |
| d) Earnings per share | | |
| Basic earnings per share | 16.98 | 6.50 |
| Diluted earnings per share* | 16.98 | 6.50 |

*The Group has granted employee stock option during the financial year 2019-20. However, the same are anti-dilutive for the year ended 31 March 2020.

(This space has been intentionally left blank)

Jash Engineering Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020***(All amount in INR lakhs unless stated otherwise)***47 Contingent liabilities and other matters**

| | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---|------------------------|------------------------|------------------------|
| a) Contingent liabilities (under litigation), not acknowledged as debt, include: | | | |
| Demand for central sales tax | | | |
| <i>Financial year 2014-15</i> | - | - | 220.65 |
| <i>Financial year 2015-16</i> | - | 51.35 | 73.70 |
| <i>Financial year 2016-17</i> | 131.22 | | |
| Demand for service tax | | | |
| <i>Financial year 2010-11</i> | - | 23.12 | 23.12 |
| <i>Financial year 2016-17</i> | 2.13 | | |
| | 133.35 | 74.48 | 317.47 |

Note: The Group has certain litigations involving vendor and work contractor. Based on legal advice of in-house legal consultants, the management believes that no material liability will devolve on the Group in respect of these litigations

b) Commitments

| | | | |
|---|-------|-------|--------|
| Estimated amount of contracts remaining to be executed on capital accounts and not provided for | 23.08 | 51.79 | 292.50 |
|---|-------|-------|--------|

(This space has been intentionally left blank)

Jash Engineering Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amount in INR lakhs unless stated otherwise)
48 Employee benefits
A Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

(i) Amount recognised in the balance sheet is as under:

| Particulars | 31 March 2020 | | 31 March 2019 | | 01 April 2018 | |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | Current | Non-current | Current | Non-current | Current | Non-current |
| Gratuity | 1.13 | 269.49 | - | 115.95 | 4.05 | 67.50 |

(ii) Amount recognised in the statement of profit and loss is as under:

| Description | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Current service cost | 73.89 | 55.36 |
| Net interest cost | 8.78 | 3.64 |
| Net impact on profit (before tax) | 82.67 | 55.36 |
| Actuarial loss/(gain) recognised during the year | 68.57 | 11.52 |
| Amount recognised in the statement of profit and loss | 151.25 | 66.88 |

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

| Description | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Present value of defined benefit obligation as at the start of the year | 568.06 | 479.09 |
| Current service cost | 73.89 | 55.36 |
| Interest cost | 43.27 | 36.56 |
| Actuarial loss/(gain) recognised during the year | 68.57 | 11.52 |
| Benefits paid | (22.12) | (14.46) |
| Present value of defined benefit obligation as at the end of the year | 731.68 | 568.06 |

(iv) Movement in the plan assets recognised in the balance sheet is as under:

| Description | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| Fair value of plan assets at beginning of year | 452.11 | 411.59 |
| Expected return on plan assets | 31.06 | 33.37 |
| Employer's contribution | - | 25.00 |
| Fund management charges | - | (4.52) |
| Benefits paid | (22.12) | (13.31) |
| Fair value of plan Assets at the end of the year | 461.06 | 452.11 |
| Actual return on plan assets | 31.06 | 32.17 |

(v) Breakup of actuarial (gain)/loss:

| Description | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Actuarial (gain)/loss on arising from change in demographic assumption | 0.36 | - |
| Actuarial (gain)/loss on arising from change in financial assumption | 55.37 | 3.41 |
| Actuarial (gain)/loss on arising from experience adjustment | 12.85 | 8.11 |
| Total actuarial (gain)/loss | 68.57 | 11.52 |

(vi) Actuarial assumptions

| Description | 31 March 2020 | 31 March 2019 | 01 April 2018 |
|---|---------------|----------------|----------------|
| Discount rate | 6.50%-6.91% | 7.65% | 7.71% |
| Future salary increase | 8.00%-10.00% | 8.00% | 8.00% |
| Expected average remaining working lives of employees (years) | 60/70 years | 60/70/80 years | 60/70/80 years |

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2006-08) Ultimate table.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Jash Engineering Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020****(vi) Sensitivity analysis for gratuity liability**

| Description | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Impact of the change in discount rate | | |
| - Impact due to increase of 0.5 % | (54.45) | (27.56) |
| - Impact due to decrease of 0.5 % | 59.13 | 30.13 |
| Impact of the change in salary increase | | |
| - Impact due to increase of 0.5 % | 57.30 | 29.17 |
| - Impact due to decrease of 0.5 % | (53.53) | (26.91) |

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(viii) Maturity profile of defined benefit obligation

| Description | 31 March 2020 | 31 March 2019 |
|-----------------------|---------------|---------------|
| Within next 12 months | 74.40 | 85.95 |
| Between 1-5 years | 142.41 | 139.38 |
| Beyond 5 years | 514.88 | 342.73 |

(ix) Category of plan assets :

| Particulars | 31 March 2020 | 31 March 2019 | 01 April 2018 |
|--|---------------|---------------|---------------|
| Investments with Life Insurance corporation of India | 100.00% | 100.00% | 100.00% |

- (x) Expected expense on the gratuity plan of the Holding Company in the next accounting period amounts to INR 97.17 lakhs (31 March 2019: INR 68.50 lakhs) and the extent of its contribution to the plan assets is based on future liquidity position.

B Compensated absences (unfunded)

The leave obligations cover the Group's liability for sick and earned leaves. The Group does not have an unconditional right to defer settlement for the obligation shown as current provision balance above. However based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current. Amount of INR 67.11 lakhs (previous year: INR 31.58 lakhs) has been recognised in the statement of profit and loss.

| Particulars | 31 March 2020 | | 31 March 2019 | | 01 April 2018 | |
|---------------------------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | Current | Non-current | Current | Non-current | Current | Non-current |
| Compensated absences (unfunded) | 11.12 | 120.95 | 14.48 | 85.95 | 11.72 | 80.21 |

C Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employee State Insurance Scheme which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and Employee State Insurance Scheme for the year aggregated to INR 205.95 lakhs (31 March 2019: INR 189.66 lakhs).

(This space has been intentionally left blank)

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

49 Financial instruments

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

| Measured at | As at 31 March 2020 | | As at 31 March 2019 | | As at 01 April 2018 | |
|---|---------------------|--------------|---------------------|-------------|---------------------|-------------|
| | Amortised Cost* | FVTPL** | Amortised Cost* | FVTPL** | Amortised Cost* | FVTPL** |
| Investments | - | 0.11 | - | 0.56 | - | 0.91 |
| Trade receivables | 8,441.42 | - | 7,346.23 | - | 5,586.90 | - |
| Loans | 61.95 | - | 51.36 | - | 91.38 | - |
| Cash and cash equivalents | 309.32 | - | 181.01 | - | 287.05 | - |
| Other bank balances | 1,459.53 | - | 1,011.34 | - | 850.41 | - |
| Other financial assets | 266.02 | - | 469.59 | - | 147.74 | - |
| Total | 10,538.23 | 0.11 | 9,059.52 | 0.56 | 6,963.48 | 0.91 |
| Measured at | | | | | | |
| Borrowings (including current maturities of non-current borrowings) | 8,369.91 | - | 7,378.64 | - | 6,813.66 | - |
| Trade payables | 4,019.95 | - | 5,864.63 | - | 4,798.85 | - |
| Other financial liabilities | 726.49 | 76.22 | 640.77 | - | 363.58 | - |
| Total | 13,116.36 | 76.22 | 13,884.03 | - | 11,976.09 | - |

B Fair values hierarchy

The fair value of financial instruments as referred to in note A above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

* Fair value of financial assets and liabilities measured at amortised cost approximates their respective carrying values as the management has assessed that there is no significant movement in factor such as discount rates, interest rates, credit risk from the date of the transition. The fair values are assessed by the management using Level 3 inputs.

** The financial instruments measured at FVTPL represents the following items constitutes to level 1 category and other financial liability containing derivative liability has been valued using level 2 valuation hierarchy above.

(i) Current investments (level 1) - The fair value of quoted equity shares amounting to INR 0.11 lakhs (31 March 2019: INR 0.56 lakhs, 31 March 2018: 0.91 lakhs) are based on the current bid price of respective investment as at the balance sheet date.

(ii) Derivative liabilities (level 2) - These derivative liabilities (included in other financial liabilities) amounting to INR 76.22 lakhs (31 March 2019: Nil, 31 March 2018: Nil) are fair valued based on mark to market forward rates provided by the banks.

C Financial Risk Management

Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

| Risk | Exposure arising from | Measurement | Management |
|--------------------------------|---|-----------------------------|---|
| Credit risk | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost | Aging analysis | Bank deposits, diversification of asset base and credit limits. |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market risk - foreign exchange | Recognised financial assets and liabilities not denominated in Indian rupee (INR) | Cash flow forecasting | Forward contract, if required |
| Market risk - Interest rate | Long-term and short-term borrowings at variable rates | Sensitivity analysis | Negotiation of terms that reflect the market factors |

The Group's risk management is carried out by a finance department (of the Group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

Jash Engineering Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020***(All amount in INR lakhs unless stated otherwise)***I Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management**(i) Credit risk rating**

The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk

(ii) Moderate credit risk

(iii) High credit risk

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Financial assets (other than trade receivables) that expose the entity to credit risk are managed and categorised as follows –

| Basis of categorisation | Asset class exposed to credit risk | Provision for expected credit loss |
|-------------------------|--|--|
| Low credit risk | Cash and cash equivalents, other bank balances, loans and other financial assets | 12 month expected credit loss. |
| Moderate credit risk | Other financial assets | Other financial assets - 12 month expected credit loss, unless credit risk has increased significantly since initial recognition, in which case allowance is measured at lifetime expected credit loss |
| High credit risk | Other financial assets | Other financial assets - Life time expected credit loss (when there is significant deterioration) or specific provision, whichever is higher |

The Group recognises lifetime expected credit losses on trade receivables using a simplified approach, wherein Group has defined percentage of provision by analysing historical trend of default (net of any recoveries from the insurance companies) relevant to each business segment based on the criteria defined above and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for).

Financial assets (other than trade receivables) that expose the entity to credit risk* –

| Particulars | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--|------------------------|------------------------|------------------------|
| Low credit risk on financial reporting date | | | |
| Cash and cash equivalents | 309.32 | 181.01 | 287.05 |
| Other bank balances | 1,459.53 | 1,011.34 | 850.41 |
| Loans | 61.95 | 51.36 | 91.38 |
| Other financial assets | 266.02 | 469.59 | 147.74 |

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables and loans

Life time expected credit loss is provided for trade receivables. Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes export benefits receivables, bank deposits with maturity of more than 12 months, accrued revenue and other receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

(ii) Concentration of trade receivables

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risk are controlled and managed accordingly. Details of the such identified concentrations of credit risk are disclosed below:

| Particulars | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|-------------------|------------------------|------------------------|------------------------|
| Rajkamal Builders | 1,390.93 | 1,387.98 | 974.99 |
| Total | 1,390.93 | 1,387.98 | 974.99 |

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

b) Expected credit losses

i) Financial assets (other than trade receivables)

The Group provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses.

- For cash & cash equivalents and other bank balances - Since the Group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.

- For loans comprising security deposits paid - Credit risk for security deposits and loans is considered low because the Group is in possession of the underlying asset.

- For other financial assets - Credit risk is evaluated based on Group's knowledge of the credit worthiness of those parties and loss allowance is measured. Credit risk in respect of other financial assets is considered as very low.

| As at 31 March 2020 | Gross carrying amount | Expected credit losses | Carrying amount net of impairment provision |
|---------------------------|-----------------------|------------------------|---|
| Loans | 61.95 | - | 61.95 |
| Cash and cash equivalents | 309.32 | - | 309.32 |
| Other bank balances | 1,459.53 | - | 1,459.53 |
| Other financial assets | 266.02 | - | 266.02 |

| As at 31 March 2019 | Gross carrying amount | Expected credit losses | Carrying amount net of impairment provision |
|---------------------------|-----------------------|------------------------|---|
| Loans | 51.36 | - | 51.36 |
| Cash and cash equivalents | 181.01 | - | 181.01 |
| Other bank balances | 1,011.34 | - | 1,011.34 |
| Other financial assets | 469.59 | - | 469.59 |

| As at 01 April 2018 | Gross carrying amount | Expected credit losses | Carrying amount net of impairment provision |
|---------------------------|-----------------------|------------------------|---|
| Loans | 91.38 | - | 91.38 |
| Cash and cash equivalents | 287.05 | - | 287.05 |
| Other bank balances | 850.41 | - | 850.41 |
| Other financial assets | 147.74 | - | 147.74 |

ii) Expected credit loss for trade receivables under simplified approach

The Group recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Group has defined percentage of provision by analysing historical trend of default based on the criteria defined below and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for). Further, the Group has evaluated recovery of receivables on a case to case basis where these related parties will be able to generate adequate positive cash flows for payment of their dues to the Group. Hence, no provision on account of expected credit loss model has been considered for such related party balances.

| As at 31 March 2020 | Gross carrying amount- trade receivables | Expected loss rate | Expected credit loss |
|--|--|--------------------|----------------------|
| Unrelated | | | |
| Not Due | 2,546.17 | 0.89% | 22.69 |
| Less than 6 Months past due | 4,418.11 | 6.89% | 304.21 |
| 6 Months to 1 Year past due | 708.72 | 11.89% | 84.29 |
| 1 Year to 2 Year past due | 607.32 | 18.02% | 109.43 |
| 2 Year to 3 Year past due | 6.15 | 46.99% | 2.89 |
| More than 3 Years past due / credit impaired | 97.06 | 100.00% | 97.06 |
| Other trade receivables* | 310.97 | 0.00% | - |
| Related | 367.48 | 0.00% | - |
| Total | 9,061.99 | | 620.57 |

| As at 31 March 2019 | Gross carrying amount- trade receivables | Expected loss rate | Expected credit loss |
|--|--|--------------------|----------------------|
| Unrelated | | | |
| Not Due | 2,071.92 | 1.32% | 27.34 |
| Less than 6 Months past due | 2,358.55 | 0.80% | 18.86 |
| 6 Months to 1 Year past due | 2,113.71 | 12.40% | 262.19 |
| 1 Year to 2 Year past due | 109.41 | 25.36% | 27.75 |
| 2 Year to 3 Year past due | 48.84 | 21.97% | 10.73 |
| More than 3 Years past due / credit impaired | 69.71 | 100.00% | 69.71 |
| Other trade receivables* | 567.46 | 0.00% | - |
| Related | 423.21 | 0.00% | - |
| Total | 7,762.81 | | 416.58 |

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

| As at 01 April 2018 | Gross carrying amount- trade receivables | Expected loss rate | Expected credit loss |
|--|--|--------------------|----------------------|
| Unrelated | | | |
| Not Due | 2,763.72 | 1.03% | 28.49 |
| Less than 6 Months past due | 1,784.27 | 1.68% | 29.89 |
| 6 Months to 1 Year past due | 311.38 | 9.37% | 29.18 |
| 1 Year to 2 Year past due | 147.60 | 25.37% | 37.44 |
| 2 Year to 3 Year past due | 242.96 | 30.64% | 74.45 |
| More than 3 Years past due / credit impaired | 28.89 | 100.00% | 28.89 |
| Other trade receivables* | 298.73 | 0.00% | - |
| Related | 237.69 | 0.00% | - |
| Total | 5,815.24 | | 228.34 |

* This represents trade receivables of certain subsidiaries, where no expected credit loss provision has been created as there is no past trend of credit losses.

(ii) Reconciliation of loss allowance provision from beginning to end of reporting period:

| Reconciliation of loss allowance | Trade receivables |
|----------------------------------|-------------------|
| Loss allowance on 01 April 2018 | 228.34 |
| Add : Changes in loss allowances | 188.24 |
| Loss allowance on 31 March 2019 | 416.58 |
| Add : Changes in loss allowances | 203.99 |
| Loss allowance on 31 March 2020 | 620.57 |

II Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

a) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

| Floating rate | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---|---------------------|---------------------|---------------------|
| - Expiring within one year (cash credit and other facilities) | 1,591.92 | 235.56 | 1,142.71 |
| - Expiring beyond one year (bank loans) | - | - | - |
| Total | 1,591.92 | 235.56 | 1,142.71 |

The cash credit and other facilities may be drawn at any time and may be terminated by the bank without notice.

b) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Refer note 53 for maturities of lease liabilities

| As at 31 March 2020 | Less than 1 year | 1-2 years | 2-3 years | More than 3 year | Total |
|---|------------------|-----------|-----------|------------------|-----------|
| Borrowings (including current maturities of non-current borrowings and excluding lease liabilities) | 6,556.58 | 283.28 | 232.06 | 570.39 | 7,642.31 |
| Trade payables | 4,019.95 | - | - | - | 4,019.95 |
| Other financial liabilities | 726.49 | - | - | - | 726.49 |
| Total | 11,303.02 | 283.28 | 232.06 | 570.39 | 12,388.76 |

| As at 31 March 2019 | Less than 1 year | 1-2 years | 2-3 years | More than 3 year | Total |
|---|------------------|-----------|-----------|------------------|-----------|
| Borrowings (including current maturities of non-current borrowings and excluding lease liabilities) | 6,190.10 | 682.87 | 53.89 | - | 6,926.86 |
| Trade payable | 5,864.63 | - | - | - | 5,864.63 |
| Other financial liabilities | 640.77 | - | - | - | 640.77 |
| Total | 12,695.49 | 682.87 | 53.89 | - | 13,432.26 |

| As at 01 April 2018 | Less than 1 year | 1-2 years | 2-3 years | More than 3 year | Total |
|---|------------------|-----------|-----------|------------------|-----------|
| Borrowings (including current maturities of non-current borrowings and excluding lease liabilities) | 4,414.79 | 1,204.39 | 682.87 | 53.96 | 6,356.02 |
| Trade payable | 4,798.85 | - | - | - | 4,798.85 |
| Other financial liabilities | 363.58 | - | - | - | 363.58 |
| Total | 9,577.22 | 1,204.39 | 682.87 | 53.96 | 11,518.45 |

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

III Market risk

a) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, EURO, Singapore Dollar (SGD), Canadian Dollar (CAD) and GBP. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Group. Considering the volume of foreign currency transactions, the Group's exposure to foreign currency risk is limited and the Group has taken forward contracts to manage its exposure. The Group does not hedge these foreign currency exposures by a derivative instrument or otherwise.

(i) Foreign currency risk exposure in USD:

The Group's exposure to foreign currency risk at the end of the reporting period (Unhedged) are as follows:

| Particulars | As at 31 March 2020 Amount in USD | As at 31 March 2019 Amount in USD | As at 01 April 2018 Amount in USD |
|--|---|---|---|
| Trade receivables | 1.32 | 5.78 | 4.44 |
| Trade payables | - | (11.61) | (0.01) |
| Non-current borrowings | (11.57) | (3.83) | (10.75) |
| Net exposure to foreign currency risk (liabilities) | (10.25) | (9.66) | (6.32) |

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|-------------------------|--|--|
| USD sensitivity | | |
| INR/USD- increase by 5% | (0.51) | (0.48) |
| INR/USD- decrease by 5% | 0.51 | 0.48 |

* Holding all other variables constant

(ii) Foreign currency risk exposure in EURO:

The Group's exposure to foreign currency risk at the end of the reporting period (Unhedged) are as follows:

| Particulars | As at 31 March 2020 Amount in EURO | As at 31 March 2019 Amount in EURO | As at 01 April 2018 Amount in EURO |
|--|---|---|---|
| Trade receivables | 1.35 | 0.10 | 1.52 |
| Trade payables | - | (0.94) | (0.15) |
| Net exposure to foreign currency risk (liabilities) | 1.35 | (0.84) | 1.37 |

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--------------------------|--|--|
| EURO sensitivity | | |
| INR/EURO- increase by 5% | 0.07 | (0.04) |
| INR/EURO- decrease by 5% | (0.07) | 0.04 |

* Holding all other variables constant

(iii) Foreign currency risk exposure in SGD:

The Group's exposure to foreign currency risk at the end of the reporting period (Unhedged) are as follows:

| Particulars | As at 31 March 2020 Amount in SGD | As at 31 March 2019 Amount in SGD | As at 01 April 2018 Amount in SGD |
|--|---|---|---|
| Trade receivables | 29.33 | - | 6.78 |
| Trade payables | (0.81) | - | - |
| Net exposure to foreign currency risk (liabilities) | 28.52 | - | 6.78 |

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|-------------------------|--|--|
| SGD sensitivity | | |
| INR/SGD- increase by 5% | 1.43 | - |
| INR/SGD- decrease by 5% | (1.43) | - |

* Holding all other variables constant

(iv) Foreign currency risk exposure in Canadian Dollar ("CAD"):

The Group's exposure to foreign currency risk at the end of the reporting period (Unhedged) are as follows:

| Particulars | As at 31 March 2020 Amount in CAD | As at 31 March 2019 Amount in CAD | As at 01 April 2018 Amount in CAD |
|--|---|---|---|
| Trade receivables | 2.21 | 2.13 | 1.19 |
| Net exposure to foreign currency risk (liabilities) | 2.21 | 2.13 | 1.19 |

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|-------------------------|-------------------------------------|-------------------------------------|
| CAD sensitivity | | |
| INR/CAD- increase by 5% | 0.11 | 0.11 |
| INR/CAD- decrease by 5% | (0.11) | (0.11) |

* Holding all other variables constant

(v) Foreign currency risk exposure in GBP:

The Group's exposure to foreign currency risk at the end of the reporting period (Unhedged) are as follows:

| Particulars | As at 31 March 2020 Amount in GBP | As at 31 March 2019 Amount in GBP | As at 01 April 2018 Amount in GBP |
|--|---|---|---|
| Trade receivables | 1.33 | 2.12 | 3.74 |
| Trade payables | - | - | (0.01) |
| Net exposure to foreign currency risk (liabilities) | 1.33 | 2.12 | 3.73 |

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|-------------------------|-------------------------------------|-------------------------------------|
| GBP sensitivity | | |
| INR/GBP- increase by 5% | 0.07 | 0.11 |
| INR/GBP- decrease by 5% | (0.07) | (0.11) |

* Holding all other variables constant

a) Interest rate risk**i) Liabilities**

The Group's policy is to minimise interest rate cash flow risk exposures on external financing. The Group is exposed to changes in interest rates through bank borrowings carrying variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

| Particulars | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|--------------------------|------------------------|------------------------|------------------------|
| Variable rate borrowings | 6,340.41 | 6,455.99 | 5,665.80 |

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Interest sensitivity* | | |
| Interest rates – increase by 100 basis points (100 bps) | 63.40 | 64.56 |
| Interest rates – decrease by 100 basis points (100 bps) | (63.40) | (64.56) |

* Holding all other variables constant

b) Price risk

The Group do have investments in equity instruments which create an exposure to price risk. Considering, the amount of quoted investments is insignificant, sensitivity analysis to price changes have not been disclosed.

| Particulars | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|----------------------|------------------------|------------------------|------------------------|
| Investments (quoted) | 0.11 | 0.56 | 0.91 |
| | 0.11 | 0.56 | 0.91 |

50 Capital management

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(a) Debt equity ratio

| Particulars | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---------------------------------|------------------------|------------------------|------------------------|
| Net debt | 8,369.91 | 7,378.64 | 6,813.66 |
| Total equity | 12,547.13 | 11,000.17 | 10,424.80 |
| Net debt to equity ratio | 0.67 | 0.67 | 0.65 |

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

51 Particulars of dividend paid to non-resident and foreign shareholders:

| Description | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Number of shareholders | 14.00 | 14.00 |
| Number of shares held on which dividend was due | 1,187,307 | 1,187,307 |
| Amount remitted (gross): | | |
| - Final, pertaining to financial year 2018-19 (Previous year 2017-18) | 17.81 | 11.87 |
| - Interim dividend, pertaining to financial year 2019-20 (Previous year 2018-19) | 17.81 | - |

52 Related party transactions

Related party disclosures, as required by Indian Accounting Standard 24 - Related Party Disclosures is as under:

(i) Key management personnel

Mr. L.D. Amin, Chairman and Managing Director
 Mr. Pratik Patel, Managing Director
 Mr. Axel Schutte, Director
 Mr. Suresh Patel, Director (w.e.f 14 February 2020)
 Mr. Brij Mohan Maheshwari, Independent Director
 Mr. Sunil Kumar Choksi, Independent Director
 Mr. Vishwapati Trivedi, Independent Director
 Ms. Sunita Kishnani, Independent Director
 Mr. DT Manwani, Independent Director

(iii) Entities in which key management personnel/director is having significant influence/interested with whom there are transactions/balances during the year

Patamin Investments Private Limited
 Jash Precision Tools Limited
 Schutte Industrieservice GmbH (till 31 March 2018)
 Schutte Meyer Industries Private Limited (till 31 July 2017)
 Schutte Meyer Ashwath Alloys Private Limited (till 31 July 2017)
 Schütte Meyer Technical Services GmbH (till 31 March 2018)
 Micro Flat Datums Private Limited
 Jash Flowcon Engineers (a partnership firm)
 L. D. Amin HUF

(ii) Relatives of key managerial personnel with whom there are transactions/balances during

Mrs. Bhairavi Patel (wife of Mr. Pratik Patel)
 Mr. Harsh Patel (son of Mr. Pratik Patel)
 Mrs. Swati Desai (sister of Mr. Pratik Patel)
 Mr. Tarang Amin (brother-in law of Mr. Pratik Patel)
 Mr. Rasesh Amin (son of Mr. L. D. Amin)
 Ms. Avani Vipul Patel (daughter of Mr. L. D. Amin)

(v) Transactions with related parties during the year

| Particulars | Key management personnel and their relatives | | Entities in which key management personnel/director is having significant influence/ interested/ entity having significant influence over the Group | | Total | |
|--|--|---------------|---|---------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| Managerial remuneration | 122.05 | 100.99 | - | - | 122.05 | 100.99 |
| Pratik Patel | 67.84 | 54.65 | - | - | 67.84 | 54.65 |
| L.D. Amin | 50.05 | 46.34 | - | - | 50.05 | 46.34 |
| Suresh Patel | 4.16 | - | - | - | 4.16 | - |
| Sale of goods | - | - | 266.37 | 568.08 | 266.37 | 568.08 |
| Jash Precision Tools Limited | - | - | 265.23 | 551.69 | 265.23 | 551.69 |
| Micro Flat Datums Private Limited | - | - | 1.14 | 16.39 | 1.14 | 16.39 |
| Purchase of goods | - | - | 130.39 | 84.01 | 130.39 | 84.01 |
| Jash Precision Tools Limited | - | - | 5.15 | - | 5.15 | - |
| Micro Flat Datums Private Limited | - | - | 125.24 | 84.01 | 125.24 | 84.01 |
| Job work charges and labour charges | - | - | 182.16 | 248.68 | 182.16 | 248.68 |
| Jash Precision Tools Limited | - | - | 61.65 | 150.34 | 61.65 | 150.34 |
| Jash Flowcon Engineers | - | - | 120.32 | 97.34 | 120.32 | 97.34 |
| Micro Flat Datums Private Limited | - | - | 0.19 | 1.00 | 0.19 | 1.00 |
| Dividend for the year (excluding dividend distribution tax) | 140.71 | 44.45 | 12.09 | 4.03 | 152.80 | 48.48 |
| Pratik Patel | 57.63 | 19.21 | - | - | 57.63 | 19.21 |
| L.D. Adim | 8.02 | 2.67 | - | - | 8.02 | 2.67 |
| Axel Schutte | 23.10 | 7.70 | - | - | 23.10 | 7.70 |
| Patamin Investments Private Limited | - | - | 12.09 | 4.03 | 12.09 | 4.03 |
| Bhairavi Patel | 7.96 | 2.52 | - | - | 7.96 | 2.52 |
| Swati Desai | 7.56 | 0.20 | - | - | 7.56 | 0.20 |
| Tarang Amin | 3.71 | 1.24 | - | - | 3.71 | 1.24 |
| Rasesh Amin | 13.31 | 4.43 | - | - | 13.31 | 4.43 |
| Avani Vipul Patel | 5.92 | 1.97 | - | - | 5.92 | 1.97 |
| Harsh Patel | 13.50 | 4.50 | - | - | 13.50 | 4.50 |

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

(v) Transactions with related parties during the year (Cont'd)

| Particulars | Key management personnel and their relatives | | Entities in which key management personnel/director is having significant influence/ interested/ entity having significant influence over the Group | | Total | |
|--|--|---------------|---|---------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| Interest expense | - | 0.45 | 53.10 | 36.73 | 53.10 | 37.17 |
| Pratik Patel | - | 0.45 | - | - | - | 0.45 |
| Patamin Investments Private Limited | | | 53.10 | 36.73 | 53.10 | 36.73 |
| Lease payments | - | - | 60.00 | 42.00 | 60.00 | 42.00 |
| Patamin Investments Private Limited | - | - | 60.00 | 42.00 | 60.00 | 42.00 |
| Expenses incurred by Group on behalf of related parties | 0.78 | 4.47 | 2.52 | 2.47 | 3.30 | 6.94 |
| Jash Flowcon engineers | - | - | 1.09 | 0.77 | 1.09 | 0.77 |
| Jash Precision Tools Limited | - | - | 1.43 | 1.70 | 1.43 | 1.70 |
| Pratik Patel | 0.78 | 4.47 | - | - | 0.78 | 4.47 |
| Reimbursement of expenses | 8.75 | 21.09 | - | - | 8.75 | 21.09 |
| Pratik Patel | 8.75 | 19.92 | - | - | 8.75 | 19.92 |
| L. D. Amin | | 1.18 | - | - | - | 1.18 |
| Sitting fees | 3.00 | 3.75 | - | - | 3.00 | 3.75 |
| Mr. Brij Mohan Maheshwari | 1.00 | 1.00 | - | - | 1.00 | 1.00 |
| Mr. Sunil Kumar Choksi | 0.50 | 0.75 | - | - | 0.50 | 0.75 |
| Mr. Vishwapati Trivedi | 0.25 | 0.25 | - | - | 0.25 | 0.25 |
| Ms. Sunita Kishnani | 0.50 | 0.75 | - | - | 0.50 | 0.75 |
| Mr. DT Manwani | 0.75 | 1.00 | - | - | 0.75 | 1.00 |
| Legal and professional | - | - | 3.66 | - | 3.66 | - |
| Suresh Patel | - | - | 3.66 | - | 3.66 | - |
| Loan repaid/adjusted | - | 21.39 | - | - | - | 21.39 |
| Pratik Patel | - | 21.39 | - | - | - | 21.39 |

*Interest expense related to Patamin Investments Private Limited is the notional expense booked pursuant to the guidance of IND AS 116, Leases.

(This space has been intentionally left blank)

Jash Engineering Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amount in INR lakhs unless stated otherwise)

52 Related party transactions (continued)

(vi) Year end balances

| Particulars | Key management personnel and their relatives | | | Entities in which key management personnel/director is having significant influence/ interested/ entity having significant influence over the Group | | | Total | | |
|---|--|---------------|---------------|---|---------------|---------------|---------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 | 01 April 2018 | 31 March 2020 | 31 March 2019 | 01 April 2018 | 31 March 2020 | 31 March 2019 | 01 April 2018 |
| Trade receivables | | | | | | | | | |
| Jash Precision Tools Limited | - | - | - | 367.48 | 423.21 | 237.69 | 367.48 | 423.21 | 237.69 |
| Schutte Industrieservice GmbH | - | - | - | 301.58 | 355.76 | 153.46 | 301.58 | 355.76 | 153.46 |
| Micro Flat Datums Private Limited | - | - | - | - | - | 14.72 | - | - | 14.72 |
| | - | - | - | 65.90 | 67.45 | 69.50 | 65.90 | 67.45 | 69.50 |
| Trade payables | | | | | | | | | |
| Jash Precision Tools Limited | - | - | - | 91.27 | 99.95 | 47.32 | 91.27 | 99.95 | 47.32 |
| Micro Flat Datums Private Limited | - | - | - | - | 0.77 | - | - | 0.77 | - |
| Jash Flowcon Engineers | - | - | - | 50.09 | 36.02 | - | 50.09 | 36.02 | - |
| Schutte Industrieservice GmbH | - | - | - | 41.17 | 63.16 | 40.95 | 41.17 | 63.16 | 40.95 |
| | - | - | - | - | - | 6.37 | - | - | 6.37 |
| Short term borrowings | | | | | | | | | |
| Pratik Patel | - | - | - | 21.39 | - | - | - | - | 21.39 |
| | - | - | - | 21.39 | - | - | - | - | 21.39 |
| Lease liability | | | | | | | | | |
| Patamin Investments Private Limited | - | - | - | 507.92 | 350.99 | 356.27 | 507.92 | 350.99 | 356.27 |
| | - | - | - | 507.92 | 350.99 | 356.27 | 507.92 | 350.99 | 356.27 |
| Security deposits* | | | | | | | | | |
| Patamin Investments Private Limited | - | - | - | 37.50 | 25.00 | 25.00 | 37.50 | 25.00 | 25.00 |
| | - | - | - | 37.50 | 25.00 | 25.00 | 37.50 | 25.00 | 25.00 |
| Remuneration payable | | | | | | | | | |
| Pratik Patel | 1.39 | 5.14 | 4.46 | - | - | - | 1.39 | 5.14 | 4.46 |
| L. D. Amin | 0.51 | 3.46 | 2.81 | - | - | - | 0.51 | 3.46 | 2.81 |
| Suresh Patel | - | 1.68 | 1.65 | - | - | - | - | 1.68 | 1.65 |
| | 0.88 | - | - | - | - | - | 0.88 | - | - |
| Tour advance payable.(recoverable) | | | | | | | | | |
| Pratik Patel | (1.49) | 1.60 | - | - | - | - | (1.49) | 1.60 | - |
| L. D. Amin | (1.09) | 1.74 | - | - | - | - | (1.09) | 1.74 | - |
| | (0.40) | (0.14) | - | - | - | - | (0.40) | (0.14) | - |

*The above amount of security deposit is the notional amount as per agreement. However, the same has been carried forward at amortised cost.

Jash Engineering Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020***(All amount in INR lakhs unless stated otherwise)***53 Lease related disclosures**

The Group has applied Ind AS 116 "Leases" for accounting of Leases. The Group has leases for various land locations at different plant sites across India and related facilities. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment. Refer Note 65, First time adoption of Ind AS for disclosures in respect of transition.

a) Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|-------------------|-------------------------------------|-------------------------------------|
| Short-term leases | 17.27 | 32.49 |

b) Total cash outflow for leases for the year ended 31 March 2020 was INR 119.02 lakhs (March 31, 2019: INR 69.47 lakhs)

c) Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

| Gross lease payments | Minimum lease payments due | | | | | | Total |
|----------------------|----------------------------|-----------|-----------|-----------|-----------|-------------------|----------|
| | Within 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | More than 5 years | |
| 31 March 2020 | 125.68 | 121.72 | 109.12 | 101.42 | 71.82 | 1,116.23 | 1,645.99 |
| 31 March 2019 | 69.74 | 70.56 | 68.06 | 58.98 | 53.32 | 889.01 | 1,209.67 |
| 01 April 2018 | 68.81 | 70.00 | 70.83 | 68.25 | 58.98 | 942.33 | 1,279.20 |

d) Extension and termination options

The Group has lease contracts for the land sites where the manufacturing plants are being set up. The Group has considered enforceable extension options available for land leases in lease period assessment since the Group can enforce its right to extend the lease beyond the initial lease periodic likely to be benefited by exercising the extension options.

(This space has been intentionally left blank)

Jash Engineering Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020***(All amount in INR lakhs unless stated otherwise)***54 Disclosures of revenue recognition as per Ind AS 115**

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contracts with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

The Group supplies various category of goods along with installation services. The revenue in respect of these is recognised on point in time basis when the control of goods is transferred to the customer. Following are the major category of products supplied by the Group.

Description of kind of goods and services

- (i) Castings
- (ii) Screening equipment
- (iii) Sluice gate
- (iv) Valves and valves components
- (v) Process Equipments
- (vi) HydroScrew
- (vii) Special purpose valve

Sale of services includes installation charges in respect of sale of goods.

(a) Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes and timing of recognition.

For the year ended 31 March 2020

| Revenue from contracts with customers | Goods | Services | Other operating revenue* | Total |
|---------------------------------------|------------------|---------------|--------------------------|------------------|
| Revenue by geography | | | | |
| India | 12,294.31 | 24.98 | 267.02 | 12,586.31 |
| USA | 8,919.03 | 93.00 | 1,019.81 | 10,031.85 |
| Singapore | 2,132.93 | - | - | 2,132.93 |
| Hongkong | 774.49 | - | - | 774.49 |
| Philippines | 645.43 | - | - | 645.43 |
| Canada | 610.49 | - | - | 610.49 |
| Others | 932.04 | 6.11 | - | 938.15 |
| Total | 26,308.73 | 124.10 | 1,286.83 | 27,719.65 |
| Revenue by time | | | | |
| Revenue recognised at point in time | 26,308.73 | 124.10 | 1,286.83 | 27,719.65 |
| Revenue recognised over time | - | - | - | - |
| Total | 26,308.73 | 124.10 | 1,286.83 | 27,719.65 |

For the year ended 31 March 2019

| Revenue from operations | Goods | Services | Other operating revenue* | Total |
|-------------------------------------|------------------|--------------|--------------------------|------------------|
| Revenue by geography | | | | |
| India | 9,351.12 | 0.00 | 242.74 | 9,593.86 |
| USA | 9,727.27 | 57.55 | - | 9,784.81 |
| Canada | 863.90 | - | - | 863.90 |
| Qatar | 680.36 | - | - | 680.36 |
| Hongkong | 528.10 | - | - | 528.10 |
| Philippines | 386.38 | - | - | 386.38 |
| Others | 2,874.84 | - | - | 2,874.84 |
| Total | 24,411.97 | 57.55 | 242.74 | 24,712.26 |
| Revenue by time | | | | |
| Revenue recognised at point in time | 24,411.97 | 57.55 | 242.74 | 24,712.26 |
| Revenue recognised over time | - | - | - | - |
| Total | 24,411.97 | 57.55 | 242.74 | 24,712.26 |

* Export incentives has been excluded from other operating revenue as same does not pertain to contract with customers

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

(b) Assets and liabilities related to contracts with customers

| Description | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|-----------------------------|---------------------|---------------------|---------------------|
| | Current | Current | Current |
| Contract liabilities | | | |
| Advance from customers* | 1,541.59 | 1,293.41 | 419.03 |
| Contract assets | | | |
| Accrued revenue | 139.10 | 269.39 | - |

*Advance from customers are contract liabilities , where money has been received and performance obligations are not yet satisfied.

(c) Significant change in contract assets/liabilities

| (i) Description- Advance from customers | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Opening balance | 1,293.41 | 419.03 |
| Less: Goods and services delivered during the period | (1,419.33) | (517.84) |
| Add: Advances received during the period | 1,667.52 | 1,392.22 |
| Closing Balance | 1,541.59 | 1,293.41 |

| (ii) Description- Accrued revenue | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Opening balance | 269.39 | - |
| Less: Revenue recognised/billed during the period | (269.39) | - |
| Add: Revenue accrued during the period | 139.10 | 269.39 |
| Closing Balance | 139.10 | 269.39 |

(d) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price

| Description | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Contract price | 27,772.69 | 24,812.90 |
| Less: Discount, rebates, credits etc. | (53.03) | (100.64) |
| Revenue from operations as per Statement of Profit and Loss | 27,719.65 | 24,712.26 |

(e) The Group has not incurred any cost for obtaining contracts except administrative cost required for preparation of offers and the same is charged to Statement of Profit and Loss.

(f) At the end of the financial year, there are no unsatisfied performance obligation for the contracts with original expected period of satisfaction of performance obligation of more than one year.

(This space has been intentionally blank)

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

55 Share-based payments

a) Employee option plan

The establishment of the Jash Engineering (Holding Company) Employee Stock Option Scheme was approved by shareholders through postal ballot on 10 August 2019. The Employee Option Plan is designed to provide incentives to employees who have completed three years in company to deliver long-term returns. Under the plan, participants are granted options which vest in four tranches in four years from the grant date. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Once vested, the options remain exercisable for a period of one month.

Options carry no dividend or voting rights until they are exercised. When exercisable, each option is convertible into one equity share. The exercise price of the options is 20% discount on the closing market price of one day prior to the date of grant on stock exchange where the equity shares of the Group are listed.

Set out below is a summary of options granted under the plan:

| | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|-----------------------------|--|-------------------|--|-------------------|
| | Average exercise price per share option (INR) | Number of options | Average exercise price per share option (INR) | Number of options |
| Opening balance | | | | |
| Granted during the year | 118.64 | 481,400 | | |
| Exercised during the year * | | | | |
| Forfeited during the year | | | | |
| Closing balance | | 481,400 | | |
| Vested and exercisable | - | | - | |

Share options outstanding at the end of the year have the following expiry date and exercise prices:

| Grant Date | Expiry Date | Exercise price (INR) | Fair value of options (INR) | Share options | | |
|---|---------------|----------------------|-----------------------------|---------------------|---------------------|---------------------|
| | | | | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
| 14 February 2020 | 14 March 2021 | 118.64 | 61.80 | 48,140 | | |
| 14 February 2020 | 14 March 2022 | 118.64 | 71.33 | 96,280 | | |
| 14 February 2020 | 14 March 2023 | 118.64 | 80.68 | 144,420 | | |
| 14 February 2020 | 14 March 2024 | 118.64 | 87.43 | 192,560 | | |
| Total | | | | 481,400 | | |
| Weighted average remaining contractual life of options outstanding at end of period | | | | 2.95 | | |

Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 31 March 2020 included:

- i) Options will vest in a graded manner over four years from the date of grant. These options are exercisable within a period of one month of vesting.
- ii) Exercise price: INR 118.64
- iii) Share price at grant date: INR 148.30
- iv) Weighted average expected price volatility*: 72.44%
- v) Weighted average expected dividend yield: 1.36%
- vi) Risk-free interest rate: 6.10% for all tranches
- vii) Weighted average option life : 3.08 years

*The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility based on publicly available information.

(c) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Employee option plan | 18.28 | |
| Total employee share-based payment expense | 18.28 | |

(This space has been intentionally left blank)

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

56 Segment Reporting

In accordance with Ind AS 108, the Board of Directors, being the Chief operating decision maker of the Group has determined "Manufacturing and trading of varied engineering products for general engineering industry, water and waste water industry and bulk solids handling industry" as the only operating segment. Further in terms of paragraph 31 of Ind AS 108, entity wide disclosures have been presented below:

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Revenue from external customers | | |
| Within India | 15,114.16 | 12,894.49 |
| Outside India | 12,659.63 | 11,878.68 |
| Revenue from operations | 27,773.79 | 24,773.17 |

| Particulars | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---------------------------|------------------------|------------------------|------------------------|
| Non-current assets | | | |
| Within India | 7,710.30 | 7,383.97 | 6,737.02 |
| Outside India | 3,141.23 | 2,954.63 | 2,819.07 |
| Non-current assets | 10,851.53 | 10,338.60 | 9,556.09 |

57 Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III of the Companies Act, 2013

| Name of the entity | Net assets as on 31 March 2020, i.e. total assets minus total liabilities | | Share in profit or (loss) for 31 March 2020 | | Share in other comprehensive income for 31 March 2020 | | Share in total comprehensive income for 31 March 2020 | |
|---|---|-----------------------------------|---|--|---|--|---|--|
| | Amount | As a % of consolidated net assets | Amount | As a % of consolidated profit and loss | Amount | As a % of consolidated profit and loss | Amount | As a % of consolidated profit and loss |
| Holding Company Jash Engineering Limited | 14,892.72 | 118.69% | 2,181.75 | 108.56% | (44.72) | 84.55% | 2,137.03 | 109.21% |
| Subsidiaries Shivpad Engineers Private Limited | 761.32 | 6.07% | 337.19 | 16.78% | (4.10) | 7.75% | 333.09 | 17.02% |
| Jash USA Inc. (inclusive of Rodney Hunt Inc.)* | (1,255.79) | -10.01% | (336.79) | -16.76% | (95.62) | 180.79% | (432.41) | -22.10% |
| Mahr Maschinenbau GmbH | (127.92) | -1.02% | (4.05) | -0.20% | (11.13) | 21.04% | (15.18) | -0.78% |
| Engineering and Manufacturing Jash Limited | 18.75 | 0.15% | (1.90) | -0.09% | 1.63 | -3.08% | (0.27) | -0.01% |
| Less: Inter Group eliminations | (1,741.93) | -13.88% | (166.51) | -8.29% | 101.05 | -191.06% | (65.46) | -3.35% |
| Total | 12,547.15 | 100.00% | 2,009.69 | 100.00% | (52.89) | 100.00% | 1,956.80 | 100.00% |

*Rodney Hunt Inc. is a wholly owned subsidiary of Jash USA Inc, incorporated with no capital. The management is not required to maintain separate books of accounts of Rodney Hunt Inc., hence, the management has prepared consolidated books of accounts of Jash USA Inc. Therefore, it is impracticable to disclose the above note separately for Rodney Hunt Inc. Hence, the disclosure for Rodney Hunt Inc. has been included with Jash USA Inc.

58 The Holding Company has two units which is located in Special Economic Zone (the "SEZ"). Unit 1 is 100% exempted from income tax (current tax) till 31 March 2015, 50% exempted from 1 April 2015 to 31 March 2020 and further 50% exempted (but subject to compliance of certain conditions and transfer of 50% profits to SEZ Reserve Account) from 1 April 2020 to 31 March 2025 - under the provisions of Section 10AA of the Income Tax Act, 1961 and Unit II is 100% exempted from income tax (current tax) till 31 March 2024, 50% exempted from 1 April 2024 to 31 March 2029 and further 50% exempted (but subject to compliance of certain conditions and transfer of 50% profits to SEZ reserve Account) from 1 April 2029 to 31 March 2034 under the provision of Section 10AA of Income Tax Act, 1961. Deferred tax pertaining to this unit is recognized on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods beyond the periods during which the respective units are exempt from incometax as aforesaid.

59 The Holding Company has not received the payment of certain outstanding foreign receivables within the period mentioned in the Master Circular on Export of Goods and Services issued by the Reserve Bank of India ("RBI") i.e. 9 months.

In respect of these receivables - the Holding Company has made application to RBI through its authorised dealer bank for seeking extension of period of realisation beyond 9 months along with detailed plan of action as allowed to authorised dealer bank under clause (i) of para C.18 of Master Direction No. 16/15-16 (RBI/FED/2015-16/11). Pending the final outcome of the aforesaid matters, which is presently unascertainable, no adjustments have been made in these financial statements.

60 The Hon'ble Supreme Court (SC) has, vide its decision dated 28 February 2019 ('SC decision'), ruled that various allowances like conveyance allowance, special allowance, education allowance, medical allowance etc., paid uniformly and universally by an employer to its employees would form part of basic wages for computing the provident fund ('PF' or 'the fund') contribution and thereby, has laid down principles to exclude (or include) a particular allowance or payments from 'basic wage' for the purpose of computing PF contribution.

Consequent to the above SC judgement, the management implemented necessary changes to comply with the judgement prospectively. While the above SC judgement is applicable retrospectively, there are uncertainty with respect to manner in which it needs to be applied for the earlier period. Accordingly no provision has been recognized in the financial statements in respect of period prior to the judgement.

Jash Engineering Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(All amount in INR lakhs unless stated otherwise)

61 As per transfer pricing legislation under section 92-92F of the Income Tax Act, 1961, the Holding Company is required to use certain specific methods in computing arm's length prices of international transaction with associated enterprises and maintain adequate documentation in this respect. The legislations require that such information and documentation to be contemporaneous in nature, the Group has appointed independent consultant (the 'Consultant') for conducting the Transfer Pricing Study (the 'Study') to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arm's length basis". Management is of the opinion that the Group's international transaction are at arm's length and require no transfer pricing adjustments.

62 World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on 11 March 2020. Consequent to this, Government of India declared lockdown on 23 March 2020 and the Holding Company temporarily suspended the operations in all the units of the Holding Company in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Holding Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. during the lockdown period which has been extended till 17 May 2020. However, production and supply of goods has commenced, starting from 29 April 2020 till 21 May 2020, all the manufacturing units of the Holding Company after obtaining permissions from the appropriate government authorities.

Further, the manufacturing activities of a subsidiary company in USA was temporarily suspended from 27 March 2020 to 12 April 2020 due to lockdown. However, production and supply of goods has commenced from 13 April 2020 after obtaining permission from local authorities.

There are uncertainties regarding the impact, the COVID-19 is going to have on the operations of the Group and the management is closely monitoring the developments. The management of the Group has considered all internal and external sources of information, including economic forecasts and estimates from market sources as at the date of the approval of these financial statements in determining carrying values of its assets and liabilities in accordance with applicable Ind AS. The Group has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, advances, property, plant and equipment, intangibles etc. as well as liabilities accrued and has concluded that no material adjustments are required at this stage in the financial results. The actual impact of the global health pandemic may be different from that which has been estimated due to unforeseen circumstances, as the COVID-19 situation evolves in India and globally. The Group will continue to monitor any material changes to future economic conditions.

63 As per Regulation 24(1) of the SEBI (LODR) Regulations, 2015, at least one independent director on the Board of a listed entity must be a director on the Board of an unlisted material subsidiary of such listed entity whether incorporated in India or not. Accordingly, the Holding Company has appointed Mr. D. T. Manwani as a director on the Board of Jash USA Inc., a material subsidiary of the Group on 30 April 2020.

(This space has been intentionally left blank)

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

64 First time adoption of Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2020, the comparative information presented in these financial statements for the year ended 31 March 2019 and in the preparation of an opening Ind AS balance sheet at 01 April 2018 (the Group's date of transition). An explanation of how the transition from Previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

A Ind AS optional exemptions**1 Deemed cost for property, plant and equipment and intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption has also been used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying value.

2 Leases

The Group has elected to measure the right of use assets at the date of transition as if Ind AS 116, Leases had been applied since the commencement date of the lease, but discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS. Further, the following expedients were used on transition to Ind AS:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics.
- the accounting for operating leases with a remaining lease term of less than 12 months as on the transition date as short-term leases.
- the exclusion of initial direct costs for the measurement of the Right-of-use asset at the date of initial application.

3 Foreign currency translation reserve

The Group has deemed the cumulative translation differences for foreign operations at the date of transition to be zero. Adjustments to give effect to this are recorded against opening equity. After the date of transition, translation differences arising on translation of foreign operations are recognised in other comprehensive income and included in a separate translation reserve within equity.

4 Assets held for sale

The Group has elected to measure non-current assets held for sale at the lower of carrying value and fair value less cost to sell at the date of transition and recognize directly in retained earnings any difference between that amount and the carrying amount of those assets at the date of transition.

B Ind AS mandatory exceptions**1 Estimates**

A Group's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 01 April 2018 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

The Group has applied modified retrospective approach to all lease contracts existing as at 01 April 2018 under Ind AS 101. Further, The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS.

2 Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition. Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

3 Impairment of financial assets

At the date of transition to Ind AS, determine whether there has been a significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Group has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised.

C Reconciliations between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.

1 Reconciliation of total equity as at 31 March 2019 and 01 April 2018

| | Notes | 31 March 2019 | 01 April 2018 |
|---|----------|------------------|------------------|
| Total equity as per previous GAAP | | 11,267.96 | 10,601.31 |
| Ind AS adjustments on account of | | | |
| Measurement of financial assets and financial liabilities at amortised cost | Note – 1 | 2.41 | 7.94 |
| Recognition of loss allowance for expected credit losses on financial assets measured at amortised cost | Note – 2 | (282.54) | (212.70) |
| Deferral of margin for export sales for which control is not transferred | Note – 3 | (32.93) | (39.47) |
| Lease accounting adjustment under Ind AS 116 | Note – 4 | (48.93) | (35.45) |
| Income effects of government grants | Note – 5 | (3.44) | (0.41) |
| Other adjustments | | (7.96) | (2.05) |
| Deferred tax impact on above Ind AS and other transition adjustments | Note – 7 | 105.60 | 105.63 |
| Total adjustments | | (267.79) | (176.51) |
| Total equity as per Ind AS | | 11,000.17 | 10,424.80 |

2 Reconciliation of total comprehensive income for the year ended 31 March 2019

| | Notes | 31 March 2019 |
|---|--------------|----------------|
| Profit after tax as reported under previous GAAP | | 854.36 |
| Ind AS adjustments on account of | | |
| Measurement of financial assets and financial liabilities at amortised cost | Note – 1 | (5.54) |
| Recognition of loss allowance for expected credit losses on financial assets measured at amortised cost | Note – 2 | (69.84) |
| Deferral of margin for export sales for which control is not transferred | Note – 3 | 6.54 |
| Lease accounting adjustment under Ind AS 116 | Note – 4 | (13.46) |
| Income effects of government grants | Note – 5 | (3.04) |
| Re-measurement gains on defined benefit plans | Note – 6 | 11.52 |
| Other adjustments | | (7.56) |
| Deferred tax impact on above Ind AS and other transition adjustments | Note – 7 | (3.39) |
| Total adjustments | | (84.77) |
| Profit after tax as reported under Ind AS | | 769.59 |
| Other comprehensive loss (net of tax) | Note – 6 & 7 | (51.75) |
| Total comprehensive income for the year under Ind AS | | 717.84 |

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

3 Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at 31 March 2019 is as follows:

| Description | | Per Previous GAAP* | Ind AS adjustments | As per Ind AS |
|--|-----------------------------|--------------------|--------------------|------------------|
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | Note – 4 | 5,747.07 | 447.80 | 6,194.87 |
| Capital work-in-progress | | 1,113.96 | - | 1,113.96 |
| Intangible assets | | 900.02 | - | 900.02 |
| Intangible assets under development | | 90.24 | - | 90.24 |
| Goodwill on consolidation | | 1,940.85 | | 1,940.85 |
| Financial assets | | | | |
| Loans | Note – 4 | 82.45 | (39.77) | 42.68 |
| Other financial assets | | 0.91 | - | 0.91 |
| Non current tax assets (net) | | 44.12 | - | 44.12 |
| Deferred tax assets (net) | Note – 7 | 3.72 | 1.18 | 4.90 |
| Other non-current assets | | 54.54 | - | 54.54 |
| Total non-current assets | | 9,977.88 | 409.21 | 10,387.09 |
| Current assets | | | | |
| Inventories | Note – 3 | 6,078.39 | 52.73 | 6,131.12 |
| Financial assets | | | | |
| Investment | | 0.56 | - | 0.56 |
| Trade receivables | Note – 2 | 7,714.46 | (368.23) | 7,346.23 |
| Cash and cash equivalents | | 181.01 | - | 181.01 |
| Other bank balances | | 1,011.34 | - | 1,011.34 |
| Loans | Note – 4 | 0.62 | 8.05 | 8.67 |
| Other financial assets | | 468.68 | - | 468.68 |
| Other current assets | | 397.47 | - | 397.47 |
| Total current assets | | 15,852.53 | (307.45) | 15,545.08 |
| Asset held for sale | | 934.16 | - | 934.16 |
| Total assets | | 26,764.57 | 101.77 | 26,866.33 |
| Equity and liabilities | | | | |
| Equity | | | | |
| Equity share capital | | 1,183.66 | - | 1,183.66 |
| Other equity | Note – 1, 2, 3, 4, 5, 6 & 7 | 10,084.30 | (267.79) | 9,816.51 |
| Total equity | | 11,267.96 | (267.79) | 11,000.17 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings (non-current) | Note – 1 | 736.83 | 385.94 | 1,122.77 |
| Provisions (non-current) | Note – 4 | 202.08 | (0.19) | 201.89 |
| Deferred tax liabilities (net) | Note – 7 | 358.89 | (104.42) | 254.47 |
| Other non-current liabilities | Note – 5 | (0.00) | 7.60 | 7.60 |
| Total non-current liabilities | | 1,297.80 | 288.93 | 1,586.73 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings (current) | | 4,914.44 | - | 4,914.44 |
| Trade payables | | | | |
| - total outstanding dues of micro enterprises and small enterprises; and | | 1,042.62 | - | 1,042.62 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | 4,822.01 | - | 4,822.01 |
| Other financial liabilities (current) | Note – 4 | 1,908.38 | 73.81 | 1,982.19 |
| Other current liabilities | Note – 5 | 1,386.30 | 6.82 | 1,393.12 |
| Provisions (current) | | 14.48 | - | 14.48 |
| Current tax liabilities (net) | | 110.57 | - | 110.57 |
| Total current liabilities | | 14,198.80 | 80.63 | 14,279.43 |
| Total equity and liabilities | | 26,764.56 | 101.77 | 26,866.33 |

* The previous year numbers has been regrouped/reclassified to meet the presentation criteria defined under Division II of Schedule III to The Companies Act 2013.

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

4 Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at 01 April 2018 is as follows:

| Description | | Per Previous GAAP* | Ind AS adjustments | Per Ind AS |
|--|-----------------------------|--------------------|--------------------|------------------|
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | Note – 4 | 5,833.26 | 482.20 | 6,315.46 |
| Capital work-in-progress | | 47.56 | - | 47.56 |
| Intangible assets | | 967.09 | - | 967.09 |
| Intangible assets under development | | 77.65 | - | 77.65 |
| Goodwill on consolidation | | 1,997.04 | - | 1,997.04 |
| Financial assets | | | | |
| Investments | | (0.00) | - | (0.00) |
| Loans | Note – 4 | 67.80 | (33.53) | 34.27 |
| Other financial assets | | - | - | - |
| Non current tax assets (net) | | 45.28 | - | 45.28 |
| Deferred tax assets (net) | Note – 7 | 141.00 | 10.11 | 151.11 |
| Other non-current assets | | 106.01 | - | 106.01 |
| Total non-current assets | | 9,282.69 | 458.78 | 9,741.47 |
| Current assets | | | | |
| Inventories | Note – 3 | 4,983.59 | 84.00 | 5,067.59 |
| Financial assets | | | | |
| Investment | | 0.91 | - | 0.91 |
| Trade receivables | Note – 2 | 5,925.11 | (338.21) | 5,586.90 |
| Cash and cash equivalents | | 287.05 | - | 287.05 |
| Other bank balances | | 850.41 | - | 850.41 |
| Loans | Note – 4 | 55.11 | 2.01 | 57.12 |
| Other financial assets | | 147.74 | - | 147.74 |
| | | 9.07 | - | 9.07 |
| Other current assets | | 481.46 | - | 481.46 |
| Total current assets | | 12,740.44 | (252.21) | 12,488.25 |
| Asset held for sale | | 1,187.18 | - | 1,187.18 |
| Total assets | | 23,210.32 | 206.58 | 23,416.90 |
| Equity and liabilities | | | | |
| Equity | | | | |
| Equity share capital | | 1,183.66 | - | 1,183.66 |
| Other equity | Note – 1, 2, 3, 4, 5, 6 & 7 | 9,417.65 | (176.51) | 9,241.14 |
| Total equity | | 10,601.31 | (176.51) | 10,424.80 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings (non-current) | Note – 1 | 1,941.23 | 391.71 | 2,332.94 |
| Other financial liabilities (non-current) | | - | - | - |
| Provisions (non-current) | Note – 4 | 147.96 | (0.25) | 147.71 |
| Deferred tax liabilities (net) | Note – 7 | 452.53 | (95.52) | 357.01 |
| Other non-current liabilities | Note – 5 | - | 14.42 | 14.42 |
| Total non-current liabilities | | 2,541.72 | 310.36 | 2,852.08 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings (current) | | 3,278.68 | - | 3,278.68 |
| Trade payables | | | | |
| - total outstanding dues of micro enterprises and small enterprises; and | | 297.63 | - | 297.63 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | 4,501.22 | - | 4,501.22 |
| Other financial liabilities (current) | Note – 4 | 1,499.69 | 65.93 | 1,565.62 |
| Other current liabilities | Note – 5 | 459.68 | 6.80 | 466.48 |
| Provisions (current) | | 15.77 | - | 15.77 |
| Current tax liabilities (net) | | 14.62 | - | 14.62 |
| Total current liabilities | | 10,067.29 | 72.72 | 10,140.02 |
| Total equity and liabilities | | 23,210.32 | 206.58 | 23,416.90 |

* The previous year numbers has been regrouped/reclassified to meet the presentation criteria defined under Division II of Schedule III to The Companies Act 2013.

Jash Engineering Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in INR lakhs unless stated otherwise)

5 Reconciliation of the income and expenses presented in the statement of profit and loss prepared as per Indian GAAP and as per Ind AS as at 31 March 2019 is as follows:

| Description | | Per Previous GAAP* | Ind AS adjustments | Per Ind AS |
|---|--------------|--------------------|--------------------|------------------|
| Income | | | | |
| Revenue from operations | Note – 3 | 24,832.68 | (59.50) | 24,773.17 |
| Other income | | 697.19 | (1.85) | 695.34 |
| Total income | | 25,529.87 | (61.35) | 25,468.51 |
| Expenses | | | | |
| Cost of materials consumed | | 11,872.01 | - | 11,872.01 |
| Purchase of traded goods | | 739.31 | - | 739.31 |
| Changes in inventories of finished goods and work-in-progress | Note – 3 | (791.84) | 31.21 | (760.63) |
| Employee benefits expense | Note – 6 | 3,987.87 | (11.52) | 3,976.35 |
| Finance costs | Note – 1 & 4 | 786.50 | 63.54 | 850.04 |
| Depreciation and amortisation expense | Note – 4 | 689.81 | 35.06 | 724.87 |
| Other expenses | Note – 2 & 4 | 6,783.84 | (98.26) | 6,685.58 |
| Total expenses | | 24,067.50 | 20.03 | 24,087.53 |
| Profit before tax | | 1,462.37 | (81.38) | 1,380.98 |
| Tax expense | | | | |
| Current tax | | 553.97 | - | 553.97 |
| Deferred tax | Note – 7 | 54.03 | 3.39 | 57.42 |
| Net profit for the year | | 854.37 | (84.77) | 769.59 |
| Other comprehensive income | | | | |
| Items that will not be reclassified to profit or loss | | - | - | - |
| Re-measurement gains/ (losses) on defined benefit obligations | Note – 6 | - | (11.52) | (11.52) |
| Income tax relating to above | Note – 7 | - | 3.35 | 3.35 |
| Items that will be reclassified to profit or loss | | - | - | - |
| Exchange differences on translating foreign operations | | - | (43.58) | (43.58) |
| Income tax relating to these items | | - | - | - |
| Other comprehensive income/ (loss) for the year | | - | (51.75) | (51.75) |
| Total comprehensive income for the year | | 854.37 | (136.52) | 717.84 |

* The previous year numbers has been regrouped/reclassified to meet the presentation criteria defined under Division II of Schedule III to The Companies Act 2013.

6 Impact of Ind AS on the adoption in the statement of cash flow for the year ended 31 March 2019

| Description | | Per Previous GAAP* | Ind AS adjustments | Per Ind AS |
|--|----------|--------------------|--------------------|-----------------|
| Net cash flow from operating activities | Note – 4 | 1,983.81 | (227.25) | 1,756.56 |
| Net cash used from investing activities | | (1,735.67) | 282.18 | (1,453.49) |
| Net cash used in financing activities | Note – 4 | (354.18) | (69.47) | (423.65) |
| Net increase/(decrease) in cash and cash equivalents | | (106.04) | (14.54) | (120.58) |
| Cash and cash equivalents at the beginning of the year | | 287.05 | - | 287.05 |
| Effect of exchange rate changes in cash and cash equivalents | | - | 14.54 | 14.54 |
| Cash and cash equivalents at the end of the year | | 181.01 | - | 181.01 |

* The previous year numbers has been regrouped/reclassified to meet the presentation criteria defined under Division II of Schedule III to The Companies Act 2013.

(This space has been intentionally left blank)

Jash Engineering Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020***(All amount in INR lakhs unless stated otherwise)***Note – 1****Measurement of financial assets and financial liabilities at amortised cost**

Under Previous GAAP, all financial assets and financial liabilities were carried at cost.

Under Ind AS, certain financial assets and financial liabilities are subsequently measured at amortised cost which involves the application of effective interest method. In applying the effective interest method, an entity identifies, fees that are an integral part of the effective interest rate of a financial instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or financial liability.

For certain financial liabilities, the fair value of the financial liability at the date of transition to Ind AS has been considered as the new amortised cost of that financial liability at the date of transition to Ind AS.

Note – 2**Recognition of loss allowance for expected credit losses on financial assets measured at amortised cost**

Under Previous GAAP, provision for doubtful debts was recognised based on the estimates of the outcome and of the financial effect of contingencies determined by the management of the Group. This judgement was based on consideration of information available up to the date on which the financial statements were approved and included a review of events occurring after the balance sheet date.

Under Ind AS, a loss allowance for expected credit losses is recognised on financial assets carried at amortised cost. Expected loss on individually significant receivables is assessed when they are past due and based on Group's historical counterparty default rates and forecast of macro-economic factors. Other receivables have been segmented by reference to the industry of the counterparty and other shared credit risk characteristics to evaluate the expected credit loss. The expected credit loss estimate is then based on recent historical counterparty default rates for each identified segment.

Note – 3**Deferral of margin for export sales for which control is not transferred**

Revenue under the previous GAAP used to be recognised when the related risk and reward was transferred. However, under Ind AS 115, the revenue is recognised when the control is transferred. For the same purpose, Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts.

Note – 4**Lease accounting adjustment under Ind AS 116**

The Group has leases for land site and related facilities. Under the previous GAAP, all the of the payments in regard to these leases were expensed off in the statement of profit and loss. However, under Ind AS 116, the accounting is a little different as each lease is reflected on the balance sheet as a right-of-use asset and a lease liability with the exception of short-term leases and leases of low-value underlying assets which is expensed off in the statement of profit and loss. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

The above adjustment has also impacted cash flow statement of the Group as under the previous GAAP, the rent paid was used to be classified as operating activity; while the payments of lease liability under Ind AS 116 is classified under financing activities as per Ind AS 7.

Note – 5**Income effects of government grants**

Borrowings under the previous GAAP were recognised at their respective contractual amounts. However, as per Ind AS, concessional rate borrowings from government agencies are to be initially recognised at their respective fair value and difference between the transaction value and fair value is recognised as deferred grant where there is a reasonable assurance that the grant will be received. Such deferred government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Note – 6**Re-measurement gains on defined benefit plans**

Under Ind AS, Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability, are recognized in other comprehensive income instead of profit or loss in Previous GAAP.

Note – 7**Deferred tax impact on above Ind AS and other transition adjustments**

Under Previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Sd/-
Nitin Toshniwal
Partner
Membership No.: 507568

Place: Faridabad
Date: 25 June 2020

For and on behalf of Board of Directors of
Jash Engineering Limited

Sd/-
Pratik Patel
Managing Director
DIN - 00780920

Sd/-
Dharmendra Jain
Chief Financial officer

Place: Indore
Date: 25 June 2020

Sd/-
Suresh Patel
Executive director
DIN:00012072

Sd/-
Tushar Kharpade
Company Secretary
Membership No. - A30144

HIGHLIGHTS OF THE YEAR

Stainless Steel Roller Gates

Alberici Constructors Inc., USA

Mississippi ORS Floodwall
PH#1, USA



Cast Iron Flap gates

Sienna Plantation Levee
Improvement District, USA

Sienna Plantation Levee
Improvement Scheme, USA

Cast Iron Sluice Gates

NGB Contractors Inc., USA

Great Wood LID Pump Station



Cast Iron Sluice Gates

Sienna Plantation Levee
Improvement District, USA

Sienna Plantation Levee
Improvement Scheme, USA

HIGHLIGHTS OF THE YEAR

MM2MM Multirake Screens

(Delhi Jal Board, India)

Bharat Nagar Pumping Station,
Delhi Interceptor Pkg-3



JMR Multirake Screens +
Perscalator Screen + Screw
Conveyor with wash Compactor
& Automatic Deflection
Plate Assembly

(Maynilad Water
Services Inc, Philippines)

88 MLD WRF at Las Pinas,
Philippines

Archimedean Screw Pump

(Sam Mccoy Manufacturing
SDN BHD, Malaysia)

Projek Tebatan Banjir
Bayan Baru - Malaysia



PRODUCTS AT A GLANCE



Penstocks / Sluice Gates



Open Channel Gates



Downward Opening
Weir Gates



Flap Gates /
Automatic Drainage Gates



Stop Logs



Mono Series Knife
Gate Valve



"ZFI" Series
Knife Gate Valve



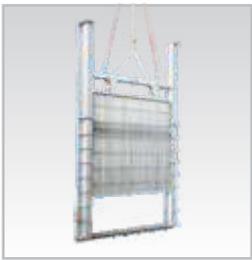
Zero Velocity Valve



Air Cushion Valve



Energy
Dissipating Valve



Trash Rack



Suspended Trash
Rake Screen



"JMR" Multi-rake Screen



Mahr Maschinenbau
mm2mm
Multi-rake Screen



Screenmat Step Screen



Rotoclean Rotary
Drum Screen



Mahr Maschinenbau
Per-Scalator
Filter Band Screen



Travelling Band Screen



Rotobrush Rotary Screen



Hyperbole
Static Screen



Flat Belt
Conveyor



Screw Conveyor
With Wash Compactor



Jet Breaker
Washer Compactor



Archimedeian Screw
Turbine



Archimedeian
Screw Pumps

Jash Engineering Ltd.

31, Sector 'C', Industrial Area, Sanwer Road,
Indore - 452 015 (M.P.), INDIA
Phone : +91-731-2720143, 2721143, 4232900
Email : info@jashindia.com, Website : www.jashindia.com

Subsidiaries :**Jash USA Inc. DBA Rodeny Hunt.**

6200, Savoy Dr Ste 750
Houston, Texas, 77036 USA
Phone : +1-281-962-6369
Email : info@jashusa.com Website: www.jashusa.com

**Rodney Hunt Inc.**

46, Mill St. Orange, USA, MA-01364
Phone : +1-978-633-4509
Email : spares@rodneyhunt.com, r.nair@rodneyhunt.com
Website: www.rodneyhunt.com



Mahr Maschinenbau GmbH

Mahr Maschinebau Ges.m.b.H

Kupferschmiedgass 8, A-2201 hagenbrunn, AUSTRIA
Phone : +43-22463521
Email : office@mahr.at, Website: www.mahrmaschinebau.com

**Engineering & Manufacturing Jash Ltd.**

812, Silvercord Tower 1, 30 Canton Road,
Tsimshatsui, Kowloon, HONGKONG
E-mail : info@eandmjash.com, Website : www.eandmjash.com

**Shivpad Engineers Pvt. Ltd.**

Plot No. 3/86-E, ATC Road, Second Main Road,
Ambattur Industrial Estate, Chennai - 600058
Phone : +91-44-48606201
Email : info@shivpad.com, Website : www.shivpad.com