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# 74th ANNUAL REPORT

2019-2020

JAYA HIND INDUSTRIES LIMITED

### BOARD OF DIRECTORS

Mr. Abhaykumar Firodia, Chairman  
Mr. Prasan Firodia, Managing Director  
Mrs. Indira Firodia  
Mrs. Sunanda Mehta  
Mrs. Shribala Chordia  
Mr. Mohanlal Chopda  
Mr. Pradeep Munot  
Mr. Mohindar Singh Bhogal

### AUDITORS

#### Statutory Auditor

M/s. Kirtane & Pandit LLP  
Chartered Accountants,  
Pune.

#### Cost Accountants

M/s. Dhananjay V. Joshi & Associates  
Cost Accountants,  
Pune.

#### Secretarial Auditor

Mr. I. U. Thakur  
Company Secretary in Practice,  
Pune.

### CHIEF FINANCIAL OFFICER

Mr. Ishan Ghosh

### REGISTERED OFFICE

Mumbai-Pune Road,  
Akurdi, Pune - 411 035,  
Maharashtra.

### COMPANY SECRETARY

Mrs. Amruta Patil

### WORKS

- (i) Mumbai-Pune Road,  
Akurdi, Pune - 411 035,  
Maharashtra.
- (ii) Gat No. 350, Village Urse,  
Tal. Maval,  
District Pune - 410 506, Maharashtra
- (iii) Plot No. 3, Sector No. 1,  
Industrial Area, Pithampur,  
District Dhar - 454 775,  
Madhya Pradesh
- (iv) Village : Kottaiyur  
District : Thiruvallur 631402  
Tamil Nadu



**Contents**

Notice of Annual General Meeting	05
Board's Report with Annexures	08
<b>Standalone Financial Statements</b>	
(a) Auditors' Report on Standalone Accounts with Annexure	21
(b) Standalone Balance Sheet	26
(c) Standalone Statement of Profit & Loss	27
(d) Standalone Cash Flow Statement	29
(e) Notes to Standalone Financial Statements	30
<b>Consolidated Financial Statements</b>	
(a) Auditors' Report on Consolidated Accounts with Annexure	64
(b) Consolidated Balance Sheet	68
(c) Consolidated Statement of Profit & Loss	69
(d) Consolidated Cash Flow Statement	71
(e) Notes to Consolidated Financial Statements	72



## NOTICE

Notice is hereby given that the 74th Annual General Meeting (“AGM”) of the Members of Jaya Hind Industries Limited will be held on **Monday, the 28th day of September, 2020 at 2.30 p.m.** through Video Conferencing / other Audio Visual means, to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company, Standalone and Consolidated for the Financial Year ended 31st March 2020, together with the Board’s Report and Auditors’ Report thereon.
2. To appoint a Director in place of Mr. Abhaykumar Firodia, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. M. S. Bhogal, who retires by rotation and being eligible, offers himself for reappointment.

### SPECIAL BUSINESS

#### 4. Appointment of Cost Accountants with remuneration

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **ordinary resolution** :

“RESOLVED THAT M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune, who are appointed by the Board of Directors of the Company, to verify and review the cost records of the Company for the Financial Year ending 31st March 2021, be paid remuneration of ₹ 1,35,000 (Rupees One Lakh Thirty Five Thousand only) plus travelling and out of pocket expenses and taxes, if any.”

### NOTES :

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 08th April 2020, Circular No.17/2020 dated 13th April 2020, followed by Circular No. 20/2020 dated 5th May 2020 issued by the Ministry of Corporate Affairs, Government of India (the “MCA Circulars”) physical attendance of the Members at the AGM venue is not required and the same can be held through video conferencing (‘VC’) or other audio visual means (‘OAVM’). Hence, Members can attend and participate in the ensuing AGM through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. The facility of joining the AGM through VC / OAVM will be open 15 minutes before and 15 minutes after the scheduled time of the commencement of the AGM and the Members can join the AGM by following the procedure mentioned in this Notice.
3. The Members attending the AGM through VC / OAVM will be

counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

4. In line with the MCA Circulars, the Notice of calling the AGM and the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company. The Notice and the Annual Report 2019-20, has been uploaded on the website of the Company at [www.jayahind.com](http://www.jayahind.com).
5. Members desirous of obtaining any information concerning the accounts or operations of the Company are requested to address their questions to the Company Secretary of the Company at [jhi.secretarial@jayahind.com](mailto:jhi.secretarial@jayahind.com), so as to reach at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.

Further, please note that considering the meeting will be held through VC, there will be limited opportunity for Members to interact with the management. Hence, the Members are requested to send all their queries to the Company in advance, so that the same are suitably answered at the meeting.

6. The Corporate Identification Number of the Company is U74999PN1947PLC005480.
7. The Firm Registration number of the Statutory Auditor is 105215W / W100057.
8. The Directors’ Identification Number of the Directors are as follows :

Sl. no.	Name of Director	DIN
1	Mr. Abhaykumar Firodia	00025179
2	Mr. Prasan Firodia	00029664
3	Mr. Mohanlal Chopda	00040868
4	Mrs. Indira Firodia	00035115
5	Mrs. Sunanda Mehta	00289624
6	Mrs. Shribala Chordia	00041557
7	Mr. Pradeep Munot	00044924
8	Mr. Mohindar Singh Bhogal	01303503

9. Since the AGM will be held through VC / OAVM, the route map is not annexed to the Notice.
10. The Registers maintained and required to be kept open for inspection during the AGM as per Companies Act, 2013, will be made available electronically for inspection by the Members during the AGM. Members seeking to inspect such registers can send an email to [jhi.secretarial@jayahind.com](mailto:jhi.secretarial@jayahind.com).

### Instructions related to Video Conferencing :

1. The link and co-ordinates for joining the meeting will be shared separately in the e-mail sending notice of AGM and Annual Report.
2. Members will be required to grant access to the web-cam to enable two-way video conferencing.
3. Please note that Participants connecting from mobile devices or tablets or through laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-fi or LAN connection to mitigate any kind of aforesaid glitches.
4. Shareholders who would like to express their views / have questions may send their questions in advance mentioning their folio number, email id, mobile number at [jhi.secretarial@jayahind.com](mailto:jhi.secretarial@jayahind.com). The same will be replied by the Company suitably.
5. Voting at the AGM will be done by show of hands unless poll is demanded.
6. In case the voting is required through poll; the Members shall

convey their vote at Company's designated email id : [jhi.secretarial@jayahind.com](mailto:jhi.secretarial@jayahind.com).

7. In case of any assistance, Members can contact the Company Secretary at email id [jhi.secretarial@jayahind.com](mailto:jhi.secretarial@jayahind.com) or Tel. No. : +91 20 27473981 (Extn. : 4775).

By Order of the Board of Directors  
For **JAYA HIND INDUSTRIES LIMITED**

Pune : 13th August 2020

**Registered Office :**  
Mumbai - Pune Road,  
Akurdi, Pune - 411 035  
CIN: - U74999PN1947PLC005480.  
Website: [www.jayahind.com](http://www.jayahind.com)  
Phone: (Board) +91 20 27473981

**Amruta Patil**  
Company Secretary  
M. No. A25028

### STATEMENT TO THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

In conformity with the provisions of Section 102 of the Companies Act, 2013 ('the Act'), the following statement sets out all the material facts relating to the Special Business as mentioned in the notice.

#### Item No. 4

#### Appointment of Cost Accountants with remuneration

The Board of Directors, after considering the recommendation of the Audit Committee has approved the appointment of and payment of remuneration to M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune, to conduct verification and reviewing of the cost records of the Company, for the financial year ending 31st March 2021, on a remuneration of ₹ 1,35,000 (Rupees One Lakh Thirty Five Thousand only) plus travelling and out of pocket expenses and taxes, if any.

Considering the applicable provisions of the Act and Rules made there under, approval of Members of the Company is being sought by this ordinary resolution as a matter of caution, though the said Cost Accountants are not appointed to audit the Cost Records of the Company.

The said appointment of M/s. Dhananjay V. Joshi & Associates was made by the Board of Directors, on the basis of recommendations of the Audit Committee.

None of the Directors or Key Managerial Personnel of the Company, including their relatives, is, in any way, concerned or interested, in the said resolution.

By Order of the Board of Directors  
For **JAYA HIND INDUSTRIES LIMITED**

Pune : 13th August 2020

**Amruta Patil**  
Company Secretary  
M. No. A25028

**Registered office :**  
Mumbai - Pune Road,  
Akurdi, Pune - 411 035

CIN: - U74999PN1947PLC005480.  
Website: [www.jayahind.com](http://www.jayahind.com)  
Phone: (Board) +91 20 27473981

## BOARD'S REPORT

To

The Members,

The Directors are pleased to present the 74th Annual Report, together with the Standalone and the Consolidated Audited Financial Statements for the Financial Year ended on 31st March 2020.

### 1. Financial Results :

Particulars	Standalone	
	2019-20 (₹ in Lakhs)	2018-19 (₹ in Lakhs)
Revenue from Operations (Gross)	<b>42,515</b>	59,585
Other Income	<b>28,979</b>	15,147
Gross Profit (Profit before Depreciation & Taxes)	<b>31,102</b>	20,487
Depreciation	<b>5,018</b>	4,750
Profit before Tax (Net)	<b>26,084</b>	15,737
Provision for Taxes (Net)	<b>904</b>	(153)
Profit after Tax	<b>25,180</b>	15,890
Other Comprehensive Income/(Loss)	<b>(3,11,950)</b>	1,54,756
Comprehensive Income for the year	<b>(2,86,770)</b>	1,70,646
Proposed Dividend	--	1,182
Tax on proposed Dividend	--	243
Balance in Retained Earnings	<b>48,342</b>	25,539

Particulars	Consolidated	
	2019-20 (₹ in Lakhs)	2018-19 (₹ in Lakhs)
Revenue from Operations (Gross)	<b>3,47,183</b>	4,16,424
Other Income	<b>31,925</b>	22,631
Gross Profit (Profit before Depreciation & Taxes)	<b>61,577</b>	54,263
Depreciation	<b>24,776</b>	19,837
Profit before Tax (Net)	<b>36,801</b>	34,426
Provision for Taxes (Net)	<b>865</b>	4,519
Profit after Tax	<b>35,936</b>	29,907
Share of Profit from Associates & Joint Venture	<b>(790)</b>	(888)
Other Comprehensive Income / (Loss)	<b>(3,12,110)</b>	1,55,233
Comprehensive Income for the year	<b>(2,76,964)</b>	1,84,252
<b>Attributable to :</b>		
i) Equity holders of the Company	<b>(2,79,033)</b>	1,77,935
ii) Non Controlling Interest	<b>2,069</b>	6,317
Proposed Dividend	--	1,182
Tax on proposed Dividend	--	243
Balance in Retained Earnings	<b>65,305</b>	34,147

The Audited Consolidated Financial Statement, in accordance with the Companies Act, 2013 (hereinafter referred to as 'the Act') and Indian Accounting Standard - 110 on Consolidated Financial Statement, are part of this Annual Report.

### 2. State of Company's Affairs and Future Outlook

Already reeling under pressure of slow-down in Commercial Vehicle and auto volumes from end of 2018, 2019-20 year has been a dramatically challenging year due to spread of Corona Virus worldwide. This one pandemic has affected almost all countries in the world, with complete disruption of supply chains and total uncertainty of resumption of operations. Fortunately, India was affected a little late in the financial year, compared to the rest of the world, but crucial sales of March 2020 were affected due to unavoidable nationwide lockdown. Auto Parts business declined almost 28% compared to 2018-19 as a result of slowdown and pandemic effect.

Outlook for 2020-21 is a big challenge, not only for doing business, but predicting the demand as well as ability of organizations to cope up, in case demand returns. Migrant manpower, which is instrumental for a foundry business, is stuck in their native places and galvanising local manpower in a short period looks a near impossible task. Lockdowns, simultaneous and successive by Central and State Governments is posing a risk to many MSME companies. Even with most optimistic scenario, business decline of further 20% (compared to 2019-20) cannot be ruled out. Only ray of hope is that on the background of pent up demand and new orders in the pipeline for the Company, outlook for 2021-22 expected to be more promising, provided pandemic is behind us and manpower and supply chain situations are back to normal by that time.

During the year under report, the Members of the Company, in their Extra-Ordinary General Meeting, held on 26th August 2019, passed the special resolution for substituting, subject to receipt of necessary approvals, the Articles of Association of the Company. The new set of Articles of Association, when approved, as per the provisions of Section 14 of the Act, would result in conversion of the Company from a "Public Company" to a "Private Company."

The necessary applications seeking the approval of the Central Government, as mandated by the said Section of the Act, have been submitted by the Company.

### 3. Change in Nature of Business, if any

During the year, there is no change in the nature of business of the Company.

Further, if the Amended Articles of Association are adopted, then, on completion of the process, the Company would be converted into "Private Limited Company".

### 4. Dividend

The Board of Directors do not recommend any dividend for the Financial Year 2019-20.

### 5. Extract of Annual Return

The extract of Annual Return as on 31st March 2020, pursuant to the provisions of Section 92 of the Act and Rules framed there under, in Form MGT-9 is annexed to this report. The same is available on the website of the Company viz. www.jayahind.com.

### 6. Meetings of the Board of Directors

During the Financial Year 2019-20, 7 (seven) meetings of the Board of Directors were held on 16th May 2019, 22nd May 2019, 23rd July 2019, 1st August 2019, 23rd September 2019, 16th October 2019 and 13th February 2020.

### 7. Particulars of Loans, Guarantees or Investments

The Company and Montupet S.A. terminated their Joint Venture viz. Jaya Hind Montupet Private Limited (JMPL). Pursuant to the terms of Joint Venture Termination and Share Purchase Agreement entered between the parties, the Company acquired 50% shareholding of Montupet S.A in JMPL, consisting of 4,27,50,000 equity shares of the face value of ₹ 10/- each.

Other than as mentioned above, the Company has not made any investment, advanced any loan or provided guarantees within the meaning of Section 186 of the Companies Act, 2013, during the year under the report. Particulars of investments made in the previous financial years by the Company are provided in the Financial Statements attached to this Report.

### 8. Particulars of Contracts or Arrangements with Related Party

All Related Party Transactions entered during the year were on arm's length basis and were placed before the Audit Committee for its requisite approval. In Management's view, there are no material related party contract(s) or arrangement(s) or transaction(s) entered during the financial year 2019-20. Form AOC -2 is annexed to the Board's Report.

### 9. Explanation / comments on any qualification of Auditors

There are no qualifications, reservations or adverse remarks made either by the Statutory Auditors or by the Company Secretary in Practice (Secretarial Auditors) in their respective Audit Reports.

### 10. Material Changes and Commitments

The world is experiencing an outbreak of COVID-19 virus which began from February 2020 and the same is declared a pandemic by the World Health Organization. To contain the spread of virus in the country, the Government of India announced complete national lockdown w.e.f. 24th March 2020. The outbreak has caused severe health crisis globally. In India, all the economic activities barring essential activities were at a standstill till early part of May, 2020. Being automobile components manufacturer, the Company's operations and supply chains were also disrupted during the lockdown period, before gradual start of operations towards end of May, 2020.

The Company's manufacturing facilities and offices at the following locations were not operative during this national lockdown:

- Akurdi, Pune
- Urse, Pune
- Kottaiyur, Tamil Nadu
- Pithampur, Madhya Pradesh

The above events and the hardships caused by the same have affected the entire economy and will also adversely impact

financial performance of the Company during the Financial Year 2020-21.

### 11. Conservation of energy, technology absorption and foreign exchange earnings and outgo

#### Conservation of Energy :

During the financial year under the Report, there was an approximate 8% reduction in consumption of energy. The Company has installed solar panels at Akurdi plant resulting in the increased use of clean energy in comparison to other sources of energy. During the year under review, the capital investment on energy conservation equipments was ₹ 96,00,000/-.

#### Technology Absorption :

As the all technologies, acquired by the Company, from time to time, have been absorbed fully, there is no report under this head.

The Expenditure on R&D is as follows :

(Amount ₹ in lakhs)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Capital Expenditure on R&D	--	6
Revenue Expenditure on R&D	436	430
<b>Total</b>	<b>436</b>	<b>436</b>

#### Foreign Exchange Earnings & Outgo :

The foreign exchange earnings and outgo, arising out of the import of raw materials, components and capital goods, is as under :

(Amount ₹ in lakhs)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Foreign exchange earnings	6,625	8,860
Foreign exchange outgo	18,660	6,808

### 12. Subsidiaries and Associate companies

The details regarding Subsidiaries and Associate companies of the Company are provided in the prescribed Form AOC-1 which is annexed to this Report.

During the year under review, consequent to the acquisition of shares as mentioned in point no. 7 of this Report, Jaya Hind Montupet Private Limited became the subsidiary of the Company.

### 13. Risk Management

The Company has in place a comprehensive Risk Management Framework- to identify, monitor, review and take all necessary steps towards mitigation of various risk elements which can impact the existence of the Company, on a periodic basis.

All the identified risks are managed through continuous review of business parameters by the Management and the Board of Directors are also informed of the risks and concerns.

### 14. Directors and Key Managerial Personnel

Mr. Abhaykumar Firodia and Mr. Mohindar Singh Bhogal, Directors of the Company, retire by rotation and being eligible offer themselves for reappointment.

Mrs. Jinarani Nagvekar, ceased to be the Company Secretary of the Company on 1st August 2019. Mrs. Amruta Patil (M.No. A25028) was appointed as the Company Secretary of the Company w.e.f. 1st August 2019.

**15. Declaration of Independent Directors**

The Independent Directors, have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013; so as to qualify themselves to be continued as Independent Directors under the provisions of the Act and the relevant Rules there under.

No new independent director was appointed on the Board of the Company during the year under review.

**16. Details of Significant and Material Orders Passed by the Regulators or Court or Tribunal**

During the year under report, certain minority shareholders of the Company initiated proceedings, by filing a petition and initiating other proceedings before the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) Mumbai against the Company along with the Directors of the Company and the majority shareholders of the Company. As wild allegations are made by the said minority shareholders against the Company, without any basis, the Company, after reserving the Company's rights against those minority shareholders to take appropriate actions, has appeared as the Company before the Hon'ble NCLT. No interim relief, as claimed by the said minority shareholders, is granted by the Hon'ble NCLT to them.

As the matter is pending for kind consideration of the Hon'ble NCLT, the Company has been advised not to comment, in respect of these proceedings, initiated by the said minority shareholders against the Company.

**17. Adequacy of Internal Financial Controls**

The internal financial controls, established by the Company, are adequate with reference to the business of the Company and for preparation of Financial Statements, as per the provisions of Act and applicable Accounting Standards, considering the size of the operations of the Company and nature of business of the Company.

**18. Fixed Deposits**

The details of deposits as defined under the Act, accepted / renewed during the year under review are furnished hereunder :

Sl. No.	Particulars	Nos.	Amount (₹ in lakhs)
a)	accepted or renewed during the year*	9	400
b)	remained unpaid or unclaimed as at the end of the year (31st March 2020)	--	--
c)	whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	--	--
	i) at the beginning of the year	--	--
	ii) maximum during the year	--	--
	iii) at the end of the year	--	--

\* The amount denotes the deposits accepted / renewed by the Company under the prevailing Fixed Deposit Scheme which expired in the month of August 2019, and since then Company has not accepted any deposits from public.

During the year under review, the Company accepted deposits

from the Directors of the Company. The details of such deposits are provided under Note 17 and Note 23 of the Financial Statements.

**19. Corporate Social Responsibility (CSR)**

The Annual Report on CSR activities of the Company, pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy), Rules, 2014, is annexed to this Report. The Company's Policy on Corporate Social Responsibility is available on the website of the Company i.e. [www.jayahind.com](http://www.jayahind.com).

**20. Audit Committee**

The Audit Committee consists of three Directors viz. Mrs. Shribala Chordia, Mr. Pradeep Munot and Mr. Mohanlal Chopda. Mr. Pradeep Munot and Mr. Mohanlal Chopda are Independent Directors and Mrs. Shribala Chordia is the Chairman of this Committee.

The Company has established a vigil mechanism, formulated a Whistleblower Policy, and the Committee would oversee the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The mechanism provides direct access to the Chairman of the Audit Committee in exceptional cases. The details of the mechanism/policy are disclosed on the website of the Company [www.jayahind.com](http://www.jayahind.com).

**21. Nomination & Remuneration Committee & Policy on Directors appointment and criteria**

The Nomination & Remuneration Committee consists of Mrs. Indira Firodia, Mr. Mohanlal Chopda and Mr. Pradeep Munot. The above composition of the Nomination & Remuneration Committee consists of Independent Directors viz. Mr. Pradeep Munot and Mr. Mohanlal Chopda, who form the majority.

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualification, positive attributes, Independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013, is available on the website of the Company [www.jayahind.com](http://www.jayahind.com).

**22. Formal Annual Evaluation of the Performance of Board/ Committees and Directors**

Pursuant to the provisions of the Act, and based on the criteria for performance evaluation, a separate exercise was carried out to evaluate the performance of the Board and its Committees, the individual Directors including the Chairman of the Board.

**23. Particulars of Employees**

There is no information to be reported under this heading.

**24. Disclosure on Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up under the said Act to redress complaints received regarding sexual harassment. All employees as defined under the said Act, are covered under this policy. Awareness programs were carried out against sexual harassment. There were no complaints received during the year under report.

**25. Details of frauds reported by Auditors**

There are no frauds against the Company reported by the Auditors for the period under report.

**26. Directors' Responsibility Statement**

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134 (3) (c) of the Act :

- a) in the preparation of the Annual Financial Statements for the year ended 31st March 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) for the Financial Year ended 31st March 2020 such accounting policies as mentioned in the Notes to the Financial Statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the profits of the Company for the year ended 31st March 2020;
- c) that proper and sufficient care has been taken 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 Annual Financial Statements have been prepared on a going concern basis;
- e) that proper system to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

**27. Secretarial Standards of the ICSI**

The Company is in compliance with the Secretarial Standards on the Meetings of the Board of Directors (SS-1) and General Meetings (SS-2), as issued and amended, by the Institute of Company Secretaries of India.

**28. Statutory Auditors**

The Board had recommended and the Shareholders had approved the appointment of M/s. Kirtane & Pandit LLP, Chartered Accountants, Pune (Firm Registration No. 105215W/W100057), as the Statutory Auditors of the Company for a period of five years beginning from the conclusion of the 71st Annual General Meeting of the Company.

In view of the amendment to section 139 through the Companies (Amendment) Act, 2017 notified on 7th May 2018, ratification of Auditors appointment is no longer required.

**29. Cost Records**

The Company has maintained cost records as specified by the Central Government under sub-section (1) of section 148 of the Act. The Board of Directors of the Company have appointed M/s. Dhananjay. V. Joshi & Associates, Cost Accountants, Pune for verification and reviewing of the Cost records of the Company for the Financial Year 2020-21. You are requested to approve the remuneration to be paid to them.

**30. Secretarial Auditors**

Mr. I. U. Thakur, Company Secretary in Practice, Pune, having Membership No. FCS 2298, was appointed to conduct the Secretarial Audit of the Company for the Financial Year 2019-20, as required under Section 204 of the Act and Rules made there under. The Secretarial Audit Report, in the prescribed Form MR-3, for the Financial Year 2019-20 is annexed to this Report.

**31. Appreciation**

The Directors express their gratitude to the Customers, Business Partners, Associates, Suppliers and Banks for their continuous support, and express their warm appreciation for the sincere co-operation and dedicated work by a majority of the employees of the Company.

For and on behalf of the Board of Directors  
For **Jaya Hind Industries Limited**



**ABHAYKUMAR FIORDIA**

Chairman

DIN : 00025179

Pune, 13th August 2020

**Registered office :**

Mumbai - Pune Road,  
Akurdi, Pune - 411 035

CIN: - U74999PN1947PLC005480.

Website: [www.jayahind.com](http://www.jayahind.com)

Phone: (Board) +91 20 27473981

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

As on the Financial Year ended on 31st March 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 : U74999PN1947PLC005480
  - ii) Registration Date : 11th January 1947
  - iii) Name of the Company : Jaya Hind Industries Limited.
  - iv) Category / Sub-Category of the Company: Public Company Limited by shares \*
  - v) Address of the Registered Office and contact details: Mumbai - Pune Road, Akurdi, Pune - 411 035. Ph No: 020-27473981
  - vi) Whether listed Company : No
  - vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: N.A.
- \* Refer Point No 3 of the Boards' Report

**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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to Total turnover of the Company
1.	Pressure Die-Casting - Aluminium	2432	75.90%
2.	Dies, Jigs & Fixtures		11.02%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1.	Force Motors Limited, Mumbai - Pune Road, Akurdi, Pune - 411035	L34102PN1958PLC011172	Subsidiary	57.38%	Section 2(87)
2.	Jaya Hind Montupet Private Limited Mumbai-Pune Road, Akurdi, Pune - 411035	U35122PN2013PTC149572	Subsidiary	99.98%	Section 2(87)
3.	Tempo Finance (west) Private Limited Bombay-Pune Road, Akurdi, Pune - 411035	U65910PN1991PTC062179	Subsidiary	99.03%	Section 2(87)
4.	Vanguard Automotive Limited L-19, Green Park Main, New Delhi -110 016	U34101DL2005PLC142214	Subsidiary	97.05%	Section 2(87)
5.	Force MTU Power Systems Private Limited Mumbai-Pune Road, Akurdi, Pune - 411035	U29309PN2018PTC178041	Subsidiary	51.00%	Section 2(87)
6.	Rivulis Irrigation India Private Limited SN 28, Mayfair Towers, Pune-Mumbai Road, Office No. 203, Pune - 411005.	U01400PN2014PTC156742	Associate Company	25.00%	Section 2(6)

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

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/ HUF	--	11,32,17,861	11,32,17,861	95.77	--	11,29,40,886	11,29,40,886	95.54	(0.23)
(b) Central Govt	--	--	--	--	--	--	--	--	--
(c) State Govt(s)	--	--	--	--	--	--	--	--	--
(d) Bodies Corp	--	--	--	--	--	--	--	--	--
(e) Banks / FI	--	--	--	--	--	--	--	--	--
(f) Any Other – Private Trusts	--	--	--	--	--	2,76,975	2,76,975	0.23	0.23
<b>Sub-total (A) (1) :-</b>	<b>--</b>	<b>11,32,17,861</b>	<b>11,32,17,861</b>	<b>95.77</b>	<b>--</b>	<b>11,32,17,861</b>	<b>11,32,17,861</b>	<b>95.77</b>	<b>0.00</b>
<b>(2) Foreign</b>									
(a) NRIs-Individuals	--	--	--	--	--	--	--	--	--
(b) Other-Individuals	--	--	--	--	--	--	--	--	--
(c) Bodies Corp.	--	--	--	--	--	--	--	--	--
(d) Banks / FI	--	--	--	--	--	--	--	--	--
(e) Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (2) :-</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total share holding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>--</b>	<b>11,32,17,861</b>	<b>11,32,17,861</b>	<b>95.77</b>	<b>0.00</b>	<b>11,32,17,861</b>	<b>11,32,17,861</b>	<b>95.77</b>	<b>0.00</b>

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	
<b>B. Public Share holding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	--	--	--	--	--	--	--	--	--
(b) Banks / FI	--	--	--	--	--	--	--	--	--
(c) Central Govt	--	--	--	--	--	--	--	--	--
(d) State Govt(s)	--	--	--	--	--	--	--	--	--
(e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
(f) Insurance Companies	--	--	--	--	--	--	--	--	--
(g) FIs	--	--	--	--	--	--	--	--	--
(h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
(i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total (B) (1)</b>	--	--	--	--	--	--	--	--	--
<b>(2) Non Institutions</b>									
(a) Bodies Corp.	--	--	--	--	--	--	--	--	--
(i) Indian	--	--	--	--	--	--	--	--	--
(ii) Overseas	--	--	--	--	--	--	--	--	--
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	--	4,000	4,000	0.00	--	4,000	4,000	0.00	--
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	--	49,94,000	49,94,000	4.23	--	49,94,000	49,94,000	4.23	--
c) Others (Specify)									
Individual	--	--	--	--	--	--	--	--	--
<b>Sub-total (B) (2)</b>	--	49,98,000	49,98,000	4.23	--	49,98,000	49,98,000	4.23	--
<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	--	49,98,000	49,98,000	4.23	--	49,98,000	49,98,000	4.23	--
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	--	11,82,15,861	11,82,15,861	100.00	--	11,82,15,861	11,82,15,861	100.00	0.00

**(ii) Shareholding of Promoters**

Sl. 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 shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1.	Mr. Abhaykumar Firodia	6,79,76,346	57.50	--	6,76,99,371	57.27	--	(0.23)*
2.	Mr. Prasan Firodia	4,52,41,515	38.27	--	4,52,41,515	38.27	--	--
3.	Private Trusts	--	--	--	2,76,975	0.23	--	0.23*
	<b>Total</b>	<b>11,32,17,861</b>	<b>95.77</b>	<b>--</b>	<b>11,32,17,861</b>	<b>95.77</b>	<b>--</b>	<b>0.00</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.		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)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	<b>Mr. Abhaykumar Firodia</b> At the beginning of the year Decrease - 23.07.2019* At the end of the year	6,79,76,346 (276,975)	57.50 (0.23)	6,76,99,371	57.27
2.	<b>Mr. Prasan Firodia</b> At the beginning of the year At the end of the year	4,52,41,515	38.27	4,52,41,515	38.27
3.	<b>Private Trusts</b> At the beginning of the year Increase - 23.07.2019 At the end of the year	2,76,975	0.23	2,76,975	0.23

\* During the year under review, Mr. Abhaykumar Firodia informed the Company that, he has resigned as the Trustee from some private trusts and consequently ceased to be the joint holder of 2,76,975 shares held on behalf of those trusts in the Company.

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :**

Sl. No.	For each of the top 10 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)	
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
1.	<b>Mr. Surajmal Munot</b>				
	At the beginning of the year	25,000	0.02		
	At the end of the year			25,000	0.02
2.	<b>Mr. Pramod Surajmal Munot</b>				
	At the beginning of the year	25,000	0.02		
	At the end of the year			25,000	0.02
3.	<b>Mrs. Karuna Pramod Munot</b>				
	At the beginning of the year	25,000	0.02		
	At the end of the year			25,000	0.02
4.	<b>Mr. Pranil Pramod Munot</b>				
	At the beginning of the year	25,000	0.02		
	At the end of the year			25,000	0.02
5.	<b>Mr. Vilas Chandmal Munot</b>				
	At the beginning of the year	20,000	0.02		
	At the end of the year			20,000	0.02
6.	<b>Mast. Anoop Vilas Munot</b>				
	At the beginning of the year	14,000	0.01		
	At the end of the year			14,000	0.01
7.	<b>Mrs. Manisha Vilas Munot</b>				
	At the beginning of the year	4,000	0.00		
	At the end of the year			4,000	0.00

**(v) Shareholding of Directors and Key Managerial Personnel :**

Sl. No.	For Each of the Directors and KMP	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)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	<b>Mr. Abhaykumar Firodia</b>				
	At the beginning of the year	6,79,76,346	57.50		
	Decrease	(2,76,975)	(0.23)		
	At the end of the year			6,76,99,371	57.27
2.	<b>Mr. Prasan Firodia</b>				
	At the beginning of the year	4,52,41,515	38.27		
	At the end of the year			4,52,41,515	38.27
3.	<b>Mrs. Indira Firodia</b>				
	At the beginning of the year	48,60,000	4.11		
	At the end of the year			48,60,000	4.11

**V. INDEBTEDNESS**

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

Particulars	Secured Loans excluding deposits (in ₹)	Unsecured Loans (in ₹)	Deposits (in ₹)	Total Indebtedness (in ₹)
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	93,75,00,000	1,70,02,511	47,75,95,000	1,43,20,97,511
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	68,22,432	--	--	68,22,432
<b>Total (i + ii + iii)</b>	<b>94,43,22,432</b>	<b>1,70,02,511</b>	<b>47,75,95,000</b>	<b>1,43,89,19,943</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	1,58,25,90,433	--	39,40,00,000	1,97,65,90,433
- Reduction	21,37,500	1,38,52,173	33,02,40,000	34,62,29,673
<b>Net Change</b>	<b>1,58,04,52,933</b>	<b>(1,38,52,173)</b>	<b>6,37,60,000</b>	<b>1,63,03,60,760</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	2,52,00,90,433	31,50,338	54,13,55,000	3,06,45,95,771
(ii) Interest due but not paid	--	--	2,82,48,049	2,82,48,049
(iii) Interest accrued but not due	46,84,932	--	--	46,84,932
<b>Total (i + ii + iii)</b>	<b>2,52,47,75,365</b>	<b>31,50,338</b>	<b>56,96,03,049</b>	<b>3,09,75,28,752</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

Sl. No.	Particulars of Remuneration	Mr. Abhay Kumar Firodia - Chairman (₹)	Mr. Prasan Firodia Managing Director (₹)	Mr. Mohindar Singh Bhogal (₹)	Total Amount (₹)
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	60,00,000	--	42,00,000	1,02,00,000
	(b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961	39,600	--	21,600	61,200
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	--	--	--	--
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission				
	- as % of profit	--	--	--	--
	- others, specify	--	--	--	--
5.	Sitting fees	--	--	--	--
	<b>Total A</b>	<b>60,39,600</b>	<b>--</b>	<b>42,21,600</b>	<b>1,02,61,200</b>
	Ceiling as per the Act (10% of profits calculated under Section 198 of the Companies Act, 2013)				2,577 (Lakh)

**B. Remuneration to other Directors:**

Sl. No.	Names	Particulars of Remuneration (in ₹)			Total Amount (in ₹)
		Fee for attending Board and Committee Meetings	Commission	Others	
1.	<b>Independent Directors</b>				
	i. Mr. Mohanlal Chopda	3,25,000	--	--	3,25,000
	ii. Mr. Pradeep Munot	3,00,000	--	--	3,00,000
	<b>Total (1)</b>	<b>6,25,000</b>	<b>--</b>	<b>--</b>	<b>6,25,000</b>
2.	<b>Other Non- Executive Directors</b>				
	i. Mrs. Indira Firodia	2,25,000	--	--	2,25,000
	ii. Mrs. Shribala Chordia	2,25,000	--	--	2,25,000
	iii. Mrs. Sunanda Mehta	1,25,000	--	--	1,25,000
	<b>Total (2)</b>	<b>5,75,000</b>	<b>--</b>	<b>--</b>	<b>5,75,000</b>
	<b>Total B (1+2)</b>	<b>12,00,000</b>	<b>--</b>	<b>--</b>	<b>12,00,000</b>
	<b>Total Managerial Remuneration</b>				<b>12,00,000</b>
	Overall Ceiling as per the Act		Not applicable as only sitting fees are paid		

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

Sl. No.	Particulars of Remuneration	Chief Financial Officer	Company Secretary		Total
		Mr. Ishan Ghosh	Ms. Jinarani Nagvekar (w.e.f 01.04.2019 - 31.07.2019)	Ms. Amruta Patil (w.e.f 01.08.2019 - 31.03.2020)	
		(in ₹)	(in ₹)	(in ₹)	(in ₹)
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	28,70,517	2,45,298	6,55,143	37,70,958
	(b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	--	--	--	--
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission - as % of profit - others, specify	--	--	--	--
5.	Others, please specify	--	--	--	--
	<b>Total C</b>	<b>28,70,517</b>	<b>2,45,298</b>	<b>6,55,143</b>	<b>37,70,958</b>

**VII. PENALTIES / 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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors  
For **Jaya Hind Industries Limited**

**Abhaykumar Firodia**  
Chairman  
DIN : 00025179

Pune, 13th August 2020

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2020

[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,  
**Jaya Hind Industries Limited**  
Pune

I have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **JAYA HIND INDUSTRIES LTD** (CIN : U74999PN1947PLC005480) (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided me 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 31.03.2020 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 31.03.2020 according to the provisions of the Companies Act, 2013 (the Act) and the rules made there under;

I have also examined compliance with the applicable clauses as per Secretarial Standards issued by The Institute of Company Secretaries of India.

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

**I further report that :**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board during the year under review.

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, decisions at Board Meeting were taken unanimously.

**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** during the audit period :

- 1) The Company has applied to Regional Director for Conversion of the Company into Private Limited Company;
- 2) The Company has acquired 4,27,50,000 Equity Shares of Jaya Hind Montupet Private Limited from Montupet S. A. pursuant to the Joint Venture Termination cum Share Transfer Agreement signed between the Company and Montupet S. A., at the valuation terms agreed between the parties. After the said transfer the Company holds 8,54,90,000 equity shares representing 99.98% of the total share capital, thereby Company became the holding Company of Jaya Hind Montupet Private Limited w.e.f 18.09.2019.

Place : Pune

Date : 24.07.2020

Signature :

Name of Company Secretary in practice: I. U. Thakur

FCS : 2298 C. P. No. : 1402

Peer Review No : 497/2016

UDIN:F002298B000499630

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

**'Annexure A'**

To,  
The Members  
**Jaya Hind Industries Limited**

My report of event date is to be read along with this letter.

1. Maintenance of secretarial records 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. Wherever 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 : 24.07.2020  
Place : Pune

**I. U. THAKUR**  
Practicing Company Secretary  
FCS : 2298 C. P.No. : 1402  
Peer Review No:497/2016  
UDIN: F002298B000499630

### ANNUAL REPORT ON CSR ACTIVITIES

#### 1. Outline of the CSR policy.

- The Corporate Social Responsibility (CSR) Policy of the Company covers the causes that the Company may pursue as its CSR.
- Based on the profit for each Financial Year, the Chief Financial Officer shall indicate the amount to be spent during the year.
- The procedure for approval of the project(s), investment/incurring costs and monitoring is also laid down in the Policy.
- The activity recommended by the CSR Committee is to pursue the construction of building project for Old - Age home by Bhausaheb Firodia Vriddhashram Sanstha located at Nagar-Aurangabad Road, Near Vasant Hill, Ahmednagar - 411 001.
- The said CSR Policy and the activity to be pursued by the Company are placed on the website of the Company at <http://www.jayahind.com/Download>

#### 2. The Committee consists of the following Directors as members -

- Mrs. Shribala Chordia : Chairperson
- Mrs. Indira Firodia : Member
- Mr. M. G. Chopda : Member

3. Average Net Profit of the Company for last Three Financial Years: ₹ 38,27,52,316/-

4. Prescribed CSR Expenditure (Two per cent. of the amount as in item 3 above): ₹ 76,55,046/-.

5. Details of CSR spent during the Financial Year.

(a) Total amount spent for the financial year: ₹ 77,00,000.

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) local area or other (2) Specify the State and District where project or Programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs subheads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1	Building Project- Old Age Homes	Old Age Homes	Vastigruha : Nagar-Aurangabad Road, Near Vasant Tekdi, Dist.: Ahmednagar - 414003.	₹ 77,00,000	₹ 77,00,000	₹ 2,58,00,000	Directly*

\* The Company had decided to assist Bhausaheb Firodia Vriddhashram Sanstha in the construction of building project for Old Age Home involving substantial outgo. During the year under review the sum of ₹ 77,00,000 has been paid for the activity of old age home carried on by Sanstha.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report. - Not Applicable.

7. The Committee reviewed the implementation of CSR Policy and the spend as explained in the earlier part and confirmed the implementation and monitoring has been as per CSR Policy adopted by the company.

Sd/-  
**Shribala Chordia**  
 Chairperson, CSR Committee  
 DIN : 00041557

Pune, 13th August 2020

Sd/-  
**Prasan Firodia**  
 Managing Director  
 DIN : 00029664

**FORM 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 arms length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL
  - (a) Name(s) of the related party and nature of relationship
  - (b) Nature of contracts / arrangements / transactions
  - (c) Duration of the contracts / arrangements / transactions
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - (e) Justification for entering into such contracts or arrangements or transactions
  - (f) date(s) of approval by the Board
  - (g) Amount paid as advances, if any :
  - (h) 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 - There are no material contracts or arrangements or transactions at arm's length basis during the Financial year 2019-20.
  - (a) Name(s) of the related party and nature of relationship
  - (b) Nature of contracts / arrangements / transactions
  - (c) Duration of the contracts / arrangements / transactions
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any :
  - (e) Date(s) of approval by the Board, if any :
  - (f) Amount paid as advances, if any :

For and on behalf of the Board of Directors  
For **Jaya Hind Industries Limited**

**Abhaykumar Firodia**  
Chairman  
DIN: 00025179

Pune; 13th August 2020

**Registered Office :**

Mumbai-Pune Road,  
Akurdi, Pune - 411 035.

CIN : U74999PN1947PLC005480

Website: [www.jayahind.com](http://www.jayahind.com)

Phone: (Board) +9120 2747 3981

## INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

To the Members of Jaya Hind Industries Limited

### Report on the Audit of Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Jaya Hind Industries Limited ("**the Company**"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("**the Act**") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) 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 independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Board's Report including Annexures to Board's Report, is expected to be made available to us after the date of this auditor's report, hence our opinion base on Standalone Financials Statement only.

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

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

When we read Board's Report including Annexures to Board's Report, If we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143 (3) (I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements 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.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report that :

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197 (16) of the Act, as amended :

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 36 to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration Number : 105215W / W100057

Place : Pune

Date : 31st July 2020

**Parag Pansare**

Partner

Membership Number 117309

UDIN : 20117309AAAAX2028

## **ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **JAYA HIND INDUSTRIES LIMITED** of even date)

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

We have audited the internal financial controls over financial reporting of **JAYA HIND INDUSTRIES LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditor's Responsibility**

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

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

**Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting

and such internal financial controls over financial reporting were operating effectively as at March 31, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Kirtane & Pandit LLP**

Chartered Accountants  
Firm Registration Number : 105215W / W100057

Place : Pune  
Date : 31st July 2020

**Parag Pansare**

Partner  
Membership Number 117309  
UDIN : 20117309AAAAJX2028

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **JAYA HIND INDUSTRIES LIMITED** of even date)

- i. In respect of the Company's property, plant and equipment :
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (b) As explain to us, considering the nature of the Fixed Asset, the same have been physically verified by the management at reasonable intervals during the year as per verification plan adopted by the Company, which, in our opinion, is reasonable having regards to size of the Company and the nature of the its assets. According to information and explanation given to us and the records produced to us for our verification, no material discrepancies noticed during such physical verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company except eight flats in HDFC colony Shahu Nagar, Chinchwad Pune - 411019. As informed to us by the Management, duplicates copies of title deeds are under procurement. Further one flat located at Baner (Pune) and another at Shivajinagar (Pune) which were transferred pursuant to scheme of amalgamation (refer note 49 to standalone financial statements), are still in process of transfer in the name of Company.
- ii. As informed to us, the physical verification of inventory has been conducted by the management at reasonable intervals and the discrepancies noticed during such physical verification were not material. The discrepancies noticed on physical verification of Inventory as compared to the book records have been properly dealt with the Books of Account.
- iii. The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act. Accordingly, paragraph 3 (iii) of the Order is not applicable.
- iv. In our opinion and according to information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of investments made and loans given. Further the Company has not given any guarantee or security in connection with a loan to any other body corporate or person.
- v. In our opinion and according to the information and explanations given to us, the company has complied with the directives of the Reserve Bank of India and the provision of Sections 73 to 76 of the Companies Act 2013, and the rules framed there under, wherever applicable. As informed to us, no order has been passed against the Company, by the Company Law Board, the National Company Law Tribunal, RBI, or any court or any tribunal.
- vi. The Central Government has specified maintenance of cost records under Sub-section (1) of Section 148 of the Act and we are of the opinion that prima facie such records are made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.  
  
There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2020 on account of dispute are given below :

Sl. No.	Name of the Statute	Nature of the Dues	Amount (in ₹)	Financial year to which the amount relates	Forum where dispute is pending
1.	Central Excise Act, 1944	Excise Duty Demand	67,34,053	2013-14 to 2017-18	Director General of Goods and Service Tax Intelligence, Gurugram
			4,29,146	2016-17, 2017-18	Deputy Commissioner (Appeals), Pithampur
		Cenvat Credit on Maint. charges	2,83,546	2014-15 to 2017-18	Assistant Commissioner (Appeals), Pithampur
2.	Income Tax Act, 1961	Income Tax Demand	78,46,56,712	2015-16	Commissioner of Income Tax (Appeals), Pune

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.
- ix. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company had not raised money by way of further public offer (including debt instruments) during the year.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration Number : 105215W / W100057

Place : Pune  
Date : 31st July 2020

**Parag Pansare**  
Partner

Membership Number 117309  
UDIN : 20117309AAAAJX2028

**Balance Sheet as at 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2	60,638	35,402
(b) Capital work-in-progress	2	3,620	2,048
(c) Investment Property	3	470	479
(d) Intangible assets	2	180	143
(e) Intangible assets under development	2	662	204
(f) Investments in subsidiaries	4	2,84,135	2,81,735
(g) Investments in associate	4	1,276	1,276
<b>(h) Financial assets :</b>			
(i) Investments	4	6,04,148	9,36,046
(ii) Loans	5	128	123
(iii) Others	6	--	3,548
(i) Deferred tax assets (net)	34	7,422	--
(j) Other non-current assets	7	1,425	1,288
<b>Total non-current assets</b>		<b>9,64,104</b>	<b>12,62,292</b>
<b>(2) Current assets</b>			
(a) Inventories	8	4,616	5,159
<b>(b) Financial assets</b>			
(i) Trade receivables	9	12,565	12,773
(ii) Cash and cash equivalents	10	402	831
(iii) Bank balance other than (ii) above	11	15,252	5,645
(iv) Loans	12	41,200	41,200
(v) Others	13	6,451	3,365
(c) Current tax asset (net)	34	1,937	2,081
(d) Other current assets	14	2,613	2,059
<b>Total current assets</b>		<b>85,036</b>	<b>73,113</b>
<b>Total Assets</b>		<b>10,49,140</b>	<b>13,35,405</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	15	11,822	11,822
(b) Other equity	16	9,95,336	12,84,360
<b>Total equity</b>		<b>10,07,158</b>	<b>12,96,182</b>
<b>(2) Liabilities</b>			
<b>Non-current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	17	22,388	9,774
(ii) Trade payables			
(iii) Other financial liabilities	18	15	12
(b) Provisions	19	361	306
(c) Deferred tax liabilities (net)	34	--	12,318
(d) Other non-current liabilities	20	1,118	416
<b>Total non-current liabilities</b>		<b>23,882</b>	<b>22,826</b>
<b>Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	21	104	--
(ii) Trade payables	22		
a) total outstanding dues of micro enterprises and small enterprises		--	--
b) total outstanding dues of creditors other than micro enterprises and small enterprises		5,153	6,569
(iii) Other financial liabilities	23	10,500	6,419
(b) Other current liabilities	24	2,096	3,336
(c) Provisions	25	247	73
<b>Total current liabilities</b>		<b>18,100</b>	<b>16,397</b>
<b>Total liabilities</b>		<b>41,982</b>	<b>39,223</b>
<b>Total Equity and Liabilities</b>		<b>10,49,140</b>	<b>13,35,405</b>
Summary of significant accounting policies	1		
Notes to the financial statements	2 - 51		
The notes referred above forms an integral part of the financial statements			

As per our report of even date

**For M/s. Kirtane & Pandit LLP**

Chartered Accountants  
[FRN : 105215W/W100057]

**Parag Pansare**

Partner  
Membership No. 117309

Place : Pune

Date : 31st July 2020

**Ishan Ghosh**

Chief Financial Officer

**Amruta Patil**

Company Secretary  
[Membership No. : A25028]

On behalf of the Board of Directors

**Abhaykumar Firodia**

Chairman  
[DIN : 00025179]

**Prasan Firodia**

Managing Director  
[DIN : 00029664]

Place : Pune

Date : 31st July 2020

**Statement of Profit and Loss for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>I. Income</b>			
(a) Revenue from operations	26	42,515	59,585
(b) Other income	27	28,979	15,147
<b>Total income</b>		<b>71,494</b>	<b>74,732</b>
<b>II. Expenses</b>			
(a) Cost of materials consumed	28	17,635	27,852
(b) Changes in inventories of work-in-progress and finished goods	29	464	265
(c) Employee benefit expenses	30	9,094	9,257
(d) Finance costs	31	1,617	1,291
(e) Depreciation and amortization expense	32	5,018	4,750
(f) Other expenses	33	12,360	16,591
		<b>46,188</b>	<b>60,006</b>
<b>Less:</b> Expenditure included in above items capitalized		<b>(778)</b>	<b>(1,011)</b>
<b>Total expenses</b>		<b>45,410</b>	<b>58,995</b>
<b>III. Profit before exceptional items and tax (I - II)</b>		<b>26,084</b>	<b>15,737</b>
<b>Less :</b> Exceptional items		<b>--</b>	<b>--</b>
<b>IV. Profit Before Tax</b>		<b>26,084</b>	<b>15,737</b>
<b>V. Tax Expenses</b>	34		
(1) Current tax		508	2,407
(2) Deferred Tax		396	(2,552)
(3) Tax relating to earlier years		--	(8)
<b>Total Tax Expenses</b>		<b>904</b>	<b>(153)</b>
<b>VI. Profit for the year ( IV - V )</b>		<b>25,180</b>	<b>15,890</b>
<b>VII. Other comprehensive income :</b>			
(a) Items that will not be reclassified to profit or loss :			
(i) Equity instruments through other comprehensive income		(3,31,895)	1,74,811
(ii) Re-measurement of defined benefit plans		(191)	23
(b) Income tax relating to items that will not be reclassified to profit or loss :			
(i) Taxes on equity instruments through other comprehensive income		20,069	(20,070)
(ii) Taxes on re-measurements of net defined benefit liability		67	(8)
Total Other comprehensive income		<b>(3,11,950)</b>	<b>1,54,756</b>
<b>VIII. Total comprehensive income / (loss) for the year (VI + VII)</b>		<b>(2,86,770)</b>	<b>1,70,646</b>
<b>IX. Earnings per equity share (Basic / Diluted)</b>	35	<b>21.30</b>	<b>22.40</b>
Summary of significant accounting policies	1		
Notes to the financial statements	2 - 51		

The notes referred above forms an integral part of the financial statements

As per our report of even date

**For M/s. Kirtane & Pandit LLP**Chartered Accountants  
[FRN : 105215W/W100057]**Parag Pansare**Partner  
Membership No. 117309

Place : Pune

Date : 31st July 2020

**Ishan Ghosh**

Chief Financial Officer

**Amruta Patil**Company Secretary  
[Membership No. : A25028]

On behalf of the Board of Directors

**Abhaykumar Firodia**Chairman  
[DIN : 00025179]**Prasan Firodia**Managing Director  
[DIN : 00029664]

Place : Pune

Date : 31st July 2020

**Statement of Changes in Equity for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**A. Equity Share Capital**

Balance as at 1st April 2019	Changes in Equity Share Capital during the year	Balance as at 31st March 2020
11,822	--	11,822

**B. Other Equity**

Particulars	Retained earnings	Capital reserve	Capital redemption reserve	General reserve	Securities premium	Equity instruments through other comprehensive income	Total
Balance as at 31st March 2019	25,539	3,51,416	2,500	726	8,21,271	82,908	12,84,360
Profit for the year	25,180						25,180
Other comprehensive income (net of tax)	(124)					(3,11,827)	(3,11,951)
Dividend Paid (including dividend distribution tax)	(1,425)						(1,425)
Transaction cost incurred for issue of shares	(828)						(828)
<b>Balance as at 31st March 2020</b>	<b>48,342</b>	<b>3,51,416</b>	<b>2,500</b>	<b>726</b>	<b>8,21,271</b>	<b>(2,28,919)</b>	<b>9,95,336</b>

As per our report of even date

For M/s. Kirtane & Pandit LLP  
**Chartered Accountants**  
[FRN : 105215W/W100057]

**Parag Pansare**  
Partner  
Membership No. 117309

Place : Pune  
Date : 31st July 2020

**Ishan Ghosh**  
Chief Financial Officer

**Amruta Patil**  
Company Secretary  
[Membership No. : A25028]

On behalf of the Board of Directors

**Abhaykumar Firodia**  
Chairman  
[DIN : 00025179]

**Prasan Firodia**  
Managing Director  
[DIN : 00029664]

Place : Pune  
Date : 31st July 2020

**Cash Flow Statement for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before tax	26,084	15,737
<b>Adjustments for :</b>		
Depreciation and amortization expense	5,018	4,750
(Profit) / Loss on disposal of fixed assets (net)	(416)	(923)
Interest income	(3,747)	(3,704)
Dividend	(22,987)	(9,049)
Interest	1,562	1,281
Other borrowing cost	55	10
	<u>(20,515)</u>	<u>(7,635)</u>
<b>Operating Profit / (Loss) before working capital changes</b>	<b>5,569</b>	<b>8,102</b>
<b>Changes in Asset and Liabilities :</b>		
Trade Receivables	209	(829)
Inventories	543	267
Other Financial Assets	(13,101)	(7,448)
Other Non - Financial Assets	3,405	1,440
Trade Payables	(1,416)	(2,463)
Financial Liabilities	2,841	2,642
Non - Financial Liabilities	704	(2,422)
Provisions	38	69
	<u>(6,777)</u>	<u>(8,744)</u>
<b>Cash generated from operations</b>	<b>(1,208)</b>	<b>(642)</b>
Net income tax (paid) / refunds	(508)	(2,399)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(1,716)</b>	<b>(3,041)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(32,620)	(10,251)
Sale proceeds of property, plant and equipment	726	2,106
Investments during the year	(2,400)	--
Interest income	3,747	3,704
Dividend	22,987	9,049
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(7,560)</b>	<b>4,608</b>
<b>C. Cash flow from financing activities</b>		
Increase / (repayment) of borrowings	12,717	(1,206)
Interest	(1,562)	(1,280)
Other borrowing cost	(55)	(10)
Transaction cost incurred for issue of shares	(828)	--
Equity Dividend paid ( Including tax thereon)	(1,425)	--
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>8,847</b>	<b>(2,496)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(429)</b>	<b>(929)</b>
Cash and cash equivalents at the beginning of the year	831	1,760
<b>Cash and cash equivalents at the end of the year</b>	<b>402</b>	<b>831</b>

As per our report of even date

For M/s. Kirtane & Pandit LLP  
**Chartered Accountants**  
 [FRN : 105215W/W100057]

**Parag Pansare**  
 Partner  
 Membership No. 117309

Place : Pune  
 Date : 31st July 2020

**Ishan Ghosh**  
 Chief Financial Officer

**Amruta Patil**  
 Company Secretary  
 [Membership No. : A25028]

On behalf of the Board of Directors

**Abhaykumar Firodia**  
 Chairman  
 [DIN : 00025179]

**Prasan Firodia**  
 Managing Director  
 [DIN : 00029664]

Place : Pune  
 Date : 31st July 2020

## Notes to Financial Statements for the year ended 31st March 2020

### Corporate Overview

Jaya Hind Industries Limited ('the Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956.

The Company is involved in development and manufacture of automotive cylinder heads and complex cast aluminium components.

### (1) Significant Accounting Policies

#### (a) Statement of Compliance and Basis of Preparation

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind-AS) notified under Section 133 of the Companies Act, 2013 (the Act) [the Companies (Indian Accounting Standards) Rules, 2016 (as amended)] and other relevant provisions of the Act

The financial statements have been prepared on a historical cost basis, except certain financial instruments and defined benefit plans, which are measured at fair value.

#### Functional and presentation currency

These financial statements are presented in Indian Rupees, which is the Company's functional currency. All amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs, unless otherwise stated.

#### (b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value, and,
- Net defined benefit (asset)/ liability that are measured at fair value of plan assets less present value of defined benefit obligations

#### (c) Use of judgements, estimates and assumptions

Information regarding reasonable and prudent judgements, estimates and assumptions in conformity with Ind-AS are included in relevant notes.

The areas involving critical estimates and judgments are :

- Residual value and useful life of property, plant and equipment
- Impairment of receivables
- Estimated useful life of Property, Plant and Equipments
- Estimation of provision for Tax expenses
- Estimation of defined employee benefit obligation
- Estimation of current tax expense and payable

Estimation and underlying assumptions are reviewed on on-going basis. Revision to estimates are recognised prospectively.

#### (d) Property, Plant and Equipment

Property, plant and equipment, except land, are carried at historical cost of acquisition, construction or manufacturing cost, as the case may be, less accumulated depreciation and amortization. Freehold land is carried at cost of acquisition.

Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended.

Costs incurred to manufacture property, plant and equipment and intangible are reduced from the total expense under the head 'Expenses, included in above items, capitalised' in the Statement of Profit and Loss.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.

#### (e) Intangible Assets

Intangible assets are recognized when the asset is identifiable, is within the control of the Company, probable that future economic benefits attributable to the asset will flow to the Company and the cost of the asset can be reliably measured.

Expenditure on research activities is recognised in the statement of profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to complete development and to use or sell the asset.

#### (f) Depreciation & Amortization

##### (i) Property, Plant and Equipment :

- The Depreciation on Property, Plant and Equipment is provided on Straight Line method and as per Schedule-II to the Companies Act, 2013.
- Leasehold land is amortized over the period of lease.

##### (ii) Intangible Assets :

- Software and their implementation costs are written off over the period of 5 years.
- Technical Know-how acquired and internally generated is amortized over the useful life of the assets, not exceeding 10 years.

#### (g) Borrowing costs :

Cost of borrowings incurred for acquisition, construction or production of qualifying asset is capitalized.

## Notes to Financial Statements for the year ended 31st March 2020

### (h) Impairment of non-financial assets

An impairment loss is recognised if the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit and loss.

### (i) Inventories

Inventories are valued at lower of their cost or net realizable value. The cost of raw materials, stores and consumables is measured on moving weighted average basis.

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and bought out components are valued at the lower of cost or net realizable value. Cost is determined on the basis of the weighted average method.

Finished Goods and work-in-progress are carried at cost or net realizable value, whichever is lower.

Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realizable value, whichever is lower.

### (j) Revenue Recognition

#### Sales

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of Value Added Taxes, Goods and Service Taxes (GST), Returns, Discounts, Rebates and Incentives. The Company recognizes revenue, when it has transferred to the buyer the significant risks and rewards associated with the ownership of goods, no significant obligation is pending and the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

#### Other Income

Other incomes are recognized when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably.

### (k) Foreign currency transactions

#### Transactions and balances

- Foreign Currency transactions are recorded at the rate of exchange on the date of the transaction.
- Monetary items of Assets and Liabilities booked in foreign currency are translated in to rupee at the exchange rate prevailing at the Balance Sheet date.
- Exchange difference resulting from settlement of such transaction and from translation of monetary items of Assets and Liabilities are recognized in the Statement of Profit and Loss.
- Exchange difference arising on translation of foreign currency liabilities for acquisition of Property, Plant and Equipments are adjusted to the Statement of Profit and Loss.
- The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance.

### (l) Employee Benefits

#### Defined benefit plans

- (i) The accruing liability of Gratuity is covered by Employees Group Gratuity Scheme of Life Insurance Corporation of India (LIC) and the premium is accounted for in the year of accrual. The additional liability, if any, due to deficit in the Plan assets managed by LIC as compared to the present value of accrued liability on the basis of actuarial valuation, is recognized and provided for.
- (ii) Provident fund contributions are made to Company's Provident Fund Trust. The contributions are accounted for as defined benefit plans and the contributions are recognized as employee benefits expense when they are due. Deficits, if any, of the fund as compared to liability on the basis of an independent actuarial valuation is to be additionally contributed by the Company.
- (iii) Current service cost and net interest on defined benefit obligation are directly recognized in the Statement of Profit and Loss.
- (iv) Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

#### Defined contribution plans

- The Company's superannuation scheme is a defined contribution plan. The contributions are recognized as employee benefit expenses when they are due.
- Benefits in respect of compensated absence payable after 12 months are provided for, based on valuation, as at the Balance Sheet date, made by independent actuaries.
- Defined contribution to Employees Pension Scheme, 1995, is made to Government Provident Fund Authority and recognised as expense as and when due.

### (m) Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Notes to Financial Statements for the year ended 31st March 2020**

Deferred tax is recognized on temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements. Deferred tax liabilities are recognized for all deductible temporary differences. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognized in profit or loss, except to the extent that it relate to the items that are recognized in other comprehensive income or directly in equity, in this case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

**(n) Government Grants :**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period to match them with the costs that they are intended to compensate and presented within other income.

**(o) Earnings per Share :**

Basic earnings per share are computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the period.

**(p) Provisions and Contingent Liabilities / Asset :**

**Provision :**

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

**Contingent liability :**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation arising from past events that may, but probably will not, require an outflow of resources.

**Contingent asset :**

Contingent asset is not recognized in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

**(q) Leases**

The Company has applied Ind AS 116 Leases from the accounting periods beginning from 1st April 2019 using the modified retrospective approach

**(i) Where the Company is the Lessee :**

- The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
- The right-of-use asset is subsequently depreciated using the straight-line method over the useful life of the right-of-use asset or the end of the lease term.

**Short-term leases and leases of low-value assets**

- The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expenses on a straight - line basis over the lease term.

**(ii) Where the Company is the Lessor :**

Lease rentals are recognized in the Statement of Profit and Loss. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

**(r) Financial instruments**

**Fair value measurement**

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as;

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

**(s) Recent Accounting pronouncements**

New Accounting pronouncements affecting amounts reported and / or disclosures in the financial statements.

The Ministry of Corporate Affairs (MCA) has not issued any new standards or amended any existing standards which are effective for reporting periods beginning on or after 1st April 2020.

### Notes to Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

#### 2. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS

Particulars	Gross Value			Depreciation / Amortization			Net Value	
	As at 1st April 2019	Additions during the year	Deductions during the year	As at 31st March 2019	During the year	Deductions during the year	As at 31st March 2020	As at 31st March 2019
<b>Property, plant and equipment</b>								
Freehold land and development	3,972	--	--	3,972	--	--	--	3,972
Leasehold land	5	--	--	5	0	--	2	3
Buildings	9,405	8,220	--	17,625	380	--	2,641	14,984
Plant, Machinery & Equipment	47,255	1,084	289	48,050	3,593	54	31,095	16,955
Furniture & Fixture	450	29	--	479	30	--	264	215
Vehicles	435	17	51	401	34	40	232	169
Office equipment	235	5	--	240	14	--	201	39
Dies, Jigs & Fixtures	7,117	973	77	8,013	630	13	4,545	3,189
Computers	138	2	--	140	11	--	125	16
Electrical Installation	1,325	118	--	1,443	96	--	633	810
Electrical fittings	160	--	--	160	14	--	53	107
Aircraft	--	20,050	--	20,050	151	--	151	19,899
<b>Total (A)</b>	<b>70,497</b>	<b>30,498</b>	<b>417</b>	<b>1,00,580</b>	<b>4,953</b>	<b>107</b>	<b>39,943</b>	<b>60,638</b>
<b>Intangible assets</b>								
Computer software #	256	0	--	256	28	--	215	41
Technical Know-how	1,282	93	--	1,375	29	--	1,237	139
<b>Total (B)</b>	<b>1,538</b>	<b>93</b>	<b>--</b>	<b>1,631</b>	<b>57</b>	<b>--</b>	<b>1,452</b>	<b>143</b>
Capital Work-In-Progress	2,048	31,390	29,818	3,620	--	--	--	2,048
Intangible Assets under Development	204	552	94	662	--	--	--	204
<b>Total (C)</b>	<b>2,252</b>	<b>31,942</b>	<b>29,912</b>	<b>4,282</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2,252</b>
<b>Total (D) = (A+B+C)</b>	<b>74,287</b>	<b>62,533</b>	<b>30,329</b>	<b>1,06,493</b>	<b>5,010</b>	<b>107</b>	<b>41,395</b>	<b>65,100</b>

Note : Component accounting has been done, wherever data is available.

# Amount '0' Denotes amount less than ₹ 50,000/-

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**3. INVESTMENT PROPERTY**

Particulars	Investment Property
<b>Gross carrying amount</b>	
Balance at 1st April 2019	489
Additions	--
Disposals/ transfers	--
<b>Balance at 31st March 2020</b>	<b>489</b>
<b>Accumulated depreciation</b>	
Balance at 1st April 2019	11
Depreciation for the year	8
Disposals / transfers	--
<b>Balance at 31st March 2020</b>	<b>19</b>
<b>Carrying amounts (net)</b>	
At 31st March 2019	479
<b>At 31st March 2020</b>	<b>470</b>

**Information regarding income and expenditure of investment property**

Particulars	31st March 2020	31st March 2019
Rental income derived from investment property	--	--
Direct operating expenses (including repairs and maintenance) generating rental income	5	1
Direct operating expenses (including repairs and maintenance) that did not generate rental income	--	--
Profit arising from investment property before depreciation and indirect expenses	(5)	(1)
<b>Less: Depreciation</b>	<b>8</b>	<b>11</b>
Profit from investment property	(13)	(12)

The Company's Investment property consists of residential property situated at Shivajinager and Baner at Pune.

**Fair value**

The Company's Investment property is at a location where active market is available for similar kind of properties. Hence, fair value is ascertained on the basis of market rates prevailing for similar properties in those location and consequently classified as a Level-2 valuation.

Particulars	31st March 2020	31st March 2019
Investment property	679	632

**Reconciliation of fair value**

Particulars	Investment property
Balance as at 31st March 2019	632
Additional Purchased during year	--
Change in fair value	47
<b>Balance as at 31st March 2020</b>	<b>679</b>

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**4. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND OTHER NON-CURRENT INVESTMENTS**

	Face Value	31st March 2020		31st March 2019	
		Nos.	Amount	Nos.	Amount
<b>A. Unquoted- Non trade at cost</b>					
<b>(1) Investments in equity instruments</b>					
<b>(a) In subsidiaries **</b>					
(i) Vanguard Automotive Ltd. # (formerly R K Force Motors Ltd.)	₹ 10	16,50,000	0	16,50,000	0
(ii) Tempo Finance (West) Pvt. Ltd.	₹ 10	4,32,050	150	4,32,050	150
(iii) Jaya Hind Montupet Pvt. Ltd. (w.e.f. 18.09.2019)	₹ 10	8,54,90,000	4,912	4,27,40,000	2,512
			<b>5,062</b>		<b>2,662</b>
<b>(b) In associates **</b>					
Rivulis Irrigation India Pvt. Ltd.	₹ 10	49,020	1,276	49,020	1,276
			<b>1,276</b>		<b>1,276</b>
<b>(2) Investment carried at fair value through other comprehensive income (FVTOCI) @</b>					
<b>(a) Investments in equity instruments</b>					
(i) Perform Engineering Solutions Pvt. Ltd. # (Associate upto 30.01.2018)	₹ 10	1	0	1	0
(ii) Sanghi Polyester Ltd. #	₹ 10	1	0	1	0
(iii) Rivulis Irrigation Ltd., Israel	NIS 0.01	2,500	19,590	2,500	19,590
(iv) Equity shares of Sunderban Co-op Housing Society #	THB 100	10	0	10	0
			<b>19,590</b>		<b>19,590</b>
<b>(3) Investment carried at fair value through profit and loss (FVTPL) @</b>					
<b>Investments in preference shares</b>					
<b>(a) In other companies</b>					
Pinnacle Industries Ltd. (5% Non Cumulative Redeemable Preference Shares)	₹ 10	60,00,000	600	60,00,000	600
			<b>600</b>		<b>600</b>
			<b>26,528</b>		<b>24,128</b>

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

	Face Value	31st March 2020		31st March 2019	
		Nos.	Amount	Nos.	Amount
<b>B. Quoted - Non Trade</b>					
<b>(1) Investments in equity instruments</b>					
<b>(a) In subsidiaries **</b>					
(i) Force Motors Ltd.	₹ 10	75,59,928	2,79,073	75,59,928	2,79,073
			<u>2,79,073</u>		<u>2,79,073</u>
<b>(2) Investment carried at fair value through other comprehensive income (FVTOCI)</b>					
<b>(a) In other companies</b>					
(i) Bajaj Holdings & Investment Limited	₹ 10	59,05,401	1,06,211	59,05,401	2,01,761
(ii) Bajaj Auto Ltd.	₹ 10	96,98,360	1,96,135	96,98,360	2,82,329
(iii) Bajaj Finserv Ltd.	₹ 10	61,29,822	2,81,432	61,29,822	4,31,359
(iv) Finolex Cables Ltd.	₹ 10	3,600	7	3,600	17
(v) ACC Ltd.	₹ 10	187	2	187	3
(vi) Ashok Leyland Ltd.	₹ 1	2,000	1	2,000	2
(vii) BF Investment Ltd. #	₹ 5	180	0	180	0
(viii) BF Utilities Ltd. #	₹ 5	180	0	180	0
(ix) Bharat Forge Ltd.	₹ 2	1,800	4	1,800	9
(x) Birla Precision Tech. Ltd. #	₹ 2	1	0	1	0
(xi) Bosch Ltd.	₹ 10	100	9	100	18
(xii) Escorts Ltd.	₹ 10	200	1	200	2
(xiii) Innovassynth Investments Ltd. #	₹ 10	63	0	63	0
(xiv) Kinetic Engineering Ltd.	₹ 10	5,941	1	5,941	2
(xv) Maharashtra Scooters Ltd.	₹ 10	200	4	200	7
(xvi) Mahindra & Mahindra Ltd.	₹ 5	1,032	3	1,032	7
(xvii) SML Isuzu Ltd. #	₹ 10	100	0	100	1
(xviii) Zenith Birla (India) Ltd. #	₹ 10	6	0	6	0
(xix) ZF Steering Gear (I) Ltd.	₹ 10	30,100	68	30,100	216
(xx) LML Ltd.	₹ 10	100	--	100	--
(xxi) Eicher Motors Ltd.	₹ 10	200	26	200	41
(xxii) Hero Motocorp Ltd.	₹ 2	1,250	20	1,250	32
(xxiii) TVS Motor Company Ltd.	₹ 1	2,000	6	2,000	9
(xxiv) State Bank of India	₹ 1	500	1	500	2
(xxv) Finolex Industries Ltd. #	₹ 10	100	0	100	0
(xxvi) Ambuja Cements Ltd.	₹ 2	1,500	2	1,500	4
(xxvii) Bajaj Finance Ltd.	₹ 2	1,150	25	1,150	35
(xxviii) Spicejet Ltd. #	₹ 10	100	0	100	0
			<u>5,83,958</u>		<u>9,15,856</u>
			<u>8,63,031</u>		<u>11,94,929</u>
			<u>8,89,559</u>		<u>12,19,057</u>
Aggregate amount of quoted investments			<u>8,63,032</u>		<u>11,94,929</u>
Aggregate market value of quoted investments			<u>6,39,427</u>		<u>10,44,379</u>
Aggregate amount of unquoted investments			<u>26,528</u>		<u>24,128</u>
Aggregate amount of diminution in the value of investment			--		--

\*\* Investments in subsidiary, associates, Joint Venture are accounted at cost in accordance with "Ind-AS 27" Separate financial statements.

@ Management is of the opinion that Fair value of investments classified as FVTOCI and FVTPL can not be determined as no observable as well as unobservable inputs are available to determine the Fair Value. However management believes that fair value will not materially deviate from book value.

# Amount '0' Denotes amount less than ₹ 50,000/-

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**5. NON-CURRENT LOANS**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
<b>Unsecured, considered good</b>		
Security deposits	128	123
	<u>128</u>	<u>123</u>

- Loans are neither subject to significant increase in credit risk nor are credit impaired.

**6. OTHER NON-CURRENT FINANCIAL ASSETS**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
Receivable for sale of Assets to Jaya Hind Montupet Pvt. Ltd.	--	3,548
	<u>--</u>	<u>3,548</u>

**7. OTHER NON-CURRENT ASSETS**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
a. Capital advances	840	721
b. Other loans and advances	585	567
	<u>1,425</u>	<u>1,288</u>

**8. INVENTORIES**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
a. Raw materials and components	753	840
b. Work in progress	3,585	4,049
c. Finished goods	--	--
d. Stores & spares	278	270
	<u>4,616</u>	<u>5,159</u>

**9. TRADE RECEIVABLES**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
Unsecured, considered good	12,565	12,773
Unsecured, considered doubtful	9	9
<b>Less</b> : Provision for doubtful receivables	(9)	(9)
	<u>--</u>	<u>--</u>
	<u>12,565</u>	<u>12,773</u>

- Trade receivables are neither subject to significant increase in credit risk nor are credit impaired.

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**10. CASH AND CASH EQUIVALENTS**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
<b>Cash and cash equivalents</b>		
a. Balances with banks In current account	401	830
b. Cash on hand	1	1
	<u>402</u>	<u>831</u>

**11. OTHER BANK BALANCES**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
Short term deposit	15,252	5,645
	<u>15,252</u>	<u>5,645</u>

**12. CURRENT LOANS**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
<b>Unsecured considered good</b>		
Others	41,200	41,200
	<u>41,200</u>	<u>41,200</u>

- Loans are neither subject to significant increase in credit risk nor are credit impaired.

**13. OTHER CURRENT FINANCIAL ASSETS**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
a. Interest accrued	6,451	3,365
b. Dividend receivable #	0	0
	<u>6,451</u>	<u>3,365</u>

**14. OTHER CURRENT ASSETS**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
a. Balances with government authorities	1,635	1,361
b. Other loans and advances	978	698
	<u>2,613</u>	<u>2,059</u>

# Amount '0' Denotes amount less than ₹ 50,000/-

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**15. EQUITY SHARE CAPITAL**

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of Shares	₹	Number of Shares	₹
<b>Authorised :</b>				
Equity Shares of ₹ 10 each	15,66,50,000	15,665	15,66,50,000	15,665
Un-classified Shares of ₹ 10/- each	50,000	5	50,000	5
	<b>15,67,00,000</b>	<b>15,670</b>	15,67,00,000	15,670
<b>Issued, subscribed and fully paid up :</b>				
Equity Shares of ₹ 10/- each	11,82,15,861	11,822	11,82,15,861	11,822
<b>Total Equity Share Capital</b>	<b>11,82,15,861</b>	<b>11,822</b>	11,82,15,861	11,822

**(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :**

Particulars	Year ended 31st March 2020		Year ended 31st March 2019	
	Number of Shares	₹	Number of Shares	₹
At the beginning of the year	11,82,15,861	11,822	3,71,85,588	3,719
Issued during the year	--	--	8,10,30,273	8,103
Reduction during the year	--	--	--	--
Balance as at the end of the year	<b>11,82,15,861</b>	<b>11,822</b>	11,82,15,861	11,822

**(b) Details of shareholders holding more than 5% of a class of shares**

Name of shareholder	As at 31st March 2020		As at 31st March 2019	
	Number of Shares	% holding	Number of Shares	% holding
Equity shares of ₹ 10 each fully paid up	₹ 10 each		₹ 10 each	
1) Mr. Abhaykumar Navalmal Firodia	6,76,99,371	57.27%	6,76,99,371	57.27%
2) Mr. Prasan Abhaykumar Firodia	4,52,41,515	38.27%	4,52,41,515	38.27%
3) Mrs. Indira Abhaykumar Firodia	48,60,000	4.11%	48,60,000	4.11%
	<b>11,78,00,886</b>	<b>99.65%</b>	11,78,00,886	99.65%

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**16. OTHER EQUITY**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
<b>(i) Retained earnings</b>		
Balance as at the beginning of the year	25,539	9,634
<b>Add</b> : Profit for the year	25,180	15,890
<b>Less</b> : Dividend Paid (Including Tax)	1,425	--
<b>Add</b> : Other comprehensive income (net of tax)	(124)	15
<b>Less</b> : Transaction cost incurred for issue of shares	828	--
	<u>48,342</u>	<u>25,539</u>
<b>(ii) Capital reserve</b>		
Arising out of amalgamation (Refer Note 50 (b))	3,51,416	3,51,416
<b>(iii) Capital redemption reserve</b>		
Balance as per last balance sheet	2,500	2,500
<b>(iv) General reserve</b>		
Balance as per last balance sheet	726	726
<b>(v) Securities Premium</b>		
Balance as per last balance sheet	8,21,271	8,21,271
<b>(vi) Equity instruments through other comprehensive income</b>		
<b>Balance as per last balance sheet</b>	82,908	(71,833)
<b>Add / (Less)</b> : Changes in fair value of through other comprehensive income (FVTOCI) equity investments (net of tax)	(3,11,827)	1,54,741
	<u>(2,28,919)</u>	<u>82,908</u>
	<u>9,95,336</u>	<u>12,84,360</u>

**Nature and purpose of reserve :**

○ **The General reserve**

General reserve is created out of profits earned in the normal course of business in accordance with the provisions of the Act.

○ **Securities premium reserve**

Securities premium reserve is used to record the premium on the issue of shares. The reserve is utilised in accordance with the provisions of the Act.

○ **Equity instruments through other comprehensive income**

The company has elected to recognise changes in the fair value of certain investment in equity securities in other comprehensive income. These changes are accumulated in FVTOCI reserve within equity. The company transfers amounts from this reserve to retained earnings when relevant equity securities are derecognised.

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**17. NON-CURRENT BORROWINGS**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
<b>Secured loans</b>		
<b>Loan from banks:</b>		
Term loan from bank (Refer note i & ii)	18,322	6,875
<b>Unsecured loans</b>		
a. Deferred Sales tax loan	--	32
b. Deposits (Refer note iii)	4,066	2,867
	<u>22,388</u>	<u>9,774</u>

- (i) During the year, Foreign currency USD Term Loan is taken for purchase of aircraft. The loan is secured by charge on the same aircraft. The Interest rate is 6 Mths LIBOR + 1.10 spread, with 6 monthly reset. Repayment of Term Loan will commence from March, 2020 and repayable in USD 18 quarterly installments.
- (ii) Term Loan is taken for purchase of fixed assets for Akurdi, Urse and Chennai Plants. The loan is secured by charge on specific plant & machinery. The Interest rate is 6 monthly MCLR with 6 monthly reset. Repayment of Term Loan commenced from March, 2019 and repayable in 16 quarterly installments.
- (iii) Deposits accepted by the company are for a period ranging between 1 to 3 years from the date of acceptance of each deposits. Deposits include deposit accepted from Directors of ₹ 3,421 Lakhs and are repayable after 12 months.

**18. OTHER NON-CURRENT FINANCIAL LIABILITIES**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
Security Deposits from dealers	15	12
	<u>15</u>	<u>12</u>

**19. NON-CURRENT PROVISIONS**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
Provision for employee benefits (Refer note no. 40 - employee benefits)	361	306
	<u>361</u>	<u>306</u>

**20. OTHER NON-CURRENT LIABILITIES**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
Advance from customers (Unsecured)	1,118	416
	<u>1,118</u>	<u>416</u>

**21. CURRENT BORROWINGS**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
<b>Secured</b>		
<b>Loan from banks :</b>		
Cash credit from bank (Refer note i)	104	--
	<u>104</u>	<u>--</u>

- (i) Cash credit from banks is secured by hypothecation of company's stock of raw materials, stock-in-process, stores, finished goods and book debts, present and future, situated at Akurdi and Urse Plant : District Pune State Maharashtra , Pithampur Plant : District Dhar, State Madhya Pradesh and Chennai Plant : Village Kottaiyur, District Thiruvallur State Tamil Nadu, Charges created in favour of State Bank of India (lead banker).

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**Net debt reconciliation**

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	<b>As at 31st March 2020</b>	As at 31st March 2019
	₹	₹
Loans and borrowings	<b>30,693</b>	12,481
<b>Less</b> : cash and cash equivalents	<b>402</b>	831
Net Debt	<b>30,291</b>	11,650

**22. TRADE PAYABLES**

	<b>As at 31st March 2020</b>	As at 31st March 2019
	₹	₹
Trade payables	<b>5,153</b>	6,569
	<b>5,153</b>	6,569

**23. OTHER CURRENT FINANCIAL LIABILITIES**

	<b>As at 31st March 2020</b>	As at 31st March 2019
	₹	₹
a. Deposit (unsecured) (Refer note i)	<b>1,348</b>	1,909
b. Current maturities of term loan	<b>6,775</b>	2,500
c. Deferred Sales tax loan (unsecured)	<b>32</b>	139
d. Interest accrued and due on Term Loan	<b>47</b>	68
e. Creditors for capital goods	<b>32</b>	150
f. Others payables	<b>2,266</b>	1,653
	<b>10,500</b>	6,419

(i) Deposits accepted by the company are for a period ranging between 1 to 3 years from the date of acceptance of each deposits. Deposits include deposit accepted from Directors of ₹ 883.25 Lakhs and are repayable within 12 months.

**24. OTHER CURRENT LIABILITIES**

	<b>As at 31st March 2020</b>	As at 31st March 2019
	₹	₹
a. Advance from customers (Unsecured)	<b>1,610</b>	2,878
b. Statutory dues	<b>486</b>	458
	<b>2,096</b>	3,336

**25. CURRENT PROVISIONS**

	<b>As at 31st March 2020</b>	As at 31st March 2019
	₹	₹
Provision for employee benefits (Refer note no. 40 - employee benefits)	<b>247</b>	73
	<b>247</b>	73

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**26. REVENUE FROM OPERATIONS**

	For the year ended 31st March 2020	For the year ended 31st March 2019
	₹	₹
a. Sale of products	40,641	57,226
b. Sale of services	882	414
<b>c. Other operating income</b>		
(i) Sale of scrap	680	1,108
(ii) Volume Compensation	--	365
(iii) Export incentives	312	472
	<u>42,515</u>	<u>59,585</u>

**Details of products sold**

	For the year ended 31st March 2020	For the year ended 31st March 2019
	₹	₹
a. Aluminium castings	32,036	48,101
b. Auto components & auto electrical	3,955	3,961
c. Dies, Jigs & fixture	4,225	4,380
d. Vehicle bodies	425	784
	<u>40,641</u>	<u>57,226</u>

**Details of services rendered**

	For the year ended 31st March 2020	For the year ended 31st March 2019
	₹	₹
a. Tooling development charges	459	363
b. Labour Charges - Castings	233	51
c. Labour Charges - Fabrication Jobs	--	--
d. Labour Charges - T3 Project	190	--
	<u>882</u>	<u>414</u>

**27. OTHER INCOME**

	For the year ended 31st March 2020	For the year ended 31st March 2019
	₹	₹
a. Interest income	3,747	3,704
b. Dividend	22,987	9,049
c. Profit on sale of assets	416	923
d. Lease rental	672	672
e. Support services charges	662	662
f. Gain on foreign currency translation and transaction	--	33
g. Others	495	104
	<u>28,979</u>	<u>15,147</u>

**28. COST OF MATERIALS CONSUMED**

	For the year ended 31st March 2020	For the year ended 31st March 2019
	₹	₹
a. Consumption - Raw Material	15,215	25,883
b. Consumption - Components & Others	2,345	1,774
c. Freight charges	75	195
	<u>17,635</u>	<u>27,852</u>

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**29. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS AND FINISHED GOODS**

	For the year ended 31st March 2020 ₹	For the year ended 31st March 2019 ₹
<b>Inventories at the beginning of the year</b>		
a. Work in progress	4,049	4,314
b. Finished goods	--	--
	<u>4,049</u>	<u>4,314</u>
<b>Inventories at the end of the year</b>		
a. Work in progress	3,585	4,049
b. Finished goods	--	--
	<u>3,585</u>	<u>4,049</u>
	<u>464</u>	<u>265</u>

**Details of Inventory**

**Work-in- progress**

	For the year ended 31st March 2020 ₹	For the year ended 31st March 2019 ₹
a. Tool room	2,375	2,629
b. Manufactured intermediates	1,209	1,419
c. Stock of casting machined in PDC	1	1
	<u>3,585</u>	<u>4,049</u>

**Finished goods**

	For the year ended 31st March 2020 ₹	For the year ended 31st March 2019 ₹
Finished castings	--	--
	<u>3,585</u>	<u>4,049</u>

**30. EMPLOYEE BENEFIT EXPENSES**

	For the year ended 31st March 2020 ₹	For the year ended 31st March 2019 ₹
a. Salaries, wages, bonus etc	8,179	8,260
b. Contribution to Provident, other funds and schemes	581	621
c. Staff & Labour Welfare Expenses	334	376
	<u>9,094</u>	<u>9,257</u>

**31. FINANCE COSTS**

	For the year ended 31st March 2020 ₹	For the year ended 31st March 2019 ₹
a. Interest	1,562	1,281
b. Other borrowing cost	55	10
	<u>1,617</u>	<u>1,291</u>

**32. DEPRECIATION AND AMORTIZATION EXPENSE**

	For the year ended 31st March 2020 ₹	For the year ended 31st March 2019 ₹
a. Depreciation on property, plant and equipment	4,953	4,683
b. Amortisation of intangible assets	57	58
c. Depreciation on investment property	8	9
	<u>5,018</u>	<u>4,750</u>

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**33. OTHER EXPENSES**

	For the year ended 31st March 2020	For the year ended 31st March 2019
	₹	₹
a. Consumption of stores and spares	2,731	3,651
b. Fabrication and processing charges	1,124	1,726
c. Power & fuel	2,773	3,409
d. Lease rent	389	124
e. Freight, packing and forwarding charges	835	1,510
f. Rates and taxes	84	42
g. Insurance	83	46
h. Repairs and maintenance :		
(i) Plant and machinery	1,453	1,415
(ii) Building	205	224
(iii) Others	64	101
i. Publicity and sales promotion	1	35
j. Auditors remuneration [Refer note (i) below]	8	3
k. Cleaning expenses	274	215
l. Bank charges	118	41
m. Legal & professional charges	382	362
n. Corporate social responsibility expenses	77	47
o. Royalty	84	108
p. Director sitting fees	12	51
q. Loss on foreign currency translation and transaction	946	--
r. Donations	1	150
s. Miscellaneous expenses	718	752
t. Amalgamation expenses	--	2,581
	<u>12,360</u>	<u>16,591</u>

**(i) Payment to Auditors**
**Auditors remuneration :**

	For the year ended 31st March 2020	For the year ended 31st March 2019
	₹	₹
a. Audit Fees	6	3
b. Tax audit fees #	1	0
c. Other services #	1	0
d. Reimbursement of expenses #	0	0
	<u>8</u>	<u>3</u>

**34. INCOME TAX**
**(a) Statement of Profit or Loss**

	As at 31st March 2020	As at 31st March 2019
	₹	₹
<b>Current tax :</b>		
a. Current income tax charge	508	2,407
b. Deferred tax (including MAT credit entitlement)	396	(2,552)
c. Taxation in respect of earlier years	--	(8)
<b>Income tax expense reported in the statement of profit or loss</b>	<u>904</u>	<u>(153)</u>

# Amount '0' Denotes amount less than ₹ 50,000/-

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**(b) Other Comprehensive Income (OCI)**

Taxes related to items recognised in OCI during in the year

	As at 31st March 2020	As at 31st March 2019
	₹	₹
a. Taxes on equity instruments through other comprehensive income	20,069	(20,070)
b. Remeasurements gains and losses on post employment benefits	67	(8)
Income tax recognised in OCI	<u>20,136</u>	<u>(20,078)</u>

**(c) Balance Sheet**

	As at 31st March 2020	As at 31st March 2019
	₹	₹
<b>Current Tax Asset</b>		
Advance income tax (net of provision)	1,937	2,081
Total non-current tax assets	<u>1,937</u>	<u>2,081</u>
<b>Deferred tax :</b>		
	As at 31st March 2020	As at 31st March 2019
	₹	₹
a. Deferred tax asset (DTA)	11,236	10,274
b. Deferred tax liability (DTL)	(3,814)	(22,593)
Net deferred tax asset / (liability)	<u>7,422</u>	<u>(12,318)</u>

**(d) Deferred Tax Assets and Liabilities are as follows :**

	As at 31st March 2020	As at 31st March 2019
	₹	₹
<b>i. Deferred tax asset :</b>		
a. Disallowances u/s 43B	266	268
b. Provision for doubtful debts	3	3
c. Business loss carry forward	64	--
d. MAT credit entitlement	9,929	9,282
e. Amalgamation expenses u/s 35DD	541	722
f. Others	433	--
<b>Total deferred tax asset</b>	<u>11,236</u>	<u>10,275</u>
<b>ii. Deferred tax liability :</b>		
a. Depreciation / amortisation on Property, plant and equipment and intangible asset	(3,812)	(2,521)
b. Prepaid taxes u/s 43 B	(1)	(2)
c. Taxes on equity instruments through other comprehensive income	(1)	(20,070)
<b>Total deferred tax liability</b>	<u>(3,814)</u>	<u>(22,593)</u>
<b>Net deferred tax asset / (liability)</b>	<u>7,422</u>	<u>(12,318)</u>

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**(e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March 2020 and 31st March 2019 :**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
<b>Accounting profit before tax</b>	<b>26,084</b>	15,737
a) Tax as per IT Act on above @ 34.944%	<b>9,115</b>	5,499
<b>b) Tax expenses</b>		
(i) Current tax	<b>508</b>	2,407
(ii) Deferred tax	<b>396</b>	(2,552)
(iii) Taxation in respect of earlier years	<b>--</b>	(8)
	<b>904</b>	(153)
c) Difference (a - b)	<b>8,211</b>	5,652
<b>Tax reconciliation adjustments :</b>		
i) Permanent disallowances	<b>(68)</b>	(250)
ii) Allowances and accelerated deductions	<b>8,140</b>	3,295
iii) MAT Credit	<b>139</b>	2,599
iv) Taxation in respect of earlier years	<b>--</b>	8
	<b>8,211</b>	5,652

**(f) Movement in temporary differences :**

Particulars	1st April 2019	Recognised in profit or loss during 2019-20	Recognised in OCI during 2019-20	31st March 2020
(i) Disallowances u/s 43B	268	(69)	67	<b>266</b>
(ii) Provision for doubtful debts	3	--	--	<b>3</b>
(iii) Business loss carry forward	--	64	--	<b>64</b>
(iv) MAT credit entitlement	9,282	647	--	<b>9,929</b>
(v) Depreciation / amortisation on Property, plant and equipment and intangible asset	(2,521)	(1,291)	--	<b>(3,812)</b>
(vi) Prepaid taxes u/s 43 B #	(2)	0	--	<b>(1)</b>
(vii) Research and development expenses	--	--	--	--
(viii) Amalgamation expenses u/s 35DD	722	(180)	--	<b>541</b>
(ix) Others	--	433	--	<b>433</b>
(x) Taxes on equity instruments through other comprehensive income	(20,070)	--	20,069	<b>(1)</b>
	<b>(12,318)</b>	<b>(396)</b>	<b>20,135</b>	<b>7,422</b>

# Amount '0' Denotes amount less than ₹ 50,000/-

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**35. EARNINGS PER SHARE**

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purpose of basic and diluted earnings per share calculation are as follows :

	For the year ended 31st March 2020	For the year ended 31st March 2019
	₹	₹
a) Profit attributable to equity shareholders	25,180	15,890
b) Weighted average number of equity shares	11,82,15,861	7,09,48,202
c) <b>Basic and diluted earnings per share of nominal value of ₹ 10 each</b>	<b>21.30</b>	<b>22.40</b>

**Weighted average number of shares**

	For the year ended 31st March 2020	For the year ended 31st March 2019
	₹	₹
a) Basic number of shares	11,82,15,861	3,71,85,588
b) Weighted number of shares reduced during year pursuant to scheme of amalgamation	11,82,15,861	7,09,48,202

**36. CONTINGENT LIABILITIES AND COMMITMENTS**

	As at 31st March 2020	As at 31st March 2019
	₹	₹
<b>(i) Contingent liabilities</b>		
Claims against company not acknowledged as debts :		
(a) Taxes & Duties	9,883	9,909
(b) Bonus Payable (F.Y. 2014-15)	235	235
	<b>10,118</b>	<b>10,144</b>
<b>(ii) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	529	436
	<b>10,647</b>	<b>10,580</b>

**37. FOREIGN EXCHANGE GAIN OR LOSS**

The amount of net exchange difference included in the Profit / Loss for the year on Revenue account is ₹ 293.39 lakhs Credit (₹ 55.80 lakhs Credit) and on Capital account is ₹ 1,239.30 lakhs Debit (₹ 22.42 lakhs Debit).

**38. THE COMPANY'S EXPENDITURE ON ITS RESEARCH AND DEVELOPMENT ACTIVITY DURING THE YEAR UNDER REPORT**

	For the year ended 31st March 2020	For the year ended 31st March 2019
	₹	₹
(i) Capital Expenditure	--	6
(ii) Revenue expenditure	436	430
	<b>436</b>	<b>436</b>

The above expenditure is grouped with other non-R&D expenditure under various heads of Capital and Revenue expenditure.

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**39. LEASES**
**Operating Leases :**
**A. Assets given on Lease :**

- (i) Industrial Land and infrastructure facilities at Urse :

The Company has entered into a lease agreement for 19000 sq. mtrs. of land on lease alongwith existing infrastructure facilities for the period of 10 months 20 days i.e. upto 20th February 2021.

The Lessee is entitled to terminate the Lease Agreement after the expiry of 10 months 20 days from the date of agreement. The Lessor is also entitled to terminate the Lease Agreement, if the Lessee defaults the terms and conditions of the Lease Agreement.

The Lease income has been recognised in Statement of Profit and Loss :

Category	Gross carrying amount of the portion of assets leased, disclosed in Note No. 2	Accumulated Depreciation	Depreciation recognised in Statement of Profit & Loss
(1) Freehold Land	11 (11)	-- --	-- --
(2) Building	641 (626)	256 (236)	20 (18)

The lease rentals received from Jaya Hind Montupet Pvt. Ltd.

Lease rental received	For the year ended	For the year ended
	31st March 2020	31st March 2019
	₹	₹
Current Year	672	672
<b>Future minimum lease rentals :</b>		
Less than one year	601	672
Later than one year but not later than five years	Nil	Nil

Note : Previous year figures are mention in bracket.

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**40. EMPLOYEE BENEFITS**

**(i) Defined contribution plans :**

Amount of ₹ 581 lakhs (year ended 31st March 2019 : ₹ 621 lakhs) is recognised as an expense and included in "Employees benefits expense" in the statement of profit and loss accounts.

**(ii) Defined benefit plans :**

**a) The amounts recognised in balance sheet are as follows:**

	31st March 2020		31st March 2019	
	Gratuity Plan (Funded)	Provident Fund * (Funded)	Gratuity Plan (Funded)	Provident Fund * (Funded)
A. Amount to be recognised in balance sheet				
Present value of defined benefit obligation	1,199	186	887	63
<b>Less : Fair value of plan assets</b>	<b>1,031</b>	<b>1,337</b>	886	1,265
Amount to be recognised as liability or (asset)	168	(1,151)	1	(1,202)
B. Amounts reflected in the balance sheet				
Liabilities	--	--	--	--
Assets	(168)	1,151	(1)	1,202
Net liability / (assets)	168	(1,151)	1	(1,202)

**b) The amounts recognised in the statement of profit and loss are as follows:**

	Year ended 31st March 2020		Year ended 31st March 2019	
	Gratuity Plan (Funded)	Provident Fund * (Funded)	Gratuity Plan (Funded)	Provident Fund * (Funded)
<b>Employee benefit expenses</b>				
Current service cost	98	9	86	6
1. Acquisition (gain) / loss	--	--	--	--
2. Past service cost	--	--	--	--
<b>Finance cost</b>				
Net interest (income) / expenses	(4)	(91)	(4)	(88)
3. Actuarial losses / (gains)	--	--	--	--
4. Curtailment (gain) / loss	--	--	--	--
5. Settlement (gain) / loss	--	--	--	--
6. Others (Transfer In / (Out))	(4)	--	--	--
Net periodic benefit cost recognised in the statement of profit and loss-	90	(82)	82	(82)

**c) The amounts recognised in the statement of other comprehensive income (OCI)**

	Year ended 31st March 2020		Year ended 31st March 2019	
	Gratuity Plan (Funded)	Provident Fund * (Funded)	Gratuity Plan (Funded)	Provident Fund * (Funded)
1. Opening amount recognised in OCI outside profit and loss account	--	--	--	--
2. Remeasurements for the year - obligation (gain)/loss	187	109	(25)	--
3. Remeasurements for the year - plan assets (gain) / loss	(1)	24	2	(17)
4. Total remeasurements cost / (credit) for the year recognised in OCI	186	133	(23)	(17)
5. <b>Less:</b> Accumulated balances transferred to retained earnings	186	133	(23)	(17)
Closing balances (remeasurements (gain)/loss recognised OCI)	--	--	--	--

**d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :**

	31st March 2020		31st March 2019	
	Gratuity Plan (Funded)	Provident Fund * (Funded)	Gratuity Plan (Funded)	Provident Fund * (Funded)
1. Present value of obligation as at the beginning of the period	887	63	783	28
2. Acquisition adjustment	--	--	--	--
3. Transfer in / (out)	0	--	--	--
4. Interest expenses	66	5	60	2
5. Past service cost	--	--	--	--
6. Current service cost	98	9	86	6
7. Curtailment cost / (credit)	--	--	--	--
8. Settlement cost / (credit)	--	--	--	--
9. Benefits paid	(39)	--	(17)	--
10. Remeasurements on obligation - (gain) / loss	187	109	(25)	27
Present value of obligation as at the end of the period	1,199	186	887	63

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**e) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows :**

	31st March 2020		31st March 2019	
	Gratuity Plan (Funded)	Provident Fund * (Funded)	Gratuity Plan (Funded)	Provident Fund * (Funded)
1. Fair value of the plan assets as at beginning of the period	885	1,265	811	1,158
2. Acquisition adjustment	--	--	--	--
3. Transfer in / (out)	5	--	--	--
4. Interest income	70	96	64	90
5. Contributions	111	--	31	--
6. Mortality Charges and Taxes	(2)	--	(1)	--
7. Benefits paid	(39)	--	(17)	--
8. Amount paid on settlement	--	--	--	--
9. Return on plan assets, excluding amount recognized in Interest Income - gain / (loss)	1	--	(2)	--
10. Fair value of plan assets as at the end of the period	--	--	--	--
11. Actuarial return on plan assets	--	(24)	--	17
	<b>1,031</b>	<b>1,337</b>	886	1,265

**f) Net interest (income) / expenses**

	Year ended 31st March 2020		Year ended 31st March 2019	
	Gratuity Plan (Funded)	Provident Fund * (Funded)	Gratuity Plan (Funded)	Provident Fund * (Funded)
1. Interest ( income) / expense - obligation	66	5	60	2
2. Interest (income) / expense - plan assets	(70)	(96)	(64)	(90)
<b>Net interest (income) / expense for the year</b>	<b>(4)</b>	<b>(91)</b>	<b>(4)</b>	<b>(88)</b>

\* The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**g) The broad categories of plan assets as a percentage of total plan assets of employee's gratuity scheme are as under :**

	Percentage	
	31st March 2020	31st March 2019
1. Central government securities	0%	0%
2. State government securities	0%	0%
3. Bonds and debentures etc.	0%	0%
4. Fixed deposits	0%	0%
5. Equity shares	0%	0%
6. Collateralized borrowing and lending obligation	0%	0%
7. Funded / managed by insurer	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Basis used to determine the overall expected return :

The net interest approach effectively assumes an expected rate of return on plan assets equal to the beginning of the year discount rate. Expected return of 7.80% has been used for the valuation purpose.

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**h) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)**

	31st March 2020	31st March 2019
<b>Gratuity :</b>		
a. Discount rate	0.066	0.076
b. Expected return on plan assets	0.076	0.078
c. Rate of increase in compensation levels	0.1	0.1
d. Expected average remaining working lives of employees (in years)	7.98*	8.18*
e. Withdrawal Rate		
(i) Workers	0.02	0.02
(ii) Bargainable & Others	0.1	0.1
<b>Provident fund :</b>		
a. Discount rate	0.066	0.076
b. Interest rate	0.0865	0.0865
c. Yield spread	0.005	0.005
d. Attrition rate - Bargainable staff	0.1	0.1
e. Attrition rate - Others	0.02	0.02
f. Expected average remaining working lives of employees (in years)	12.86*	8.82*

\* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

**i) General descriptions of defined benefit plans :**

**1 Gratuity plan :**

The company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

**j) The Company expects to fund ₹ 111 lakhs towards its gratuity plan in the year 2020-21.**

**k) Sensitivity analysis**

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation (PVO). Sensitivity analysis is done by varying (increasing / decreasing) one parameter for Gratuity by 100 basis points (1%) and for Provident fund by 50 basis points (0.5%).

Change in assumptions	31st March 2020		31st March 2019	
	Gratuity	Provident fund	Gratuity	Provident fund
<b>1 Discount rate</b>				
Increase by 1%	1,117	--	828	--
Decrease by 1%	1,294	--	953	--
Increase by 0.5%	--	130	--	19
Decrease by 0.5%	--	243	--	109
<b>2 Salary increase rate</b>				
Increase by 1%	1,279	--	942	--
Decrease by 1%	1,129	--	836	--
<b>3 Withdrawal rate</b>				
Increase by 1%	1,185	--	879	--
Decrease by 1%	1,217	--	895	--
<b>4 Expected future interest rate of provident fund</b>				
Increase by 0.5%	--	237	--	106
Decrease by 0.5%	--	133	--	19

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**41. RELATED PARTY DISCLOSURES**
**(A) Name of the related parties and nature of related party relationship where control exists are as under :**

- (a) **Subsidiary Company** : Force Motors Limited (w.e.f. 01.01.2018)  
 : Tempo Finance (West) Private Limited (w.e.f. 01.01.2018)  
 : Vanguard Automotive Limited (w.e.f. 01.01.2018)  
 : Jaya Hind Montupet Private Limited. (w.e.f. 18.09.2019)
- (b) **Key Management Personnel** : Mr. Abhaykumar Firodia, Chairman  
 : Mr. Prasan Firodia, Managing Director  
 : Mr. M. S. Bhogal, Executive Director
- (c) **Relatives of Key Management Personnel**
- (i) Mr. Abhaykumar N. Firodia : Mrs. Indira A. Firodia Spouse  
 : Mr. Prasan A. Firodia Son  
 : Mrs. Sunanda S. Mehta Daughter  
 : Mrs. Shribala S. Chordia Daughter  
 : Mrs. Harsha G. Jain Daughter  
 : Mrs. Kamala Bhandari Sister  
 : Mrs. Shyamala Navalakha Sister
- (ii) Mr. Prasan A. Firodia : Mr. Abhaykumar N. Firodia Father  
 : Mrs. Indira A. Firodia Mother  
 : Mrs. Sejal P. Firodia Spouse  
 : Mrs. Sunanda S. Mehta Sister  
 : Mrs. Shribala S. Chordia Sister  
 : Mrs. Harsha G. Jain Sister
- (iii) Mr. M. S. Bhogal : Mr. Piara Singh Bhogal Father  
 : Mrs. Simren Kaur Bhogal Spouse  
 : Mr. Jaskaran Singh Bhogal Son  
 : Mr. Hardeep Singh Bhogal Son  
 : Mr. Harbhajan Singh Bhogal Brother  
 : Mr. Amrik Singh Bhogal Brother
- (d) **Other related parties** : Rivulis Irrigation India Pvt. Ltd.  
 : Pinnacle Industries Ltd.

**(B) Disclosure of Transactions with related parties are mentioned below :**

		Volume of Transaction during 2019-20	Amount Outstanding as on 31st March 2020		Volume of Transaction during 2018-19	Amount Outstanding as on 31st March 2019	
			Receivables	Payables		Receivables	Payables
		₹	₹	₹	₹	₹	₹
a) <b>Key Management Personnel</b>	(i) Managerial Remuneration	103	--	9	99	--	9
	(ii) Interest on Fixed Deposits	383	--	177	231	--	--
	(iii) Fixed Deposits Accepted / Renewed	3,855	--	3,225	845	--	2,430
	(iv) Fixed Deposit Repaid	2,160	--	--	1,850	--	--
	(v) Director Sitting Fees	--	--	--	11	--	--
b) <b>Relatives of Key Management Personnel</b>	(i) Interest on Fixed Deposits	198	--	91	187	--	--
	(ii) Fixed Deposits Accepted / Renewed	1,265	--	1,939	560	--	1,549
	(iii) Fixed Deposit Repaid	595	--	--	710	--	--
	(iv) Director Sitting Fees	6	--	--	25	--	2

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

	Volume of Transaction during 2019-20	Amount Outstanding as on 31st March 2020		Volume of Transaction during 2018-19	Amount Outstanding as on 31st March 2019	
		Receivables	Payables		Receivables	Payables
		₹	₹		₹	₹
<b>c) Other Related Parties</b>						
<b>(i) Force Motors Limited</b>						
Sales	8,459	2,349	--	7,888	225	--
Dividend Received	756	--	--	756	--	--
Purchase of Raw Material, Components & Capital Goods	419	--	61	517	--	38
Charges towards I.T. Support	71	--	--	95	--	47
Leasing Services	346	--	225	--	--	--
Rent	10	--	5	--	--	--
Others	4	--	3	7	--	2
<b>(ii) Jaya Hind Montupet Pvt. Ltd.</b>						
Equity Purchased	2,400	--	--	--	--	--
Sale of Assets	12	--	--	--	3,548	--
Sale of Raw Material	--	--	--	180	40	--
Services - Lease Rental & Support Service	1,558	996	--	1,575	23	--
Reimbursement of Expenses Recovered	640	14	--	773	2	--
Processing Charges	11	--	--	43	7	--
<b>(iii) Rivulis Irrigation India Pvt. Ltd.</b>						
ICD Receivable	--	1,000	--	1,000	1,000	--
Interest on ICD	103	26	--	90	25	--
<b>(iv) Pinnacle Industries Ltd.</b>						
Sale of material	2	1	--	--	--	--
ICD Receivable	--	200	--	--	200	--
Investment in Preference Shares	--	600	--	--	600	--
Dividend on Preference Shares	30	--	--	--	--	--
Interest on ICD	15	1	--	15	1	--

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**42. FAIR VALUE MEASUREMENT**

Particulars	Carrying value	
	31st March 2020	31st March 2019
<b>Financial assets</b>		
<b>Amortised cost</b>		
<b>Categorised as at level 2</b>		
Loans	41,328	41,323
Trade receivables	12,565	12,773
Cash and cash equivalents	402	831
Bank balance other than above	15,252	5,645
Other financial assets	6,451	6,913
Investments	26,528	24,128
<b>Fair value through profit or loss</b>		
<b>Categorised as at level 1</b>		
Inventories	--	--
<b>Categorised as at level 3</b>		
Investments in preference shares	600	600
<b>Fair value through other comprehensive income</b>		
<b>Categorised as at level 1</b>		
Investment in equity instrument	6,03,549	9,35,446
	<b>7,06,675</b>	<b>10,27,659</b>
<b>Financial liabilities</b>		
<b>Amortised cost</b>		
<b>Categorised as at level 2</b>		
Borrowings	22,491	9,774
Trade payables	5,153	6,569
Other financial liabilities	10,515	6,431
	<b>38,159</b>	<b>22,774</b>

As per assessments made by the management, fair values of all financial instruments carried at amortised cost are not materially different from their carrying amounts since they are either short term in nature or the interest rates applicable are equal to the current market rate of interest.

The Management assessed that the fair value of the long term borrowings (fixed interest bearing) included in the borrowings above are adjusted for the transaction costs and has covered the impact of the effective rate of interest.

Investment in subsidiaries, joint ventures and associates is accounted at cost in accordance with Ind-AS 27 - "Separate financial statements" and Ind AS 28 - "Investments in Associates and Joint Ventures". Accordingly such investments are not recorded at fair value.

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**43. FINANCIAL RISK MANAGEMENT POLICY AND OBJECTIVES**

Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance company's operations. Company's principal financial assets include trade and other receivables and cash and cash equivalents, that derive directly from its operations. In order to minimise any adverse effects on the financial performance of the Company, it has taken various measures. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and impact of the same 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, external credit rating (wherever available)	Diversification of bank deposits, credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts, liquidity ratios	Availability of committed credit lines and borrowing facilities
Market risk - Foreign Currency Risk	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Sensitivity Analysis	Management follows established risk management policies, including use of derivatives like foreign exchange forward contracts, where the economic conditions match the company's policy.

The Company's risk management is carried out by management, under guiding principles of the board of directors, as well as policies covering specific areas, such as, credit risk, and investment of excess funds etc.

**(i) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers; loans and deposits with banks.

Credit risk in case of the Company arises from cash and cash equivalents, deposits with banks as well as credit exposures to customers including outstanding receivables.

The carrying amounts of financial assets represent the maximum credit risk exposure.

**Credit risk management**

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the reliability of customers, taking into account the financial condition, current economic trends and analysis of historical aging of accounts receivable.

**Expected credit loss allowance**

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

Investment	As at 31st March 2020	As at 31st March 2019
More than 1 years	8,87,162	12,19,057
Less than 1 years	2,400	--
Less : expected credit loss allowance	--	--
<b>Total</b>	<b>8,89,562</b>	<b>12,19,057</b>

  

Trade receivables	As at 31st March 2020	As at 31st March 2019
More than 1 years	--	28
Less than 1 years	12,574	12,754
Less : expected credit loss allowance	(9)	(9)
<b>Total</b>	<b>12,565</b>	<b>12,773</b>

  

Loans	As at 31st March 2020	As at 31st March 2019
More than 1 years	128	123
Less than 1 years	41,200	41,200
Less : Provision for doubtful loan / deposits	--	--
<b>Total</b>	<b>41,328</b>	<b>41,323</b>

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

Other Financial Assets	As at 31st March 2020	As at 31st March 2019
More than 1 years	--	--
Less than 1 years	<b>6,451</b>	6,913
Less: Provision for doubtful EMD	--	--
<b>Total</b>	<b>6,451</b>	6,913

**Reconciliation of loss allowance**

Particulars	Investment	Loan	Other Non-current assets	Trade receivable	Other financial asset
Loss allowance as at 31st March, 2019	--	--	--	(9)	--
Changes in loss allowance	--	--	--	--	--
<b>Loss allowance as at 31st March, 2020</b>	--	--	--	<b>(9)</b>	--

**(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, that it will have sufficient liquidity to meet its liabilities when they are due, by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments :

Particulars	Less than 1 year	More than 1 year
<b>31st March 2020</b>		
Interest bearing borrowings	8,227	22,388
Other financial liabilities	2,377	15
Trade payables	5,153	--
<b>Total</b>	<b>15,757</b>	<b>22,402</b>
<b>31st March 2019</b>		
Interest bearing borrowings	4,409	9,774
Other financial liabilities	2,010	12
Trade payables	6,569	--
<b>Total</b>	<b>12,988</b>	<b>9,786</b>

The Company has access to following undrawn facilities at the end of the reporting period :

Particulars	As at 31st March 2020	As at 31st March 2019
Expiring within one year	<b>6,496</b>	6,600
Expiring beyond one year	--	7,975
<b>Total</b>	<b>6,496</b>	14,575

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**(iii) Foreign currency risk**

The company is exposed to foreign exchange risk mainly through its exports and purchases from overseas suppliers in various foreign currencies. The company evaluates exchange rate exposure arising from foreign currency transactions and the company follows established risk management policies, to hedge exposure to foreign currency risk, where the economic conditions match the company's policy.

**(a) Foreign currency unhedged exposure :**

<b>Financial Assets</b>	<b>Currency</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Trade receivables	USD	<b>22,83,593</b>	40,87,337
	Euro	<b>37,182</b>	--
EEFC Bank balance in foreign currency	USD	<b>2,07,907</b>	--
		<b>31st March 2020</b>	<b>31st March 2019</b>
	₹	<b>1,900</b>	2,811

<b>Financial Liabilities</b>	<b>Currency</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Sundry creditors	CHF	--	--
	Euro	<b>4,30,513</b>	(61,306)
	JPY	--	--
	USD	<b>4,487</b>	--
FCNB USD Bank balance in foreign currency	USD	<b>2,40,08,348</b>	--
		<b>31st March 2020</b>	<b>31st March 2019</b>
	₹	<b>18,588</b>	(48)

**(b) Currency wise net exposure (Assets-Liabilities) :**

<b>Particulars</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
USD	<b>(2,15,21,335)</b>	40,87,337
CHF	--	--
Euro	<b>(3,93,332)</b>	(61,306)
JPY	--	--
	<b>31st March 2020</b>	<b>31st March 2019</b>
₹	<b>(16,688)</b>	2,763

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**(c) Sensitivity Analysis :**

Currency	Amount in ₹		Sensitivity %
	2019-20	2018-19	
USD	(16,356)	2,811	1.00%
CHF	--	--	1.00%
Euro	(332)	(48)	1.00%
JPY	--	--	1.00%
	(16,688)	2,763	

Currency	Impact on profit (1% strengthening) Amount in ₹		Impact on profit (1% weakening) Amount in ₹	
	2019-20	2018-19	2019-20	2018-19
USD	(164)	(28)	164	28
CHF	--	--	--	--
Euro #	(3)	(0)	3	0
JPY	--	--	--	--

**(iv) Market risk- Interest rate**

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**44. CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's capital management is to maximise shareholder's value. The Company manages its capital structure and makes adjustments in light of changes in economic environment and requirements of the financial covenants. The company monitors capital on the basis of the net debt of financial covenants.

"The company's objectives when managing capital are to: (a) safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders, and (b) Maintain an optimal capital structure to reduce the cost of capital."

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. Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by total equity (as shown in the balance sheet).

Particulars	As at 31st March 2020	As at 31st March 2019
Loans and borrowings	30,693	12,481
Less : cash and cash equivalents	402	831
<b>Net debt</b>	<b>30,291</b>	<b>11,650</b>
Equity	10,07,158	12,96,182
Capital and net debt	10,37,449	13,07,831
<b>Gearing ratio</b>	<b>2.92%</b>	<b>0.89%</b>

# Amount '0' Denotes amount less than ₹ 50,000/-

**Notes to Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**45. OPERATING SEGMENT**

As per IND AS 108 Segment information is disclosed in the consolidated financial statements.

**46. CORPORATE SOCIAL RESPONSIBILITY**

The Company has spent ₹ 77 lakhs (₹ 47 lakhs) towards Corporate Social Responsibility (CSR), which is included in "Other Expenses" to the Notes to Account. (a) Gross amount required to be spent by the company during the year ₹ 77 lakhs/- (₹ 47 lakhs) (b) Amount spent during the year on :

Description	In cash	Yet to be paid in cash	Total
(i) Construction of old age homes	77	--	77
	(47)	--	(47)
(ii) On purposes other than (i) above	--	--	--

**47. DISCLOSURES UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2nd October 2006 and on the basis of the information and records available with the management.

Particulars	31-03-2020	31-03-2019
a. The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	--	--
- Interest	--	--
b. The amount of interest paid by the company as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) along with amount of the payment made to micro and small suppliers beyond the appointed day during each accounting year.	--	--
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	--	--
d. The amount of interest accrued and remaining unpaid at the end of each accounting year.	--	--
e. The amount of 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 the MSMED Act, 2006.	--	--

Note : Previous year figures are mention in bracket.

## Notes to Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

### 48. EXPENSES CAPITALISED

Amount capitalized represents expenditure transferred to capital and other accounts allocated out of material cost, employee cost and other expenses, incurred in connection with production related activities.

### 49. OTHER NOTES

As reported earlier the Scheme of Amalgamation of Jaya Hind Investments Private Limited, CIN U67200PN1981PTC023979, Prasanna Holdings Private Limited CIN U65999PN1982PTC026304, Ahmednagar Engineering Private Limited, CIN U28991MH1987PTC045185, Dhanna Engineering Private Limited, CIN U29130PN1992PTC065494 with the Company was approved by the National Company law Tribunal, Mumbai Bench, Mumbai, vide its Order dated 24th October 2018. The said Order has been filed with the Office of the Registrar of Companies, Maharashtra, Pune, on 30th October 2018 and accordingly, as the Scheme envisaged and as approved by the National Company Law Tribunal, the Amalgamation is effective from the Appointed Date 1st January 2018. The Scheme has come into force with effect from the said Appointed Date and all accounting related to Amalgamation, including incomes, expenses, assets and liabilities have been recorded in the Books of Accounts of the Company with effect from that date. The Financial Statement thus includes the income/expenditure of each of the Transferor Companies earned/incurred from 1st January 2018 till 31st March 2019.

50. The outbreak of COVID-19 pandemic has had an adverse effect on the operations of the Company. It impacted the revenue and profitability during the last quarter of the year ending 31st March 2020.

The impact of COVID-19 is expected to continue for several months, and the management of the Company will closely monitor the developments, and implement all appropriate measures.

51. Previous year figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current year's classification.

As per our report of even date

For M/s. Kirtane & Pandit LLP  
**Chartered Accountants**  
 [FRN : 105215W/W100057]

#### Parag Pansare

Partner  
 Membership No. 117309

Place : Pune  
 Date : 31st July 2020

**Ishan Ghosh**  
 Chief Financial Officer

**Amruta Patil**  
 Company Secretary  
 [Membership No. : A25028]

On behalf of the Board of Directors

**Abhaykumar Firodia**  
 Chairman  
 [DIN : 00025179]

**Prasan Firodia**  
 Managing Director  
 [DIN : 00029664]

Place : Pune  
 Date : 31st July 2020

**Form AOC - 1**

*Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the 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 ₹ Lakhs)

Sr. No.	Particulars	Subsidiary Companies			
		Force Motors Limited	Tempo Finance (West) Private Limited	Vanguard Automotive Limited	Jaya Hind Montupet Private Limited
1.	Name of the Subsidiary				
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March 2020	31st March 2020	31st March 2020	31st March 2020
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA
4.	Share capital	1,318	133	170	8,550
5.	Reserves & surplus	1,96,253	406	(404)	1,406
6.	Total assets	3,10,654	540	227	12,335
7.	Total Liabilities	3,10,654	540	227	12,335
8.	Investments	9,184	--	--	--
9.	Turnover	3,12,290	39	--	14,576
10.	Profit before taxation	4,983	38	(4)	7,203
11.	Provision for taxation	(836)	10	--	787
12.	Profit after taxation	5,819	28	--	6,417
13.	Proposed Dividend Rs. Per Share	10	--	--	--
14.	% of shareholding	57.38%	99.03%	97.05%	99.98%

1.	Name of the subsidiaries which are yet to commence operations.	N. A.
2.	Name of subsidiaries which have been liquidated or sold during the year.	N. A.

**Part “B” : ASSOCIATES AND JOINT VENTURES**

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

Sr. No.	Name of the associates / Joint Ventures	Rivulis Irrigation India Private Limited	Force MTU Power Systems Pvt. Ltd.
1.	Latest audited Balance Sheet Date	31st March 2020	31st March 2020
2.	Shares of Associate/Joint Ventures held by the company on the year end		
	Equity Shares of ₹ 10/- each <span style="float: right;">No.</span>	49,020	7,96,62,000
	Amount of Investment in Lakhs	1,276	7,966
	Extend of Holding %	25.00%	51%
3.	Description of how there is significant influence	Associate Company	Joint Venture Company of Subsidiary Co.
4.	Reason why the associate / joint venture is not consolidated	Not Applicable for the year under report	Not Applicable for the year under report
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	1,318	6,659
6.	Profit/Loss for the year		
	i. Considered in Consolidation	31	(821)
	ii. Not Considered in Consolidation	N. A.	N. A.

1.	Name of the Associates or Joint Venture which are yet to commence operations.	N. A.
2.	Name of Associates or Joint Ventures which have been liquidated or sold during the year.	N. A.

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Jaya Hind Industries Limited

### Report on the Audit of Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Jaya Hind Industries Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), Joint venture and an associate, which comprise the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind-AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2020, the consolidated profit and total comprehensive income, changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

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

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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

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

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Joint venture and associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group, Joint venture and an associate 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group, Joint venture and an associate are responsible for assessing the ability of the Company 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.

The respective Board of Directors of the companies included in the Group and of its Joint venture and associate are responsible for overseeing the financial reporting process of the Group subsidiaries, Joint venture and an associate.

### Auditor's Responsibilities for the Audit of the consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

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

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

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

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

### Emphasis of matters

Attention is invited to note 56 of consolidated financial statements regarding non-inclusion of a subsidiary in preparation of consolidated Financial statements for FY 2019-20.

### Other Matters

The consolidated financial statements include the net loss of ₹ 790 Lakhs for the for the year ended March 31, 2020, in respect of Joint venture and an associate, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such Joint venture and an associate is based solely on the report of other auditor.

We did not audit financial statements of 3 subsidiaries whose total net assets ₹10,260 lakhs and net profit (including other comprehensive income) of ₹ 6,432 Lakhs and net cash inflows of ₹ 24 lakhs for the year ended March 31, 2020, as considered in the consolidated financial statement. Except as stated in emphasis of matter paragraph, these financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiaries our report in terms of Sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid companies is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. Except as stated in emphasis of matter paragraph, Our report on Section 143 (3) of the Act, is based on our audit and on the consideration of the report of the other auditor on separate financial statements and the other financial information of subsidiaries, Joint Venture and an associate incorporated in India, referred in the Other Matters paragraph above we report, that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of 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 Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Statement of Cash Flow 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 the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the holding Company as on March 31, 2020 taken on record by the Board of Directors of the holding Company and the reports of the statutory auditors of its subsidiaries, Joint venture and an associate company incorporated in India, none of the directors of companies incorporated in India are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". which is based on auditors' reports of the Holding company, subsidiaries, Joint venture and an associate Company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197 (16) of the Act, as amended :

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 36 to the consolidated financial statements
    - ii. The Group did not have any material long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund - Refer Note 54 to the consolidated financial statements.

For M/s. For Kirtane & Pandit LLP  
Chartered Accountants  
Firm Registration No. 105215W/W100057

Place : Pune  
Date : 13th August 2020

**Parag Pansare**  
Partner  
Membership No. 117309  
UDIN 20117309AAAAKD5124

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **Jaya Hind Industries Limited** of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **JAYA HIND INDUSTRIES LIMITED** (hereinafter referred to as “Company”) and its subsidiaries, Joint venture and an associate which are companies incorporated in India, as of that date.

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

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

#### Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Limitations of Internal Financial Controls Over Financial Reporting with reference to these consolidated financial statements

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, Holding Company, its subsidiaries, Joint venture and an associate, which are companies incorporated in India has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Except as stated in emphasis of matter paragraph, Our report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as related to a subsidiary, Joint venture and associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of companies incorporated in India.

For M/s. For Kirtane & Pandit LLP  
Chartered Accountants  
Firm Registration No. 105215W / W100057

Place : Pune  
Date : 13th August 2020

**Parag Pansare**  
Partner  
Membership No. 117309  
UDIN 20117309AAAAD5124

**Consolidated Balance Sheet as at 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
<b>I. ASSETS</b>			
<b>1. Non-current assets</b>			
Property, plant and equipment	2	1,78,385	1,43,569
Capital work-in-progress	2	21,120	15,517
Investment Property	3	1,023	1,056
Goodwill	2	1,78,541	1,78,142
Other Intangible assets	2	23,575	13,097
Intangible assets under development	2	27,685	23,915
Investments in associate	4	1,318	1,287
Investments in Joint venture	4	6,659	2,718
Financial assets			
(i) Investments	4	6,05,280	9,37,444
(ii) Loans	5	1,787	1,642
(iii) Others	6	--	3,548
Deferred tax assets (net)	34	8,349	--
Other non-current assets	7	14,080	12,940
<b>Total non-current assets</b>		<b>10,67,802</b>	<b>13,34,875</b>
<b>2. Current assets</b>			
Inventories	8	61,053	55,514
Financial assets			
(i) Trade receivables	9	29,079	29,291
(ii) Cash and cash equivalents	10	7,717	1,261
(iii) Bank balance other than (ii) above	11	21,605	5,738
(iv) Loans	12	41,381	41,397
(v) Others	13	21,058	35,371
Current tax asset (net)	34	3,295	2,389
Other current assets	14	10,810	10,936
<b>Total current assets</b>		<b>1,95,998</b>	<b>1,81,897</b>
<b>Total assets</b>		<b>12,63,800</b>	<b>15,16,772</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
Equity share capital	15	11,822	11,822
Other equity	16	10,12,484	12,93,370
Equity attributable to owners of the Company		10,24,306	13,05,192
Non-controlling Interests		83,647	82,463
<b>Total Equity</b>		<b>11,07,953</b>	<b>13,87,655</b>
<b>2. Liabilities</b>			
<b>a. Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	17	41,165	30,364
(ii) Other financial liabilities	18	359	356
Provisions	19	3,467	3,390
Deferred tax liabilities (net)	34	--	13,307
Other non-current liabilities	20	1,291	573
<b>Total non-current liabilities</b>		<b>46,282</b>	<b>47,990</b>
<b>b. Current liabilities</b>			
Financial liabilities			
(i) Borrowings	21	5,064	5,087
(ii) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	22	40	71
b) total outstanding dues of creditors other than micro enterprises and small enterprises	22	62,306	45,334
(iii) Other financial liabilities	23	20,978	11,788
Other current liabilities	24	19,075	16,587
Provisions	25	2,102	2,260
<b>Total current liabilities</b>		<b>1,09,565</b>	<b>81,127</b>
<b>Total liabilities</b>		<b>1,55,847</b>	<b>1,29,117</b>
<b>Total equity and liabilities</b>		<b>12,63,800</b>	<b>15,16,772</b>
Summary of significant accounting policies	1		
Notes to the financial statements	2 - 59		
The notes referred above forms an integral part of the financial statements			

As per our report of even date

**For M/s. Kirtane & Pandit LLP**

Chartered Accountants  
[FRN : 105215W/W100057]

**Parag Pansare**

Partner  
Membership No. 117309

Place : Pune

Date : 13th August 2020

**Ishan Ghosh**

Chief Financial Officer

**Amruta Patil**

Company Secretary  
[Membership No. : A25028]

On behalf of the Board of Directors

**Abhaykumar Firodia**

Chairman  
[DIN : 00025179]

**Prasan Firodia**

Managing Director  
[DIN : 00029664]

Place : Pune

Date : 13th August 2020

**Consolidated Statement of Profit and Loss for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>I. Income</b>			
Revenue from operations	26	3,47,183	4,16,424
Other income	27	31,925	22,631
<b>Total income</b>		<b>3,79,108</b>	<b>4,39,055</b>
<b>II. Expenses</b>			
Cost of materials consumed	28	2,25,854	3,00,890
Changes in inventories of work-in-progress and finished goods	29	8,880	(3,160)
Employee benefit expenses	30	50,932	51,150
Finance costs	31	4,424	2,743
Depreciation and amortization expense	32	24,776	19,837
Other expenses	33	45,042	47,566
Expenditure included in the above items capitalised		(14,367)	(14,396)
<b>Total expenses</b>		<b>3,45,541</b>	<b>4,04,630</b>
<b>III. Profit before exceptional items and tax (I - II)</b>		<b>33,567</b>	<b>34,426</b>
<b>Add : Exceptional items</b>		<b>3,234</b>	<b>--</b>
<b>IV. Profit before tax</b>		<b>36,801</b>	<b>34,426</b>
<b>V. Tax expenses</b>	34		
(1) Current tax		2,417	6,615
(2) Deferred Tax		(1,550)	(2,064)
(3) Tax relating to earlier years		(2)	(32)
<b>Total Tax expenses</b>		<b>865</b>	<b>4,519</b>
<b>VI. Profit for the period from continuing operations (IV - V)</b>		<b>35,936</b>	<b>29,907</b>
<b>Add : Share of Profit / (Loss) from Associates</b>		<b>31</b>	<b>20</b>
<b>Add : Share of Profit / (Loss) from Joint Ventures</b>		<b>(821)</b>	<b>(908)</b>
<b>VII. Profit for the year</b>		<b>35,146</b>	<b>29,019</b>
Attributable to :			
(a) Owners of the Company		33,015	22,906
(b) Non-controlling interest		2,131	6,113
<b>VIII. Profit for the period</b>		<b>35,146</b>	<b>29,019</b>
<b>IX. Other comprehensive income :</b>			
a. Items that will not be reclassified to profit or loss:			
(i) Equity instruments through other comprehensive income		(3,32,161)	1,75,235
(ii) Re-measurement of defined benefit plans		(53)	134
(iii) Share of Other Comprehensive Income of Joint Ventures		(1)	(2)
b. Income tax relating to items that will not be reclassified to profit or loss:			
(i) Taxes on equity instruments through other comprehensive income		20,087	(20,088)
(ii) Taxes on re-measurements of net defined benefit liability		18	(47)
(iii) Share in taxes on Other Comprehensive Income of Joint Venture		--	1
<b>Total Other comprehensive income (a + b)</b>		<b>(3,12,110)</b>	<b>1,55,233</b>
<b>X. Total comprehensive income / (loss) for the year (VIII + IX)</b>		<b>(2,76,964)</b>	<b>1,84,252</b>
Attributable to :			
(a) Owners of the Company		(2,79,033)	1,77,935
(b) Non-controlling interest		2,069	6,317
		<b>(2,76,964)</b>	<b>1,84,252</b>
<b>XI. Earnings per equity share (Basic &amp; Diluted)</b>	35	<b>27.93</b>	<b>32.29</b>
Summary of significant accounting policies	1		
Notes to the financial statements	2 - 59		
The notes referred above forms an integral part of the financial statements			

As per our report of even date

 For M/s. Kirtane & Pandit LLP  
**Chartered Accountants**  
 [FRN : 105215W/W100057]

**Parag Pansare**  
 Partner  
 Membership No. 117309

 Place : Pune  
 Date : 13th August 2020

**Ishan Ghosh**  
 Chief Financial Officer

**Amruta Patil**  
 Company Secretary  
 [Membership No. : A25028]

On behalf of the Board of Directors

**Abhaykumar Firodia**  
 Chairman  
 [DIN : 00025179]

**Prasan Firodia**  
 Managing Director  
 [DIN : 00029664]

 Place : Pune  
 Date : 13th August 2020

**Consolidated Statement of Changes in Equity for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**A. Equity Share Capital**

Balance as at 1st April 2018	Changes in Equity Share Capital during the year	Balance as at 31st March 2019	Balance as at 1st April, 2019	Changes in Equity Share Capital during the year	Balance as at 31st March 2020
3719	8103	11,822	11,822	--	11,822

**B. Other Equity**

Particulars	Retained earnings	Capital reserve	Capital redemption reserve	General Reserve	Securities Premium	Equity instruments through other comprehensive income	Share capital pending allotment	Total	Non-Controlling Interest
<b>As at 1st April 2018</b>	<b>11,515</b>	<b>3,51,425</b>	<b>2,500</b>	<b>723</b>	<b>8,21,271</b>	<b>(71,677)</b>	<b>8,103</b>	<b>11,23,860</b>	<b>76,670</b>
Profit for the year	29,907	--	--	--	--	--	--	29,907	--
Profit/(Loss) belongs to minority Interest	(6,273)	--	--	--	--	--	--	(6,273)	6,273
Other comprehensive income (net of tax)	56	--	--	--	--	1,54,974	--	1,55,030	203
Profit/(Loss) of Associate & JV Company	(888)	--	--	--	--	--	--	(888)	--
Dividends (including dividend distribution tax)	(155)	--	--	--	--	--	--	(155)	(677)
Transfer to General Reserve	(6)	--	--	6	--	--	--	--	--
Shares allotted during the year	--	--	--	--	--	--	(8,103)	(8,103)	--
Any other change	(6)	--	--	--	--	--	--	(6)	(6)
<b>Balance as at 31st March 2019</b>	<b>34,147</b>	<b>3,51,425</b>	<b>2,500</b>	<b>730</b>	<b>8,21,271</b>	<b>83,297</b>	<b>--</b>	<b>12,93,370</b>	<b>82,463</b>
Profit for the year	35,936	--	--	--	--	--	--	35,936	--
Profit/(Loss) belongs to minority Interest	(2,131)	--	--	62	--	--	--	(2,069)	2,131
Other comprehensive income (net of tax)	(78)	--	--	--	--	(3,12,113)	--	(3,12,191)	(62)
Dividends (including dividend distribution tax)	(1,581)	--	--	--	--	--	--	(1,581)	(677)
Transaction cost incurred for issue of shares	(866)	--	--	--	--	--	--	(866)	(29)
Transfer to General Reserve	(7)	--	--	7	--	--	--	--	--
Previous year consolidation adjustments	--	--	--	--	--	--	--	--	(179)
Profit/(Loss) of Associate & JV Company	(441)	--	--	--	--	--	--	(441)	--
Derecognition of Joint Venture Profits	713	--	--	--	--	--	--	713	--
Post acquisition Losses of JML	(386)	--	--	--	--	--	--	(386)	--
<b>Balance as at 31st March 2020</b>	<b>65,305</b>	<b>3,51,425</b>	<b>2,500</b>	<b>799</b>	<b>8,21,271</b>	<b>(2,28,816)</b>	<b>--</b>	<b>10,12,484</b>	<b>83,647</b>

As per our report of even date

For M/s. Kirtane & Pandit LLP  
**Chartered Accountants**  
(FRN : 105215W/W100057)

**Parag Pansare**  
Partner  
Membership No. 117309

Place : Pune  
Date : 13th August 2020

**Ishan Ghosh**  
Chief Financial Officer

**Amruta Patil**  
Company Secretary  
(Membership No. : A25028)

On behalf of the Board of Directors

**Abhaykumar Firodia**  
Chairman  
(DIN : 00025179)

**Prasan Firodia**  
Managing Director  
(DIN : 00029664)

Place : Pune  
Date : 13th August 2020

**Consolidated Cash Flow Statement for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before tax	<b>36,801</b>	34,426
<b>Adjustments for :</b>		
Depreciation and amortization expense	<b>24,776</b>	19,837
(Profit) / loss on disposal of fixed assets (net)	<b>448</b>	935
Interest income	<b>(6,366)</b>	(6,379)
Dividend received	<b>(22,235)</b>	(8,298)
Interest Cost	<b>4,252</b>	2,683
Other borrowing cost	<b>172</b>	60
	<b>1,047</b>	8,838
<b>Operating profit / (loss) before working capital changes</b>	<b>37,848</b>	43,264
<b>Changes in Asset and Liabilities :</b>		
(Increase) / Decrease in non-current financial loans	<b>(144)</b>	404
(Increase) / Decrease in other non-current financial assets	<b>3,548</b>	--
(Increase) / Decrease in other non-current assets	<b>(1,140)</b>	(4,768)
(Increase) / Decrease in inventories	<b>(5,539)</b>	(2,403)
(Increase) / Decrease in trade receivables	<b>212</b>	6,317
(Increase) / Decrease in other bank balances	<b>--</b>	(1,754)
(Increase) / Decrease in current financial loans	<b>16</b>	18,047
(Increase) / Decrease in other current financial assets	<b>14,313</b>	(31,528)
(Increase) / Decrease in other current assets	<b>126</b>	6,450
Increase / (Decrease) in other non-current financial liabilities	<b>3</b>	(398)
Increase / (Decrease) in non-current provisions	<b>78</b>	377
Increase / (Decrease) in other non-current liabilities	<b>718</b>	(2,453)
Increase / (Decrease) in trade payables	<b>16,941</b>	(20,801)
Increase / (Decrease) in other current financial liabilities	<b>9,190</b>	2,915
Increase / (Decrease) in other current liabilities	<b>3,509</b>	8,348
Increase / (Decrease) in Current tax liabilities	<b>(2,474)</b>	22,767
Increase / (Decrease) in current provisions	<b>(158)</b>	(227)
	<b>39,199</b>	1,293
Cash generated from operations	<b>77,047</b>	44,557
Less : Net income tax paid	<b>2,417</b>	6,615
<b>Net cash flow from / (used in) operating activities</b>	<b>74,630</b>	37,942
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	<b>(81,071)</b>	(54,481)
Sale proceeds of property, plant and equipment	<b>813</b>	2,390
Deposits with Financial Institution	<b>(15,867)</b>	--
Investments during the year	<b>--</b>	(39,669)
Investments in Joint Ventures	<b>(5,740)</b>	(919)
Interest income	<b>6,366</b>	6,379
Dividend received	<b>22,235</b>	8,298
<b>Net cash flow from / (used in) investing activities</b>	<b>(73,264)</b>	(78,002)
<b>C. Cash flow from financing activities</b>		
Increase / (repayment) of borrowings	<b>10,777</b>	24,445
Interest Cost	<b>(4,252)</b>	(2,683)
Equity Dividends paid (including Tax thereon)	<b>(1,581)</b>	--
Other borrowing cost	<b>(172)</b>	(60)
Transaction cost incurred for Issue of Shares	<b>(866)</b>	8,103
Changes in Non Controlling Interest	<b>1,184</b>	5,794
<b>Net cash flow from / (used in) financing activities</b>	<b>5,090</b>	35,599
<b>Net increase / (decrease) in Cash and cash equivalents (A + B + C)</b>	<b>6,456</b>	(4,461)
Cash and cash equivalents at the beginning of the year	<b>1,261</b>	5,722
<b>Cash and cash equivalents at the end of the year</b>	<b>7,717</b>	1,261

As per our report of even date

For M/s. Kirtane &amp; Pandit LLP

**Chartered Accountants**

[FRN : 105215W/W100057]

**Parag Pansare**

Partner

Membership No. 117309

Place : Pune

Date : 13th August 2020

**Ishan Ghosh**

Chief Financial Officer

**Amruta Patil**

Company Secretary

[Membership No. : A25028]

On behalf of the Board of Directors

**Abhaykumar Firodia**

Chairman

[DIN : 00025179]

**Prasan Firodia**

Managing Director

[DIN : 00029664]

Place : Pune

Date : 13th August 2020

## Notes to the Consolidated Financial Statements for the year ended 31st March 2020

### CORPORATE OVERVIEW

Jaya Hind Industries Limited ('the Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956.

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries, associate and joint venture companies (together referred to as "the Group").

The Company is involved in development and manufacture of automotive cylinder heads and complex cast aluminium components. Other group companies are engaged in the following business :

#### A. Subsidiary Company

- (i) **Force Motors Limited** is a Public Limited Company domiciled and incorporated in India. The Registered Office of the Company is situated at Mumbai-Pune Road, Akurdi, Pune - 411035. The Company's ordinary shares are listed on the Bombay Stock Exchange. The Company is a fully, vertically integrated automobile company, with expertise in design, development and manufacture of the full spectrum of automotive components, aggregates and vehicles. Its range of products includes Light Commercial Vehicles (LCV), Multi-Utility Vehicles (MUV), Small Commercial Vehicles (SCV), Special Vehicles (SV) and Agricultural Tractors.
- (ii) **Tempo Finance (West) Private Limited**, a step down Subsidiary Company of Force Motors Limited, is domiciled and incorporated in India, having its Registered Office at Mumbai-Pune Road, Akurdi, Pune - 411035. The Company is engaged in providing financial services.
- (iii) **Jaya Hind Montupet Private Limited** - During the year the company became Subsidiary Company w.e.f 18.09.2019 by demerger of existing joint venture between Jaya Hind Industries Limited Pune and Montupet S.A; France. The Company is involved in development and manufacture of automotive cylinder heads and complex cast aluminium components.

#### B. Associate Company

- (i) **Rivulis Irrigation India Pvt. Ltd.**, Rivulis offers complete range of micro irrigation components including round and flat drip lines, drip tapes, filters, hose and tubing, mini and midi sprinklers, foggers, misters, online emitters and valves etc.

#### C. Joint venture Companies

- (i) **Force MTU Power Systems Private Limited (FMTU)**, is a Private Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. It is a joint venture between Force Motors Limited and MTU Friedrichshafen GmbH. The Company is in the business of manufacturing Engines & Generator sets.

The Holding Company, the Subsidiary Company and the Joint Venture Company together referred to as the Group.

### 1) SIGNIFICANT ACCOUNTING POLICIES

#### (a) Statement of Compliance and Basis of Preparation and Consolidation

The financial statements of the Group comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [the Companies (Indian Accounting Standards) Rules, 2016 (as amended)] and other relevant provisions of the Act

The financial statements have been prepared on a historical cost basis, except certain financial instruments and defined benefit plans, which are measured at fair value.

The consolidated financial statements incorporate the financial statements of the Company, its subsidiary and Joint Venture, being the entities that it controls. Control is evidenced where the Group has power over the investee or is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

The consolidated financial statements include results of the subsidiary company, consolidated in accordance with Ind AS 110 (Consolidated Financial Statements) and Ind AS 28 (Investment in Associates and Joint Ventures).

**Associate** : The results, assets and liabilities of a joint venture are incorporated in these financial statements using the equity method of accounting.

**Joint Venture** : A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The results, assets and liabilities of a joint venture are incorporated in these financial statements using the equity method of accounting.

#### Functional and presentation currency

These financial statements are presented in Indian Rupees, which is the Group's functional currency. All amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs, unless otherwise stated.

#### (b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following :

- Certain financial assets and liabilities that are measured at fair value, and,
- Net defined benefit (asset)/ liability that are measured at fair value of plan assets less present value of defined benefit obligations

## Notes to the Consolidated Financial Statements for the year ended 31st March 2020

### (c) Use of judgements, estimates and assumptions

Information regarding reasonable and prudent judgments, estimates and assumptions in conformity with Ind-AS are included in relevant notes.

The areas involving critical estimates and judgments are:

- Residual value and useful life of property, plant and equipment
- Impairment of receivables
- Estimated useful life of Property, Plant and Equipments
- Estimation of provision for Tax expenses
- Estimation of defined employee benefit obligation
- Estimation of current tax expense and payable

Estimation and underlying assumptions are reviewed on on-going basis. Revision to estimates are recognised prospectively.

### (d) Property, Plant and Equipment

Property, plant and equipment, except land, are carried at historical cost of acquisition, construction or manufacturing cost, as the case may be, less accumulated depreciation and amortization. Freehold land is carried at cost of acquisition.

Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended.

Costs incurred to manufacture property, plant and equipment and intangible are reduced from the total expense under the head 'Expenses, included in above items, capitalised' in the Statement of Profit and Loss.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.

### (e) Intangible Assets

Intangible assets are recognized when the asset is identifiable, is within the control of the Group, probable that future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be reliably measured.

Expenditure on research activities is recognised in the statement of profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to complete development and to use or sell the asset.

### (f) Depreciation & Amortization

#### (i) Property, Plant and Equipment :

- The Depreciation on Property, Plant and Equipment is provided on Straight Line method and as per Schedule-II to the Companies Act, 2013.
- Leasehold land is amortized over the period of lease.

#### (ii) Intangible Assets :

- Software and their implementation costs are written off over the period of 5 years.
- Technical Know-how acquired and internally generated is amortized over the useful life of the assets, not exceeding 10 years.

### (g) Borrowing costs

Cost of borrowings incurred for acquisition, construction or production of qualifying asset is capitalized.

### (h) Impairment of non-financial assets

An impairment loss is recognised if the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit and loss.

### (i) Inventories

Inventories are valued at lower of their cost or net realizable value. The cost of raw materials, stores and consumables is measured on moving weighted average basis.

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and bought out components are valued at the lower of cost or net realizable value. Cost is determined on the basis of the weighted average method.

Finished Goods and work-in-progress are carried at cost or net realizable value, whichever is lower.

Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realizable value, whichever is lower.

### (j) Revenue Recognition

#### Sales

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of Value Added Taxes, Goods and Service Taxes (GST), Returns, Discounts, Rebates and Incentives. The Group recognizes revenue, when it has transferred to the buyer the significant risks and rewards associated with the ownership of goods, no significant obligation is pending and the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Group.

**Notes to the Consolidated Financial Statements for the year ended 31st March 2020**

**Other Income**

Other incomes are recognized when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably.

**(k) Foreign currency transactions**

Transactions and balances

- Foreign Currency transactions are recorded at the rate of exchange on the date of the transaction.
- Monetary items of Assets and Liabilities booked in foreign currency are translated in to rupee at the exchange rate prevailing at the Balance Sheet date.
- Exchange difference resulting from settlement of such transaction and from translation of monetary items of Assets and Liabilities are recognized in the Statement of Profit and Loss.
- Exchange difference arising on translation of foreign currency liabilities for acquisition of Property, Plant and Equipments are adjusted to the Statement of Profit and Loss.
- The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance.

**(l) Employee Benefits**

**Defined benefit plans**

- (i) The accruing liability of Gratuity is covered by Employees Group Gratuity Scheme of Life Insurance Corporation of India (LIC) and the premium is accounted for in the year of accrual. The additional liability, if any, due to deficit in the Plan assets managed by LIC as compared to the present value of accrued liability on the basis of actuarial valuation, is recognized and provided for.
- (ii) Provident fund contributions are made to Group's Provident Fund Trust. The contributions are accounted for as defined benefit plans and the contributions are recognized as employee benefits expense when they are due. Deficits, if any, of the fund as compared to liability on the basis of an independent actuarial valuation is to be additionally contributed by the Group.
- (iii) Current service cost and net interest on defined benefit obligation are directly recognized in the Statement of Profit and Loss.
- (iv) Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

**Defined contribution plans**

- The Group's superannuation scheme is a defined contribution plan. The contributions are recognized as employee benefit expenses when they are due.
- Benefits in respect of compensated absence payable after 12 months are provided for, based on valuation, as at the Balance Sheet date, made by independent actuaries.
- Defined contribution to Employees Pension Scheme, 1995, is made to Government Provident Fund Authority and recognised as expense as and when due.

**(m) Taxation**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements. Deferred tax liabilities are recognized for all deductible temporary differences. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognized in profit or loss, except to the extent that it relate to the items that are recognized in other comprehensive income or directly in equity, in this case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax against which the MAT paid will be adjusted.

**(n) Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period to match them with the costs that they are intended to compensate and presented within other income.

## Notes to the Consolidated Financial Statements for the year ended 31st March 2020

### (o) Earnings per Share

Basic earnings per share are computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the period.

### (p) Provisions and Contingent Liabilities / Asset

#### Provision :

A provision is recorded when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

#### Contingent liability :

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation arising from past events that may, but probably will not, require an outflow of resources.

#### Contingent asset :

Contingent asset is not recognized in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### (q) Leases

The Company has applied Ind-AS 116 Leases from the accounting periods beginning from 1st April 2019 using the modified retrospective approach

#### i) Where the Company is the Lessee :

- The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
- The right-of-use asset is subsequently depreciated using the straight-line method over the useful life of the right-of-use asset or the end of the lease term.  
Short-term leases and leases of low-value assets
- The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expenses on a straight - line basis over the lease term.

#### ii) Where the Company is the Lessor :

Lease rentals are recognized in the Statement of Profit and Loss. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

### (r) Financial instruments

#### Fair value measurement

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as;

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

#### Equity investments at fair value through other comprehensive income

These include financial assets that are equity instruments and are irrevocably designated as such upon initial recognition. Subsequently, these are measured at fair value and changes therein are recognized directly in other comprehensive income, net of applicable income taxes.

Dividends from these equity investments are recognized in the Statement of Profit and Loss, when the right to receive payment has been established. When the equity investment is derecognized, the cumulative gain or loss in equity is transferred to retained earnings.

### (s) Hire Purchase

The Group has followed Equated Balance Method for the implicit rate for accounting the income from Hire Purchase. Directions and guidelines issued by the Reserve Bank of India in respect of income recognition, asset classification and provision for bad and doubtful debts have been followed.

### (t) Recent Accounting pronouncements

New Accounting pronouncements affecting amounts reported and / or disclosures in the financial statements.

The Ministry of Corporate Affairs (MCA) has not issued any new standards or amended any existing standards which are effective for reporting periods beginning on or after 1st April 2020.

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**2. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS**

Particulars	Gross Value				Depreciation /Amortization				Net Value		
	As at 1st April 2019	Additions during the year	Deductions during the year	Adjustment for JV Business Acquired and other	As at 31st March 2020	As at 1st April 2019	During the year	Deductions during the year	Adjustment for JV Business Acquired and other	As at 31st March 2020	As at 31st March 2019
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Property, plant and equipment</b>											
Freehold land and development	4,840	--	--	--	4,840	--	--	--	--	4,840	4,840
Leasehold land	2,477	81	--	--	2,558	32	--	--	--	2,433	2,383
Buildings	40,613	8,849	--	5	49,467	1,549	--	--	0	36,868	29,563
Plant, Machinery & Equipment	2,24,617	22,955	354	3,269	2,50,487	16,942	117	2,084	2,084	92,651	85,691
Furniture & Fixture	2,413	189	3	16	2,615	177	2	6	1,406	1,209	1,187
Vehicles	4,478	1,281	252	--	5,507	446	190	--	2,689	2,818	2,046
Office equipment	1,361	149	5	8	1,513	939	3	6	1,090	423	421
Dies, Jigs & Fixtures	7,118	985	76	219	8,246	645	13	96	4,656	3,590	3,189
Computers	152	2	--	40	194	11	--	30	168	26	25
Electrical Installation	1,325	118	--	437	1,880	118	--	170	825	1,055	788
Electrical fittings	160	--	--	2	162	14	--	2	55	107	121
Aircrafts	17,990	20,050	--	--	38,040	999	--	--	5,675	32,365	13,314
<b>Total (A)</b>	<b>3,07,544</b>	<b>54,659</b>	<b>690</b>	<b>3,996</b>	<b>3,65,509</b>	<b>21,081</b>	<b>325</b>	<b>2,394</b>	<b>1,87,124</b>	<b>1,78,385</b>	<b>1,43,569</b>
<b>Intangible assets</b>											
Computer software	5,042	67	--	37	5,146	705	--	30	4,028	1,118	1,750
Technical Know-how - 1	6,606	758	--	--	7,364	714	--	--	5,756	1,609	74
Technical Know-how - 2	822	--	--	--	822	--	--	--	822	--	1,490
Technical Know-how - 3	13,141	13,309	--	--	26,450	2,244	--	--	5,602	20,848	9,783
Goodwill	1,78,142	316	--	83	1,78,541	--	--	--	--	1,78,541	1,78,142
<b>Total (B)</b>	<b>2,03,753</b>	<b>14,450</b>	<b>--</b>	<b>120</b>	<b>2,18,323</b>	<b>3,663</b>	<b>--</b>	<b>30</b>	<b>16,208</b>	<b>2,02,116</b>	<b>1,91,239</b>
Capital work-in-progress	15,313	42,809	37,126	124	21,120	--	--	--	--	21,120	15,517
Intangible Assets under Development	24,119	11,750	8,184	--	27,685	--	--	--	--	27,685	23,915
<b>Total (C)</b>	<b>39,432</b>	<b>54,559</b>	<b>45,310</b>	<b>124</b>	<b>48,805</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>48,805</b>	<b>39,432</b>
<b>Total (D) = (A+B+C)</b>	<b>5,50,729</b>	<b>1,23,668</b>	<b>46,000</b>	<b>4,240</b>	<b>6,32,637</b>	<b>24,744</b>	<b>325</b>	<b>2,424</b>	<b>2,03,331</b>	<b>4,29,306</b>	<b>3,74,240</b>

Note : Component accounting has been done, wherever data is available.

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**3. INVESTMENT PROPERTY**

Particulars	Investment Property	Industrial Shed	Total
<b>Gross carrying amount</b>			
As on 1st April 2019	489	794	1,283
Additions	--	--	--
Disposals/ transfers	--	--	--
<b>Balance at 31 March 2020</b>	<b>489</b>	<b>794</b>	<b>1,283</b>
<b>Accumulated depreciation</b>			
As on 1st April 2019	11	216	227
Depreciation for the year	8	24	32
Disposals/ transfers	--	--	--
<b>Balance at 31st March 2020</b>	<b>19</b>	<b>240</b>	<b>259</b>
Carrying amounts (net)			
At 31st March 2019	478	578	1,056
<b>At 31st March 2020</b>	<b>469</b>	<b>554</b>	<b>1,023</b>

**(a) Information regarding income and expenditure of investment property**

Particulars	31st March 2020	31st March 2019
(i) Rental income derived from investment property	--	524
(ii) Compensation on foreclosure of Lease Deed	--	741
(iii) Direct operating expenses (including repairs and maintenance) generating rental income	5	2
(iv) Direct operating expenses (including repairs and maintenance) that did not generate rental income	--	--
(v) Profit arising from investment property before depreciation and indirect expenses	(5)	1,267
<b>Less: Depreciation</b>	<b>32</b>	<b>33</b>
(vi) Profit from investment property	<b>(37)</b>	1,234

**Note :** (i) The Group's Investment property consists of residential property situated at Shivajinager and Baner at Pune and at Chakan, Pune.

**Fair value**

The Group's investment property is at a location where active market is available for similar kind of properties. Hence, fair value is ascertained on the basis of market rates prevailing for similar properties in those location and consequently classified as a Level-2 valuation.

Particulars	31st March 2020	31st March 2019
Investment property	<b>3,581</b>	3,449

**Reconciliation of fair value**

Particulars	Investment property (₹)
As on 1st April 2019	3,449
Change in fair value	132
<b>Balance as at 31st March 2020</b>	<b>3,581</b>

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**4. INVESTMENTS IN ASSOCIATES, JOINT VENTURES AND OTHER NON-CURRENT INVESTMENTS**

	Face Value	31st March 2020		31st March 2019	
		Nos.	Amount	Nos.	Amount
<b>A. Unquoted- Non trade at cost</b>					
<b>(I) Investment in equity accounted investees</b>					
<b>(a) In Associates **</b>					
(i) Rivulis Irrigation India Pvt. Ltd.	₹ 10	49,020	1,318	49,020	1,287
			1,318		1,287
<b>(b) In Joint venture**</b>					
(i) Jaya Hind Montupet Pvt. Ltd. (till 17.9.2019)	--	--	--	4,27,40,000	1,799
(ii) Force MTU Power Systems Private Limited	₹ 10	7,96,62,000	6,659	1,33,62,000	919
			6,659		2,718
<b>(II) Investment carried at fair value through other comprehensive income (FVTOCI) @</b>					
<b>(a) Investments in equity instruments</b>					
(i) Perform Engineering Solutions Pvt. Ltd. (Associate upto 30.01.2018) #	₹10	100	0	100	0
(ii) Sanghi Polyester Ltd. #	₹ 10	5,000	0	5,000	0
(iii) Rivulis Irrigation Ltd., Israel	NIS 0.01	2,500	19,590	2,500	19,590
(iv) Equity shares of Sunderban Co-op Housing Society #	₹ 100	10	0	10	0
(v) MAN Trucks & Bus India Private Limited	₹ 10	1	--	1	--
(vi) Pithampur Auto Cluster Limited	₹ 10	50,000	5	50,000	5
(vii) Mittal Tower Premises Co-operative Society Limited	₹ 50	5	--	5	--
			19,595		19,595
<b>(III) Investment carried at fair value through profit and loss (FVTPL) @</b>					
<b>(a) Investments in preference shares</b>					
<b>In other Companies</b>					
(i) Pinnacle Industries Ltd. (5% Non Cumulative Redeemable Preference Shares)	₹ 10	60,00,000	600	60,00,000	600
			600		600
			28,172		24,200

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

	Face Value	31st March 2020		31st March 2019	
		Nos.	Amount	Nos.	Amount
<b>B. Quoted - Non trade</b>					
<b>(I) Investment carried at fair value through other comprehensive income (FVTOCI)</b>					
<b>(a) Investment in equity instruments</b>					
<b>In other Companies</b>					
(i) Bajaj Holdings & Investment Limited	₹ 10	59,05,401	1,06,214	59,05,401	2,01,763
(ii) Bajaj Auto Ltd.	₹ 10	96,98,360	1,96,135	96,98,360	2,82,329
(iii) Bajaj Finserv Ltd.	₹ 5	61,29,822	2,81,432	61,29,822	4,31,359
(iv) Finolex Cables Ltd.	₹ 2	3,600	7	3,600	17
(v) ACC Ltd.	₹ 10	187	2	187	3
(vi) Ashok Leyland Ltd.	₹ 1	2,000	1	2,000	2
(vii) BF Investment Ltd. #	₹ 5	180	0	180	0
(viii) BF Utilities Ltd. #	₹ 5	180	0	180	0
(ix) Bharat Forge Ltd.	₹ 2	1,800	4	1,800	9
(x) Birla Precision Tech. Ltd. #	₹ 2	1	0	1	0
(xi) Bosch Ltd.	₹ 10	100	9	100	18
(xii) Escorts Ltd.	₹ 10	200	1	200	2
(xiii) Innovassynth Investments Ltd. #	₹ 10	63	0	63	0
(xiv) Kinetic Engineering Ltd.	₹ 10	5,941	1	5,941	2
(xv) Maharashtra Scooters Ltd.	₹ 10	200	4	200	7
(xvi) Mahindra & Mahindra Ltd.	₹ 5	1,032	3	1,032	7
(xvii) SML Isuzu Ltd. #	₹ 10	100	0	100	1
(xviii) Zenith Birla (India) Ltd. #	₹ 10	6	0	6	0
(xix) ZF Steering Gear (I) Ltd.	₹ 10	30,100	68	30,100	216
(xx) LML Ltd.	₹ 10	100	--	100	--
(xxi) Eicher Motor Ltd.	₹ 10	200	26	200	41
(xxii) Hero Motocorp Ltd.	₹ 2	1,250	20	1,250	32
(xxiii) TVS Motor Company Ltd.	₹ 1	2,000	6	2,000	9
(xxiv) State Bank of India	₹ 1	500	1	500	2
(xxv) Finolex Industries Ltd. #	₹ 10	100	0	100	0
(xxvi) Ambuja Cement Ltd.	₹ 2	1,500	2	1,500	4
(xxvii) Bajaj Finance Ltd.	₹ 2	1,150	25	1,150	35
(xxviii) Spicejet Ltd. #	₹ 10	100	0	100	0
(xxix) ICICI Bank Limited	₹ 2	3,47,187	1,124	3,47,187	1,390
			<b>5,85,085</b>		<b>9,17,248</b>
			<b>6,13,257</b>		<b>9,41,448</b>
<b>Aggregate book value of quoted investments</b>			<b>5,85,085</b>		<b>9,17,248</b>
<b>Aggregate market value of quoted investments</b>			<b>5,85,085</b>		<b>9,17,248</b>
<b>Aggregate amount of unquoted investments</b>			<b>28,172</b>		<b>24,200</b>
<b>Aggregate amount of diminution in the value of investment</b>			<b>--</b>		<b>--</b>

The fair value of the investments in unquoted equity shares have been estimated using valuation technique which approximates its carrying value.

\*\* Investments in subsidiary, associates, Joint Venture are accounted at cost in accordance with "Ind-AS 27" Separate financial statements

@ Management is of the opinion that Fair value of investments classified as FVTOCI and FVTPL can not be determined as no observable as well as unobservable inputs are available to determine the Fair Value. However management believes that fair value will not materially deviate from book value.

# Amount '0' Denotes amount less than ₹ 50,000

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**5. NON-CURRENT LOANS**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
<b>Unsecured, considered good</b>		
a. Security deposits	1,786	1,642
b. Other Loans and Advances	1	--
	<u>1,787</u>	<u>1,642</u>

- Loans are neither subject to significant increase in credit risk nor are credit impaired.

**6. OTHER NON-CURRENT FINANCIAL ASSETS**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
Receivable for sale of Assets from Jaya Hind Montupet Pvt. Ltd.	--	3,548
	<u>--</u>	<u>3,548</u>

**7. OTHER NON-CURRENT ASSETS**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
a. Capital advances	13,391	12,512
b. Other loans and advances	689	352
c. Prepaid Lease Rentals	--	76
	<u>14,080</u>	<u>12,940</u>

**8. INVENTORIES**

	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
a. Raw materials and components	38,268	24,788
b. Work in progress	9,670	10,555
c. Finished goods	9,436	17,008
d. Stores & spares	3,679	3,163
	<u>61,053</u>	<u>55,514</u>

In case of a subsidiary (Force Motors Ltd.) the write-down of inventories to net realisable value during the year amounted to ₹190 Lakhs (31st March 2019 : ₹ 203 Lakhs). The write-down are included in the cost of material consumed or changes in inventories of finished goods and work-in-progress.

**9. TRADE RECEIVABLES**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
a. Unsecured, considered good	29,079	29,291
b. Unsecured, considered doubtful	49	49
<b>Less</b> : Provision for doubtful receivables	(49)	(49)
	<u>--</u>	<u>--</u>
	<u>29,079</u>	<u>29,291</u>

Trade receivables are neither subject to significant increase in credit risk nor are credit impaired.

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**10. CASH AND CASH EQUIVALENTS**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
<b>Cash and cash equivalents</b>		
a) Balance with Banks - Current Accounts	6,800	1,022
b) Balances with Banks - Short term deposit with maturity less than three months	902	200
c) Cheques/drafts on hand	6	33
d) Cash on hand	9	6
	<u>7,717</u>	<u>1,261</u>

**11. OTHER BANK BALANCES**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
a) Unpaid dividend account	56	55
b) In fixed deposits with original maturity for more than 3 months but less than 12 months	21,365	5,645
c) Margin money deposit	184	38
	<u>21,605</u>	<u>5,738</u>

**12. CURRENT LOANS**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
<b>Unsecured considered good</b>		
a. Security Deposit	45	45
b. Inter corporate deposits	41,200	41,200
c. Other Loans given	136	152
	<u>41,381</u>	<u>41,397</u>

- Loans are neither subject to significant increase in credit risk nor are credit impaired.

**13. OTHER CURRENT FINANCIAL ASSETS**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
a. Interest accrued	7,258	4,071
b. Dividend receivable #	0	0
c. Corporate Deposits	13,800	31,300
	<u>21,058</u>	<u>35,371</u>

**14. OTHER CURRENT ASSETS**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
<b>Advances recoverable in cash or kind</b>		
a. Balances with government authorities	9,766	9,557
b. Advances recoverable in cash or kind		
i) Considered good - other advances	1,027	1,375
ii) Considered doubtful	108	108
<b>Less : Provision for doubtful advances</b>	<b>(108)</b>	<b>(108)</b>
	--	--
c. Prepaid Expenses	17	4
	<u>10,810</u>	<u>10,936</u>

# Amount '0' Denotes amount less than ₹ 50,000

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**15. EQUITY SHARE CAPITAL**

	As at 31st March 2020		As at 31st March 2019	
	Number of Shares	₹	Number of Shares	₹
<b>Authorised :</b>				
Equity Shares of ₹ 10 each	15,66,50,000	15,665	15,66,50,000	15,665
Un-classified Shares of ₹ 10/- each	50,000	5	50,000	5
	<b>15,67,00,000</b>	<b>15,670</b>	<b>15,67,00,000</b>	<b>15,670</b>
<b>Issued, subscribed and fully paid up :</b>				
Equity Shares of ₹ 10/- each	11,82,15,861	11,822	11,82,15,861	11,822
<b>Total Equity Share Capital</b>	<b>11,82,15,861</b>	<b>11,822</b>	<b>11,82,15,861</b>	<b>11,822</b>

**Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :**

Particulars	Year ended 31st March 2020		Year ended 31st March 2019	
	Number of Shares	₹	Number of Shares	₹
At the beginning of the year	11,82,15,861	11,822	3,71,85,588	3,719
Issued during the year	--	--	8,10,30,273	8,103
Reduction during the year	--	--	--	--
Balance as at the end of the year	<b>11,82,15,861</b>	<b>11,822</b>	<b>11,82,15,861</b>	<b>11,822</b>

**Details of shareholders holding more than 5% of a class of shares**

Name of shareholder	As at 31st March 2020		As at 31st March 2019	
	No. of Shares of ₹ 10 fully paid up	% holding	No. of Shares	% holding
1) Mr. Abhaykumar Navalmal Firodia	6,76,99,371	57.27%	6,76,99,371	57.27%
2) Mr. Prasan Abhaykumar Firodia	4,52,41,515	38.27%	4,52,41,515	38.27%
3) Mrs. Indira Abhaykumar Firodia	48,60,000	4.11%	48,60,000	4.11%
	<b>11,78,00,886</b>	<b>99.65%</b>	<b>11,78,00,886</b>	<b>99.65%</b>

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**16. OTHER EQUITY**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
<b>(i) Retained Earnings</b>		
<b>Balance as at the beginning of the year</b>	<b>34,147</b>	11,515
Add : Profit for the year	<b>35,936</b>	29,907
Add : De-recognition of Joint Venture Profits of JML	<b>713</b>	--
Add : Post acquisition Losses of JML	<b>(386)</b>	--
Add : Profit/(Loss) belongs to minority Interest	<b>(2,131)</b>	(6,273)
Add : Profit/(Loss) of Associate Company	<b>31</b>	20
Add : Profit/(Loss) of Joint Venture	<b>(472)</b>	(908)
Add : Other comprehensive income (net of tax)	<b>(78)</b>	56
<b>Adjustments :</b>		
a) Transfer to General Reserve	<b>(7)</b>	--
b) Equity Dividend Including Tax	<b>(1,581)</b>	(155)
c) Cost of issue of shares	<b>(866)</b>	(15)
Balance as at the end of the year	<b>65,305</b>	34,147
<b>(ii) Capital Reserve</b>	<b>3,51,425</b>	3,51,425
<b>(iii) Capital redemption reserve</b>	<b>2,500</b>	2,500
<b>(iv) General reserve</b>		
Balance as per last balance sheet	<b>730</b>	730
Add : Transfer from minority Interest	<b>62</b>	--
Add : Transferred from the statement of Profit and Loss	<b>7</b>	--
	<b>799</b>	730
<b>(v) Securities Premium</b>	<b>8,21,271</b>	8,21,271
<b>(vi) Equity instruments through other comprehensive income</b>		
Balance as per last balance sheet	<b>83,297</b>	(71,677)
Add / (Less) : Changes in fair value of through other comprehensive income (FVTOCI) equity investments (net of tax)	<b>(3,12,113)</b>	1,54,974
Balance as at the end of the year	<b>(2,28,816)</b>	83,297
<b>Total Other Equity</b>	<b>10,12,484</b>	12,93,370

**Nature and purpose of reserve :**

**Retained Earnings :** Retained earnings are the profits that the Group has earned till date.

**General Reserve**

General reserve is created out of profits earned in the normal course of business in accordance with the provisions of the Act.

General Reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed / utilised by the Group in accordance with the Companies Act, 2013.

**Securities Premium Reserve**

Securities premium reserve is used to record the premium on the issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Securities Premium : The amount received in excess of face value of the equity shares is recognized in Securities Premium Account.

**Equity instruments through other comprehensive income**

The company has elected to recognise changes in the fair value of certain investment in equity securities in other comprehensive income. These changes are accumulated in FVTOCI reserve within equity. The company transfers amounts from this reserve to retained earnings when relevant equity securities are derecognised.

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**17. NON-CURRENT BORROWINGS**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
<b>I) Secured loans</b>		
<b>Loan from banks:</b>		
a) Term loan from bank (Refer note I)	37,072	27,437
<b>II) Unsecured loans</b>		
a) Deferred Sales tax loan	--	32
b) Deposits (Refer note iii)	4,065	2,867
c) Loan from shareholders	22	22
d) Other Loans	6	6
	<b>41,165</b>	<b>30,364</b>

- (i) During the year, Foreign currency USD Term Loan is taken for purchase of aircraft. The loan is secured by charge on the same aircraft. The Interest rate is 6 Mths LIBOR + 1.10 spread, with 6 monthly reset. Repayment of Term Loan will commence from March, 2020 and repayable in USD 18 quarterly installments.
- (ii) Term Loan is taken for purchase of fixed assets for Akurdi, Urse and Chennai Plant. The loan is secured by charge on specific plant & machinery. The Interest rate is 6 monthly MCLR with 6 monthly reset. Repayment of Term Loan commenced from March, 2019 and repayable in 16 quarterly installments.
- (iii) Deposits accepted by the company are for a period ranging between 1 to 3 years from the date of acceptance of each deposits. Deposits include deposit accepted from Directors of ₹ 3,421 Lacks and are repayable after 12 months.
- (iv) Term Loan of a subsidiary (Force Motors Ltd) is secured by hypothecation, by way of Exclusive Charge on specified Plant and Machinery, being movable properties, secured as a continuing security for the repayment of Term Loan together with interest. The term loan is repayable in 16 equal quarterly installments

**18. OTHER NON-CURRENT FINANCIAL LIABILITIES**

	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
a. Security Deposits	15	12
b. Trade Payables	344	344
	<b>359</b>	<b>356</b>

**19. NON-CURRENT PROVISIONS**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
a. Provision for employee benefits (Refer Note 40)	3,416	3,321
b. Provision for Product Warranties	51	69
	<b>3,467</b>	<b>3,390</b>

- The provision for warranties is based on the estimates made from the technical evaluation and historical data.

**Movement in Product Warranties**

	As at 31st March 2020 ₹	As at 31st March 2019 ₹
Opening balance	443	588
Additional provision made during the year	255	345
Amount paid during the year	(217)	(257)
Amount written back	(157)	(233)
<b>Closing balance</b>	<b>324</b>	<b>443</b>

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**20. OTHER NON-CURRENT LIABILITIES**

	As at 31st March 2020	As at 31st March 2019
	₹	₹
a. Advance from customers (Unsecured)	1,118	416
b. Service Coupon Liability	173	157
	<u>1,291</u>	<u>573</u>

**Movement in Service Coupon Liability**

	As at 31st March 2020	As at 31st March 2019
	₹	₹
Opening balance	582	682
Additional provision made during the year	463	482
Amount paid during the year	(413)	(500)
Amount written back	(89)	(82)
Closing balance	<u>543</u>	<u>582</u>

**21. CURRENT BORROWINGS**

	As at 31st March 2020	As at 31st March 2019
	₹	₹
<b>Secured</b>		
<b>Loan from banks :</b>		
a. Cash credit from bank (Refer note i)	342	--
b. Working capital demand loan from banks (Refer note ii)	4,722	5,087
	<u>5,064</u>	<u>5,087</u>

- (i) Cash credit from banks is secured by hypothecation of company's stock of raw materials, stock-in-process, stores, finished goods and book debts, present and future, situated at Akurdi and Urse Plant : District Pune State Maharashtra , Pithampur Plant : District Dhar, State Madhya Pradesh and Chennai Plant : Village Kottaiyur, District Thiruvallur State Tamil Nadu, Charges created in favour of State Bank of India (lead banker).
- (ii) Working Capital Loans of a subsidiary (Force Motors Ltd) are secured by hypothecation of Company's stock of raw materials, work-in-progress, finished goods, consumable stores, spares, bills receivable and book debts, both present and future. The Fund Based Limits are payable on demand to the Banks.

**Net debt reconciliation**

This section sets out an analysis of net debts and the movements in net debt for each of the periods presented

	As at 31st March 2020	As at 31st March 2019
	₹	₹
Loans and borrowings	46,230	41,265
Less : cash and cash equivalents	7,717	1,261
<b>Net Debt</b>	<u>38,513</u>	<u>40,004</u>

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**22. TRADE PAYABLES**

	As at 31st March 2020	As at 31st March 2019
	₹	₹
<b>Trade payables</b>		
a. Total outstanding dues of micro enterprises and small enterprises	40	71
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	62,306	45,334
	<b>62,346</b>	<b>45,405</b>

**23. OTHER CURRENT FINANCIAL LIABILITIES**

	As at 31st March 2020	As at 31st March 2019
	₹	₹
a. Deposit (unsecured) (Refer note i)	1,617	2,151
b. Current maturities of term loan	14,275	5,438
c. Deferred Sales tax loan (unsecured)	32	139
d. Interest accrued and due on Term Loan	231	237
e. Creditors for capital goods	1,666	1,606
f. Others payables	3,098	2,159
g. Deposits matured but not claimed (unsecured)	3	3
h. Unclaimed dividend	56	55
	<b>20,978</b>	<b>11,788</b>

(i) Deposits accepted by the company are for a period ranging between 1 to 3 years from the date of acceptance of each deposits. Deposits include deposit accepted from Directors of ₹ 883 lakhs and are repayable within next 12 months.

**24. OTHER CURRENT LIABILITIES**

	As at 31st March 2020	As at 31st March 2019
	₹	₹
a. Advance from customer	1,920	2,881
b. Statutory dues	1,570	6,215
c. Advances and deposits against orders	15,215	7,066
d. Service Coupon Liability	370	425
	<b>19,075</b>	<b>16,587</b>

**25. CURRENT PROVISIONS**

	As at 31st March 2020	As at 31st March 2019
	₹	₹
a. Provision for employee benefits (Refer Note 40)	1,829	1,886
b. Provision for Product Warranties	273	374
	<b>2,102</b>	<b>2,260</b>

• The provision for warranties is based on the estimates made from the technical evaluation and historical data.

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**26. REVENUE FROM OPERATIONS**

	For the year ended 31st March 2020	For the year ended 31st March 2019
	₹	₹
a. Sale of products	3,42,882	4,10,822
b. Interest income	39	35
c. Other operating income		
i) Sale of services	730	902
ii) Sale of scrap	708	1,108
iii) Volume Compensation received	--	365
iv) Other	2,824	3,192
	<u>3,47,183</u>	<u>4,16,424</u>

**27. OTHER INCOME**

	For the year ended 31st March 2020	For the year ended 31st March 2019
	₹	₹
a. Interest income	6,366	6,379
b. Dividend	22,235	8,298
c. Profit on sale of assets	448	935
d. Gain on foreign currency translation and transaction	249	1,345
e. Lease rental	614	1,196
f. Support services charges	1,069	567
g. Industrial Promotion Incentive	--	2,077
h. Others	944	1,834
	<u>31,925</u>	<u>22,631</u>

**28. COST OF MATERIALS CONSUMED**

	For the year ended 31st March 2020	For the year ended 31st March 2019
	₹	₹
a. Consumption - Raw Material Components & Others	2,25,739	3,00,695
b. Freight Charges	115	195
	<u>2,25,854</u>	<u>3,00,890</u>

**29. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS AND FINISHED GOODS**

	For the year ended 31st March 2020	For the year ended 31st March 2019
	₹	₹
<b>Inventories at the beginning of the year</b>		
a. Work in progress	21,480	9,069
b. Finished goods	6,506	15,757
	<u>27,986</u>	<u>24,826</u>
<b>Inventories at the end of the year</b>		
a. Work in progress	13,475	21,480
b. Finished goods	5,631	6,506
	<u>19,106</u>	<u>27,986</u>
	<u>8,880</u>	<u>(3,160)</u>

**30. EMPLOYEE BENEFIT EXPENSES**

	For the year ended 31st March 2020	For the year ended 31st March 2019
	₹	₹
a. Salary, Wages, Bonus. etc.	46,056	46,295
b. Contribution to Provident, other funds and schemes	3,369	3,280
c. Staff & Labour Welfare Expenses	1,507	1,575
	<u>50,932</u>	<u>51,150</u>

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**31. FINANCE COSTS**

	For the year ended 31st March 2020	For the year ended 31st March 2019
	₹	₹
a. Interest	4,252	2,683
b. Other borrowing cost	116	60
c. Net interest cost on net defined benefit obligations	56	--
	<u>4,424</u>	<u>2,743</u>

**32. DEPRECIATION AND AMORTIZATION EXPENSE**

	For the year ended 31st March 2020	For the year ended 31st March 2019
	₹	₹
a. Depreciation on property, plant and equipment	21,081	17,381
b. Amortisation of intangible assets	3,663	2,423
c. Depreciation on investment property	32	33
	<u>24,776</u>	<u>19,837</u>

**33. OTHER EXPENSES**

	For the year ended 31st March 2020	For the year ended 31st March 2019
	₹	₹
a. Consumption of stores and spares	9,765	11,456
b. Fabrication and Processing charges	2,071	2,496
c. Power & fuel	8,064	8,288
d. Freight and forwarding charges	3,540	4,782
e. Rent (Including Lease rent)	303	318
f. Rates and taxes	266	212
g. Insurance	673	598
h. Repairs and maintenance :		
(i) Plant and machinery	3,682	3,552
(ii) Buildings	779	611
(iii) Others	289	286
i. Publicity and sales promotion	2,306	1,872
j. Payment to Auditor (Refer details below)	42	36
k. Donation	862	573
l. Loss on foreign currency translation and transaction	946	179
m. Loss on sale of assets	23	--
n. Cleaning Expenses	325	215
o. Bank Charges	187	41
p. Legal & professional Charges	2,094	362
q. Corporate Social Responsibility Expenses	497	507
r. Royalty	84	108
s. Director sitting fees	51	51
t. Miscellaneous Expenses	8,193	8,442
u. Amalgamation expenses	--	2,581
	<u>45,042</u>	<u>47,566</u>

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended 31st March 2020	For the year ended 31st March 2019
	₹	₹
<b>Details of Payment to Auditors :</b>		
a. Audit Fees	32	25
b. Tax audit fees	2	1
c. Limited review and Certification work	7	8
d. Reimbursement of expenses	1	2
	<u>42</u>	<u>36</u>

**34. INCOME TAX**
**(a) Statement of Profit or Loss**

	As at 31st March 2020	As at 31st March 2019
	₹	₹
<b>Current tax :</b>		
a. Current income tax charge	2,417	6,615
b. Deferred tax (including MAT credit entitlement)	(1,550)	(2,064)
c. Taxation in respect of earlier years	(2)	(32)
<b>Income tax expense reported in the statement of profit or loss</b>	<u>865</u>	<u>4,519</u>

**(b) Other comprehensive income (OCI)**

	As at 31st March 2020	As at 31st March 2019
	₹	₹
<b>Taxes related to items recognised in OCI during in the year</b>		
a. Taxes on remeasurements of net defined benefit liability	18	(47)
b. Taxes on equity instruments through other comprehensive income	20,087	(20,088)
c. Share in taxes on Other Comprehensive Income of Joint Venture #	0	1
<b>Income tax recognised in OCI</b>	<u>20,105</u>	<u>(20,134)</u>

**(c) Balance Sheet**

	As at 31st March 2020	As at 31st March 2019
	₹	₹
<b>Current Tax Assets</b>		
Advance income tax (net of provision)	3,295	2,389
<b>Total current tax assets</b>	<u>3,295</u>	<u>2,389</u>
<b>Deferred tax :</b>		
	As at 31st March 2020	As at 31st March 2019
	₹	₹
a. Deferred tax asset (DTA)	38,712	30,182
b. Deferred tax liability (DTL)	(30,363)	(43,489)
<b>Net deferred tax (liability)/asset</b>	<u>8,349</u>	<u>(13,307)</u>

# Amount '0' Denotes amount less than ₹ 50,000

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**(d) Deferred tax Assets and Liabilities are as follows :**

	As at 31st March 2020	As at 31st March 2019
	₹	₹
a. Property, Plant & equipment	(30,234)	(23,396)
b. Provision for doubtful advances	55	55
c. Disallowance U/s 43B of Income tax Act.	2,339	2,377
d. Prepaid taxes claimed u/s 43B	(6)	(7)
e. Carry forward Income tax loss	6,605	--
f. MAT credit entitlement	28,615	27,028
g. Quoted Equity Instrument through Other Comprehensive Income	(1)	(20,088)
h. Unquoted Equity Instrument through Other Comprehensive Income	2	2
l. Amalgamation Expenses U/s 35DD	541	722
j. Others	433	--
<b>Net deferred tax asset / (liability)</b>	<b>8,349</b>	<b>(13,307)</b>

**(e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March 2020**

	As at 31st March 2020	As at 31st March 2019
	₹	₹
<b>Accounting profit before tax</b>	<b>36,801</b>	<b>34,426</b>
a) Tax as per IT Act on above	12,739	12,030
b) Tax expenses		
(i) Current tax	2,417	6,615
(ii) Deferred tax	(1,550)	(2,064)
(iii) Taxation in respect of earlier years	(2)	(32)
<b>Total Tax Expense</b>	<b>865</b>	<b>4,519</b>
c) Difference (a - b)	11,874	7,511
<b>Tax reconciliation Adjustments :</b>		
(i) Permanent disallowances	(1,922)	(416)
(ii) Allowances and accelerated deductions	11,187	5,562
(iii) Change due to tax rate difference	111	(251)
(iv) MAT Credit	136	2,584
(v) Taxation in respect of earlier years	2	32
(vi) Others - Carry forward losses	2,360	--
	<b>11,874</b>	<b>7,511</b>

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**(f) Movement in temporary differences :**

Particulars	1st April, 2019	Recognised in profit or loss during 2019-20	Recognised in OCI during 2019-20	31st March 2020
Property, Plant & equipment	(23,396)	(6,838)		<b>(30,234)</b>
Provision for doubtful advances	55	0		<b>55</b>
Disallowance U/s 43B of Income tax Act.	2,377	(56)	18	<b>2,339</b>
Prepaid taxes claimed u/s 43B	(7)	--		<b>(6)</b>
Carry forward Income tax loss	--	6,605		<b>6,605</b>
MAT credit entitlement	27,028	1,587		<b>28,615</b>
Quoted Equity Instrument through Other Comprehensive Income	(20,088)	0	20,087	<b>(1)</b>
Unquoted Equity Instrument through Other Comprehensive Income	2	0		<b>2</b>
Amalgamation Expenses U/s 35DD	722	(181)		<b>541</b>
Others		433		<b>433</b>
	<b>(13,307)</b>	<b>1,550</b>	<b>20,105</b>	<b>8,349</b>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

**35. EARNINGS PER SHARE**

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purpose of basic and diluted earnings per share calculation are as follows:

	For the year ended 31st March 2020	For the year ended 31st March 2019
a) Profit attributable to equity shareholders	₹ <b>33,015</b>	₹ 22,906
b) Weighted average number of equity shares	<b>11,82,15,861</b>	7,09,48,202
c) <b>Basic and diluted earnings per share of nominal value of ₹ 10 each</b>	<b>27.93</b>	32.29

**Weighted average number of shares**

	For the year ended 31st March 2020	For the year ended 31st March 2019
a) Basic number of shares	₹ <b>11,82,15,861</b>	₹ 3,71,85,588
b) Weighted number of shares	<b>11,82,15,861</b>	7,09,48,202

**36. CONTINGENT LIABILITIES AND COMMITMENTS**

Particulars	As at 31st March 2020	As at 31st March 2019
	₹	₹
<b>(a) Contingent liabilities</b>		
Claims against company not acknowledged as debts :		
(i) Taxes & Duties	<b>17,453</b>	12,674
(ii) Bonus Payable (F.Y. 2014-15)	<b>235</b>	235
(iii) Others (Court cases pending)	<b>3,693</b>	3,772
	<b>21,381</b>	16,681
<b>(b) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	<b>24,642</b>	23,643
	<b>46,023</b>	40,324

(c) As reported earlier, a foreign company has initiated legal proceedings in a foreign court, in respect of notional and unfounded claims for damages, without there being any enforceable agreement, relating to export business. The Company has obtained opinion from a Senior Counsel, in respect of these alleged claims against the Company. The Company has been advised that such notional / unfounded claims are not as per the applicable law nor these claims, if any, can be enforced in the Court of Law in India. This information is being disclosed as per the provisions of Schedule III to the Companies Act, 2013, only to indicate the alleged claims made against the Company and the developments in respect thereof. Moreover, considering the period lapsed, since the conclusion of the said legal proceedings, the Company does not expect any impact of this litigation on its financial position.

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**37. FOREIGN EXCHANGE GAIN OR LOSS**

The amount of net exchange difference included in the Profit / Loss for the year on Revenue account is ₹ 629 lakhs Credit (₹ 1167 lakhs credit) and on Capital account is ₹ 1366 lakhs Debit (₹ 1 lakhs Debit).

**38. THE COMPANY'S EXPENDITURE ON ITS RESEARCH AND DEVELOPMENT ACTIVITY DURING THE YEAR UNDER REPORT**

	For the year ended 31st March 2020	For the year ended 31st March 2019
	₹	₹
(i) Capital Expenditure	19,991	14,075
(ii) Revenue expenditure	9,384	6,802
	<b>29,375</b>	<b>20,877</b>

The above expenditure is grouped with other non-R&D expenditure under various heads of Capital and Revenue expenditure.

As per the Indian Accounting Standard (Ind AS 38) - Intangible Assets, a subsidiary company M/s Force Motors Ltd. has recognized Intangible Assets, arising out of in-house Research and Development activities of the Group, by capitalising the revenue expenditure, amounting to ₹ 13,574 Lakhs (31st March 2019 : ₹ 8,995 Lakhs).

As the development activity, of few projects, is continued, these assets are considered as Capital Work-in-progress, and will be amortized over the period of their life, after the completion of the development phase.

**39. LEASES**

**Operating Leases :**

**As a Lessor**

**(i) Industrial Shed at Chakan :**

The Group's industrial property situated at Chakan, Pune, was given on lease for a period of 10 years. The Lessee and the Lessor have mutually agreed to foreclose the Lease and accordingly, the Lessee has vacated the leased premises peacefully in March, 2019, based on the terms and conditions specified in the Memorandum for Foreclosure of Lease.

As this Industrial property is continue to be available for lease and considering its location, the Company is of the opinion that it will be able to lease out the said property in the near future, it has been considered as an investment property.

**(ii) Freehold land :**

**Out of the freehold land at Akurdi, Pune :**

2700 sq. mtrs. (cost ₹ 1,374) of land has been given on lease to Maharashtra State Electricity Distribution Company Limited for 99 years, w.e.f. 1st August, 1989. Lease rentals are recognized in the Statement of Profit and Loss.

19,000 sq. mtrs. (cost ₹ 9,669) of land has been given on lease to Navalmal Firodia Memorial Hospital Trust for 25 years, w.e.f. 12th August 2014. Lease rentals are recognized in the Statement of Profit and Loss.

These land given on lease are not considered as investment property considering the insignificant area and cost of that with respect to total area and cost of freehold land at Akurdi, Pune.

**As a Lessee**

**Leasehold land :**

The Group has entered into Lease Agreement for industrial land, at Pithampur in Madhya Pradesh. The Group being a lessee may surrender the leased area after giving Lessor 3 months notice period in writing. The lease premium is not refundable to Group in case of early termination of agreement by the Group. The Lessor is also entitled to terminate the Lease Agreement, if the Lessee defaults the terms and conditions of the Lease Agreement. The lease expense has been recognized in the Statement of Profit and Loss.

Note : Previous year figures are mention in brackets.

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**40. EMPLOYEE BENEFITS**
**(i) Defined contribution plans :**

Amount of ₹ 1441 lakhs (year ended 31st March 2019 : ₹ 1482 lakhs) is recognised as an expense and included in "Employees benefits expense" in the statement of profit and loss accounts.

**(ii) Defined benefit plans :**
**a) The amounts recognised in balance sheet are as follows:**

	31st March 2020		31st March 2019	
	Gratuity Plan (Funded)	Provident Fund * (Funded)	Gratuity Plan (Funded)	Provident Fund * (Funded)
A. Amount to be recognised in balance sheet				
Present value of defined benefit obligation	7,857	1,270	12,830	967
<b>Less : Fair value of plan assets</b>	<b>6,506</b>	<b>2,653</b>	<b>10,531</b>	<b>3,830</b>
Amount to be recognised as liability or (asset)	1,351	(1,383)	2,299	(2,863)
B. Amounts reflected in the balance sheet				
Liabilities	1,029	(232)	3,448	(912)
Assets	(322)	1,151	--	2,863
Net liability/(assets)	1,351	(1,383)	3,448	(3,775)

\* Not considered in the books, being excess of plan assets over defined benefit obligation.

As the Group is not entitled for any surplus in provident fund scheme, Group has not recorded, any asset for excess of plan assets over provident fund liability.

**b) The amounts recognised in the statement of profit and loss are as follows:**

	31st March 2020		31st March 2019	
	Gratuity Plan (Funded)	Provident Fund * (Funded)	Gratuity Plan (Funded)	Provident Fund * (Funded)
<b>Employee benefit expenses</b>				
(i) Employee benefit expenses				
Current service cost	670	75	1,002	44
(ii) Acquisition (Gain) / Loss	--	--	28	--
(iii) Finance cost				
Net interest (income) / expenses	238	(319)	238	(319)
Others (Transfer In / (Out))	3	--	--	--
Net periodic benefit cost recognised in the statement of profit and loss	911	(244)	1,268	(275)

\* Not considered in the books, being excess of plan assets over defined benefit obligation.

**c) The amounts recognised in the statement of other comprehensive income (OCI)**

	31st March 2020		31st March 2019	
	Gratuity Plan (Funded)	Provident Fund * (Funded)	Gratuity Plan (Funded)	Provident Fund * (Funded)
1. Opening amount recognised in OCI outside profit and loss account	--	--	--	--
2. Remeasurements for the year - obligation (gain)/loss	(96)	430	(238)	(507)
3. Remeasurements for the year - plan assets (gain) / loss	(38)	(86)	(19)	33
4. Total remeasurements cost / (credit) for the year recognised in OCI	(134)	344	(258)	(475)
5. <b>Less : Accumulated balances transferred to retained earnings</b>	<b>(134)</b>	<b>344</b>	<b>(258)</b>	<b>(475)</b>
Closing balances (remeasurements (gain)/loss recognised OCI)	--	--	--	--

**d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :**

	31st March 2020		31st March 2019	
	Gratuity Plan (Funded)	Provident Fund * (Funded)	Gratuity Plan (Funded)	Provident Fund * (Funded)
1. Present value of obligation as at the beginning of the period	7,045	442	6,101	321
2. Acquisition adjustment	--	--	292	--
3. Transfer in/ (out)	(14)	--	--	--
4. Interest expenses	520	34	462	14
5. Past service cost	--	--	--	--
6. Current service cost	670	75	544	25
7. Curtailment cost/ (credit)	--	--	--	--
8. Settlement cost/ (credit)	--	--	--	--
9. Benefits paid	(400)	--	(444)	--
10. Remeasurements on obligation - (gain) / loss	36	719	(96)	229
Present value of obligation as at the end of the period	7,857	1,270	6,859	589

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**e) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows :**

	31st March 2020		31st March 2019	
	Gratuity Plan (Funded)	Provident Fund * (Funded)	Gratuity Plan (Funded)	Provident Fund * (Funded)
1. Fair value of the plan assets as at beginning of the period	5,843	1,265	4,760	2,291
2. Acquisition adjustment	--	--	264	--
3. Transfer in/(out)	(16)	--	--	--
4. Interest income	464	194	385	179
5. Contributions	947	--	713	--
6. Mortality Charges and Taxes	(13)	--	(8)	--
7. Benefits paid	(398)	--	(443)	--
8. Amount paid on settlement	--	--	--	--
9. Return on plan assets, excluding amount recognized in Interest Income - gain / (loss)	(12)	(73)	38	69
<b>10. Fair value of plan assets as at the end of the period</b>	<b>6,815</b>	<b>1,386</b>	<b>5,709</b>	<b>2,539</b>
11. Actuarial return on plan assets	--	(24)	--	17
12. Actual return on plan assets	442	--	433	--

**f) Net interest (income)/expenses**

	31st March 2020		31st March 2019	
	Gratuity Plan (Funded)	Provident Fund * (Funded)	Gratuity Plan (Funded)	Provident Fund * (Funded)
1. Interest ( income) / expense - obligation	520	34	402	11
2. Interest (income) / expense - plan assets	(464)	(194)	(321)	(88)
<b>Net interest (income) / expense for the year</b>	<b>56</b>	<b>(160)</b>	<b>81</b>	<b>(77)</b>

\* The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**g) The broad categories of plan assets as a percentage of total plan assets of employee's gratuity scheme are as under :**

	31st March 2020	31st March 2019
1. Central government securities	0.00%	0.00%
2. State government securities	0.00%	0.00%
3. Bonds and debentures etc.	0.00%	0.00%
4. Fixed deposits	0.00%	0.00%
5. Equity shares	0.00%	0.00%
6. Collateralized borrowing and lending obligation	0.00%	0.00%
7. Funded managed by insurer	100.00%	100.00%
8. Other approved Security	0.00%	0.00%
9. Loan	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

**Basis used to determine the overall expected return :**

The net interest approach effectively assumes an expected rate of return on plan assets equal to the beginning of the year discount rate. Expected return of 7.80% has been used for the valuation purpose.

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

h) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)	31st March 2020	31st March 2019
<b>Gratuity :</b>		
(i) Discount rate	0.066	0.076
(ii) Expected return on plan assets	0.076	0.078
(iii) Rate of increase in compensation levels	0.1	0.1
(iv) Expected average remaining working lives of employees (in years)	7.98 *	8.18 *
(v) Withdrawal Rate		
(vi) Workers	0.02	0.02
(vii) Bargainable & Others	0.1	0.1
<b>Provident fund :</b>		
	<b>31 March 2020</b>	<b>31 March 2019</b>
(i) Discount rate	0.066	0.076
(ii) Interest rate	0.0865	0.0865
(iii) Yield spread	0.005	0.005
(iv) Attrition rate - Bargainable staff	0.1	0.1
(v) Attrition rate - Others	0.02	0.02
(vi) Expected average remaining working lives of employees (in years)	12.86*	8.82 *

\* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

**i) General descriptions of defined benefit plans:**
**Gratuity plan :**

The group operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

j) The Company expects to fund ₹ 111 lakhs towards its gratuity plan in the year 2020-21.

**k) Sensitivity analysis**

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation (PVO). Sensitivity analysis is done by varying (increasing / decreasing) one parameter for Gratuity by 100 basis points (1%) and for Provident fund by 50 basis points (0.5%).

Change in assumptions	31st March 2020		31st March 2019	
	Gratuity	Provident fund	Gratuity	Provident fund
<b>1. Discount rate</b>				
Increase by 1%	7,378	--	6,442	--
Decrease by 1%	8,398	--	7,324	--
Increase by 0.5%	--	894	--	134
Decrease by 0.5%	--	1,662	--	766
<b>2. Salary increase rate</b>				
Increase by 1%	8,310	--	7,245	--
Decrease by 1%	7,447	--	6,504	--
<b>3. Withdrawal rate</b>				
Increase by 1%	7,813	--	6,809	--
Decrease by 1%	7,908	--	6,913	--
<b>4. Expected future interest rate of provident fund</b>				
Increase by 0.5%	--	1,623	--	751
Decrease by 0.5%	--	914	--	133

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**41. RELATED PARTY DISCLOSURES**

**(A) Name of the related parties and nature of related party relationship where control exists are as under :**

- (a) **Associate Company** : Revulis Irrigation India Pvt. Ltd.  
 (b) **Joint Venture** : Force MTU Power Systems Private Limited

**(B) List of other related parties with whom there are transactions in the current year :**

- (a) **Key Management Personnel** : Mr. Abhaykumar Firodia, Chairman  
 : Mr. Prasan Firodia, Managing Director  
 : Mr. M. S. Bhogal, Executive Director

**(b) Relatives of Key Management Personnel**

- (i) Mr. Abhaykumar N. Firodia : Mrs. Indira A. Firodia : Spouse  
 : Mr. Prasan A. Firodia : Son  
 : Mrs. Sunanda S. Mehta : Daughter  
 : Mrs. Shribala S. Chordia : Daughter  
 : Mrs. Harsha G. Jain : Daughter  
 : Mrs. Kamala Bhandari : Sister  
 : Mrs. Shyamala Navalakha : Sister  
 (ii) Mr. Prasan A. Firodia : Mr. Abhaykumar N. Firodia : Father  
 : Mrs. Indira A. Firodia : Mother  
 : Mrs. Sejal P. Firodia : Spouse  
 : Mrs. Sunanda S. Mehta : Sister  
 : Mrs. Shribala S. Chordia : Sister  
 : Mrs. Harsha G. Jain : Sister  
 (iii) Mr. M. S. Bhogal : Mr. Piara Singh Bhogal : Father  
 : Mrs. Simren Kaur Bhogal : Spouse  
 : Mr. Jaskaran Singh Bhogal : Son  
 : Mr. Hardeep Singh Bhogal : Son  
 : Mr. Harbhajan Singh Bhogal : Brother  
 : Mr. Amrik Singh Bhogal : Brother

- (d) **Other related parties** : Pinnacle Industries Limited  
 : Kider (India) Private Limited  
 : Bajaj Tempo Limited Provident Fund  
 : Sakal Media Private Limited  
 : Amar Prerana Trust  
 : Navalmal Firodia Memorial Hospital Trust

**(C) Disclosure of Transactions with related parties are mentioned below :**

Type of Related Party	Nature of Transaction	Volume of Transaction during 2019-20	Amount Outstanding as on 31st March 2020		Volume of Transaction during 2018-19	Amount Outstanding as on 31st March 2019	
			Receivables	Payables		Receivables	Payables
		₹	₹	₹	₹	₹	₹
<b>a) Key Management Personnel</b>	(i) Managerial Remuneration (Including Commission)	833	--	294	928	--	372
	(ii) Interest on Fixed Deposits	383	--	177	231	--	--
	(iii) Fixed Deposits Accepted / Renewed	3,855	--	3,225	845	--	2,430
	(iv) Fixed Deposit Repaid	2,160	--	--	1,850	--	--
	(v) Dividend Paid	49	--	--	49	--	--
	(vi) Director Sitting Fees	39	--	--	44	--	--
<b>b) Relatives of Key Management Personnel</b>	(i) Interest on Fixed Deposits	198	--	91	187	--	1,549
	(ii) Fixed Deposits Accepted / Renewed	1,265	--	1,939	560	--	--
	(iii) Fixed Deposit Repaid	595	--	--	710	--	--
	(iv) Director Sitting Fees	6	--	--	25	--	2

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

Type of Related Party	Nature of Transaction	Volume of Transaction during 2019-20	Amount Outstanding as on 31st March 2020		Volume of Transaction during 2018-19	Amount Outstanding as on 31st March 2019	
			Receivables	Payables		Receivables	Payables
			₹	₹		₹	₹
<b>c) Other Related Parties</b>							
(i) Rivulis Irrigation India Pvt. Ltd.	ICD Receivable	--	<b>1,000</b>	--	1,000	1,000	--
	Interest on ICD	103	<b>26</b>	--	90	25	--
(ii) Pinnacle Industries Limited	Purchase of Capital Goods	3	--	--	418	--	--
	Purchase of Raw Materials, Components & others	15,032	--	<b>782</b>	14,698	--	405
	Sundry Sales	53	--	--	69	--	--
	Lease / rent recovered	4	--	--	--	64	--
	Reimbursement of Expenses	2	--	--	--	--	--
	Interest received	23	<b>17</b>	--	23	--	--
	Sale of material	2	<b>1</b>	--	--	--	--
	ICD Receivable	--	<b>200</b>	--	--	200	--
	Investment in Preference Shares	--	<b>600</b>	--	--	600	--
	Dividend on Preference Shares	30	--	--	--	--	--
	Interest on ICD	15	<b>1</b>	--	15	1	--
(iii) Kider (India) Private Ltd.	Purchase of Capital Goods	--	--	--	4	--	2
	Purchase of Raw Materials, Components & others	121	--	<b>70</b>	--	--	--
(iv) Bajaj Tempo Limited Provident Fund	Contribution to Provident Fund	782	--	<b>61</b>	683	--	58
(v) Sakal Media Private Limited	Publicity charges	--	--	--	20	--	--
(vi) Amar Prerana Trust	Training Facility Utilisation	--	--	--	43	--	--
	Sundry Sales	--	--	--	1	--	--
	Donations	--	--	--	150	--	--
(vii) Navalmal Firodia Memorial Hospital Trust	Contribution to CSR	--	--	--	460	--	--
	Reimbursement of Expenses	--	--	--	--	--	--
(viii) Antardisha	Professional Fees	--	--	--	26	--	--
(ix) Force MTU Power Systems Private Limited	Service charges / Expenses recovered	676	<b>316</b>	--	956	33	--
	Contribution to Equity	6,630	--	--	1,336	--	--
(x) Linamar India Pvt. Ltd.	Sale of material / Services	--	<b>11</b>	--	26	8	--
	Dewas Plant Slum Sale	17,952	--	--	--	--	--
	Purchase of Raw Materials, Consumables	--	--	--	--	1	--
(xi) Montupet S.A. France	Purchase of Capital Goods	--	--	--	--	--	1,915

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**42. FAIR VALUE MEASUREMENT**

Particulars	Carrying value	
	31st March 2020	31st March 2019
<b>Financial assets</b>		
<b>Amortised cost</b>		
<b>Categorised as at level 2</b>		
Loans	43,167	43,039
Trade receivables	29,079	29,291
Cash and cash equivalents	7,717	1,261
Bank balance other than above	21,605	5,738
Other financial assets	21,058	38,919
<b>Fair value through profit or loss</b>		
<b>Categorised as at level 3</b>		
Investments in preference shares	600	600
<b>Fair value through other comprehensive income</b>		
<b>Categorised as at level 1</b>		
Investment in equity instrument	6,04,680	9,36,842
	<b>7,27,906</b>	<b>10,55,690</b>
<b>Financial liabilities</b>		
<b>Amortised cost</b>		
<b>Categorised as at level 2</b>		
Borrowings	46,229	35,451
Trade payables	62,346	45,405
Other financial liabilities	21,337	12,144
	<b>1,29,912</b>	<b>93,000</b>

As per assessments made by the management, fair values of all financial instruments carried at amortised cost are not materially different from their carrying amounts since they are either short term in nature or the interest rates applicable are equal to the current market rate of interest.

The Management assessed that the fair value of the long term borrowings (fixed interest bearing) included in the borrowings above are adjusted for the transaction costs and has covered the impact of the effective rate of interest.

Investment in subsidiaries, joint ventures and associates is accounted at cost in accordance with Ind-AS 27 - "Separate financial statements" and Ind AS 28 - "Investments in Associates and Joint Ventures". Accordingly such investments are not recorded at fair value.

**43. FINANCIAL RISK MANAGEMENT POLICY AND OBJECTIVES**

Group's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance group's operations. Group's principal financial assets include trade and other receivables and cash and cash equivalents, that derive directly from its operations. In order to minimise any adverse effects on the financial performance of the group, it has taken various measures. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and impact of the same 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, external credit rating (wherever available)	Diversification of bank deposits, credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts, liquidity ratios	Availability of committed credit lines and borrowing facilities
Market risk- Foreign Currency Risk	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting Sensitivity Analysis	Management follows established risk management policies, including use of derivatives like foreign exchange forward contracts, where the economic conditions match the group's policy. Group's net forex exposure is covered by natural hedge.
Market risk - Interest rate	Loans and advances on Cash Credit Account and Term Loan from Bank	Cash flow forecasting & Sensitivity analysis	Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements
	As the borrowings were at fixed rate of interest, the Group is not exposed to interest rate risk.		
Market risk – equity prices	Investments in Equity Securities	Sensitivity analysis [Refer Note 43 (iv)]	Portfolio diversification
Commodity risk	Procurement of steel and other metals.	Budgeted consumption & its impact on finished product.	A well controlled review process is in place for analyzing the price trend and market intelligence and accordingly the strategy of procurement is adopted. The overall exposure is not material.

## Notes to Consolidated Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

The group's risk management is carried out by management, under guiding principles of the board of directors, as well as policies covering specific areas, such as, credit risk, and investment of excess funds etc.

### (i) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers; loans and deposits with banks.

Credit risk in case of the group arises from cash and cash equivalents, deposits with banks as well as credit exposures to customers including outstanding receivables.

The carrying amounts of financial assets represent the maximum credit risk exposure.

### Credit risk management

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the group periodically assesses the reliability of customers, taking into account the financial condition, current economic trends and analysis of historical aging of accounts receivable.

### Expected credit loss allowance

The group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

Investment	As at 31st March 2020	As at 31st March 2019
More than 1 years	6,05,280	9,37,443
Less than 1 years	--	--
Less: expected credit loss allowance	--	--
<b>Total</b>	<b>6,05,280</b>	<b>9,37,443</b>

Trade receivables	As at 31st March 2020	As at 31st March 2019
More than 1 years	--	--
Less than 1 years	29,129	29,340
Less: expected credit loss allowance	49	49
<b>Total</b>	<b>29,080</b>	<b>29,291</b>

Loans	As at 31st March 2020	As at 31st March 2019
More than 1 years	1,786	1,642
Less than 1 years	41,381	41,397
Less: Provision for doubtful loan / deposits	--	--
<b>Total</b>	<b>43,167</b>	<b>43,039</b>

Other Financial Assets	As at 31st March 2020	As at 31st March 2019
More than 1 years	--	3,548
Less than 1 years	21,058	35,371
Less: Provision for doubtful EMD	--	--
<b>Total</b>	<b>21,058</b>	<b>38,919</b>

### Reconciliation of Loss Allowance

Particulars	Trade receivable
Loss allowance as at 31st March 2019	(49)
Changes in loss allowance	--
<b>Loss allowance as at 31st March 2020</b>	<b>(49)</b>

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**(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, that it will have sufficient liquidity to meet its liabilities when they are due, by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The table below summarises the maturity profile of the group's financial liabilities based on contractual undiscounted payments:

Particulars	Less than 1 year	More than 1 year
<b>31st March 2020</b>		
Interest bearing borrowings	5,064	41,165
Other financial liabilities	20,978	359
Trade payables	62,346	--
<b>Total</b>	<b>88,388</b>	<b>41,524</b>
<b>31st March 2019</b>		
Interest bearing borrowings	5,087	30,364
Other financial liabilities	11,788	356
Trade payables	45,405	--
<b>Total</b>	<b>62,280</b>	<b>30,720</b>

The Group has access to following undrawn facilities at the end of the reporting period :

Particulars	As at 31st March 2020	As at 31st March 2019
Expiring within one year	<b>51,796</b>	31,500
Expiring beyond one year	--	6,500
<b>Total</b>	<b>51,796</b>	<b>38,000</b>

**(iii) Foreign currency risk**

The group is exposed to foreign exchange risk mainly through its exports and purchases from overseas suppliers in various foreign currencies. The group evaluates exchange rate exposure arising from foreign currency transactions and the group follows established risk management policies, to hedge exposure to foreign currency risk, where the economic conditions match the group's policy.

**(a) Currency wise net exposure :**

Particulars	As at 31st March 2020	As at 31st March 2019
USD	<b>(2,26,32,663)</b>	39,00,118
Euro	<b>49,25,218</b>	1,03,97,885
JPY	<b>15,36,03,480</b>	25,53,480
GBP	<b>2,675</b>	--
	<b>31st March, 2020</b>	<b>31st March, 2019</b>
₹	<b>(12,284)</b>	18,951

**(b) Currency wise sensitivity analysis :**

Currency	Amount in ₹		Sensitivity %
	2019-20	2018-19	
USD	<b>(17,193)</b>	2,509	1.00%
Euro	<b>3,822</b>	16,410	1.00%
JPY	<b>1,084</b>	32	1.00%
GBP	<b>3</b>	--	1.00%
<b>Total</b>	<b>(12,284)</b>	18,951	

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

Currency	Impact on profit (1% strengthening) * Amount in ₹		Impact on profit (1% weakening) * Amount in ₹	
	2019-20	2018-19	2019-20	2018-19
USD	(156)	(17)	(172)	9
Euro	(45)	(575)	39	987
JPY	(11)	(1)	11	2
GBP	--	--	--	--

(\* Strengthening / weakening of currency)

**(iv) Market risk- Interest rate**

The group's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk.

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind-AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**44. CAPITAL MANAGEMENT**

For the purpose of the group's capital management, capital includes issued capital and other equity reserves. The primary objective of the group's capital management is to maximise shareholder's value. The group manages its capital structure and makes adjustments in light of changes in economic environment and requirements of the financial covenants. The group monitors capital on the basis of the net debt of financial covenants.

"The group's objectives when managing capital are to : (a) safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders, and (b) Maintain an optimal capital structure to reduce the cost of capital."

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. Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio : Net debt (total borrowings net of cash and cash equivalents) divided by total equity (as shown in the balance sheet).

Particulars	As at 31st March 2020	As at 31st March 2019
Loans and borrowings	46,230	41,265
<b>Less : cash and cash equivalents</b>	<b>7,717</b>	1,261
<b>Net debt</b>	<b>38,513</b>	40,004
Equity	11,07,953	13,87,655
Capital and net debt	11,46,465	14,27,659
Gearing ratio	3.36%	2.80%

**45. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES**

Following are the associates and joint venture of the group.

Name of the Company	Relation	Country of incorporation	% of ownership interest
Rivulis Irrigation India Pvt. Ltd.	Associate	India	25.00%

The tables below provide summarised financial information of Associates Company :

**Rivulis Irrigation India Pvt. Ltd.**

Summarised Balance Sheet	31st March 2020	31st March 2019
<b>Current asset</b>		
Cash and cash equivalents	16	14
Other current assets	17,137	13,049
Non-current asset	2,380	1,030
<b>Current liabilities</b>		
Financial liabilities (excluding trade payables)	6,957	5,110
Other liabilities	814	183
<b>Non-current liabilities</b>		
Financial liabilities (excluding trade payables)	1,878	1,067
Other liabilities	171	151
Equity	4,511	4,389
Proportion of the group's ownership interest	25.00%	25.00%
Carrying amount of the group's interest	1,318	1,287

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**Reconciliation to carrying amounts :**

Particulars	31st March 2020	31st March 2019
Opening carrying value	1,287	1,268
Profit/(Loss) for the year	31	21
Other comprehensive income	(0)	(2)
Dividends paid	--	--
<b>Closing carrying</b>	<b>1,318</b>	<b>1,287</b>

**Summarised statement of profit and loss :**

Particulars	31st March 2020	31st March 2019
Revenue	20,018	16,892
Interest income	2	7
Other income	102	102
<b>Total income</b>	<b>20,122</b>	<b>17,001</b>
Cost of materials consumed	10,988	9,752
Employee benefit expenses	2,280	1,910
Depreciation and amortisation	422	174
Interest expense	505	278
Other expenses	5,839	4,806
<b>Total expenses</b>	<b>20,034</b>	<b>16,920</b>
Profit before tax	88	82
Tax expenses	(36)	--
Profit for the year	124	82
Other comprehensive income	(2)	(7)
Total comprehensive income	122	75
Group's share of profit for the year	31	20
<b>Less : Inter company transactions</b>	<b>--</b>	<b>--</b>
Group's share of profit for the year (after elimination)	31	21
Group's share of other comprehensive income for the year	(0)	(2)
Group's total comprehensive income for the year	31	19
Dividend received from the joint venture during the year	--	--

**Group Share of commitments and contingent liabilities in respect of associates :**

Particulars	31st March 2020	31 March 2019
<b>(i) Contingent liabilities</b>		
(a) Claims against company not acknowledged as debts :	--	--
(b) Outstanding bank guarantees issued	203	120
(c) Claims against the Company not acknowledged as debt (including interest)	--	--
(d) Claims against the Company against Consumer Litigation	3	3
<b>(ii) Commitments</b>	<b>69</b>	<b>19</b>
	<b>275</b>	<b>142</b>

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**46. SEGMENT REPORTING :**

"The company has identified following reportable segments of its business :

- (i) Automobile & Auto Components
- (ii) Investments

The above operating segments have been identified considering:

- (i) The internal financial reporting systems
- (ii) The organisation structure as well as differential risks and returns of these segments.

**Business Segment**

Particulars	31st March 2020			31st March 2019		
	Automobile & Auto Components	Investments	Total	Automobile & Auto Components	Investments	Total
Segment revenue	3,52,494	26,614	3,79,108	4,26,364	12,691	4,39,055
Segment expenses	3,42,288	19	3,42,307	4,02,002	2,628	4,04,630
Segment results (before tax and Finance costs)	14,630	26,594	41,225	27,106	10,063	37,169
Finance costs	4,424	--	4,424	2,743	--	2,743
Profit before tax	10,206	26,594	36,801	24,363	10,063	34,426

**47. DISCLOSURE IN TERMS OF SCHEDULE-III OF THE COMPANIES ACT, 2013**

Name of the equity in the Group	Net Assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>I. Parent</b>								
Jaya Hind industries Limited	80.57%	8,92,702	70.23%	24,682	99.95%	(3,11,950)	103.72%	(2,87,269)
<b>II. Subsidiaries</b>								
<b>Indian</b>								
a) Force motors limited	10.23%	1,13,366	9.50%	3,339	0.03%	(84)	-1.18%	3,255
b) Tempo Finance (West) Private Ltd.	0.05%	533	0.08%	28	0.00%	--	-0.01%	28
c) Vanguard Automotive limited	-0.02%	(227)	0.00%	--	0.00%	--	0.00%	--
d) Jaya Hind Montupet Pvt. Ltd. (w.e.f. 18.9.20)	0.90%	9,955	16.38%	5,756	0.00%	(12)	-2.07%	5,744
<b>Non-controlling Interests in all subsidiaries</b>	7.55%	83,647	6.06%	2,131	0.02%	(62)	-0.75%	2,069
<b>III. Associates (Investment as per the equity method)</b>								
<b>Indian</b>								
a) Rivilus Irrigation India Private Limited	0.12%	1,318	0.09%	31	0.00%	(1)	-0.01%	31
<b>IV. Joint Ventures (investment as per equity method)</b>								
<b>Indian</b>								
a) Force MTU Power Systems Pvt. Ltd.	0.60%	6,659	-2.34%	(821)	0.00%	(1)	0.30%	(822)
<b>Total</b>	<b>100%</b>	<b>11,07,953</b>	<b>100%</b>	<b>35,146</b>	<b>100%</b>	<b>(3,12,110)</b>	<b>100%</b>	<b>(2,76,964)</b>

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**48. DISCONTINUED OPERATIONS OF DEWAS PLANT OF THE GROUP :**

The Company had discontinued operations from its Dewas plant . Assets and Liabilities of the Dewas plant formed part of the discontinuance. Urse plant of the Company continues to be in operation. The details of Dewas plant are given as under :

**(a) Assets classified as held for Sale :**

<b>Assets</b>	<b>As on 17.09.2019</b>
Land	2,156
Building	3,636
Property, plant and equipment	5,351
Furniture & Fixtures	5
Any other Tangible/Intangible Assets	523
Capital work-in-progress	225
Inventories	431
Trade Receivables	792
Any Other assets	167
<b>Total Assets</b>	<b>13,286</b>

**(b) Liabilities directly associated with Assets classified as held for Sale :**

<b>Liabilities</b>	<b>As on 17.09.2019</b>
Trade Payables	613
Other Liabilities	1,859
<b>Total Liabilities</b>	<b>2,472</b>

**(c) Profit / Loss from discontinued operations :**

<b>Particulars</b>	<b>As on 17.09.2019</b>
Revenue	3,055
Expenses	3,474
<b>Add : Exceptional Items</b>	<b>1,202</b>
Profit before Tax	783
Tax Expenses	--
Profit after Tax	783
<b>Other Comprehensive Income</b>	
Re-Measurement of net defined benefit liability	5
Taxes on Re-Measurements of net defined liability	0
Total Other Comprehensive Income	5
<b>Total Comprehensive Income for the period</b>	<b>788</b>

**(d) Cash Flow of Discontinued Operations :**

<b>Particulars</b>	<b>As on 17.09.2019</b>
Net cash flow from / (used in) operating activities	5,356
Net cash flow from / (used in) investing activities	2,591
Net cash flow from / (used in) financing activities	(7,952)

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**49. THE GROUP INTEREST IN JOINT VENTURE :**

Force Motors Limited has 51% interest in Force MTU Power Systems Private Limited (FMTU). FMTU is a private entity that is not listed on any public exchange.

Following table illustrates the summarized financial information of the Group's investment in FMTU :

Particulars	As at 31st March 2020	As at 31st March 2019
Current Assets	9,709	1,204
Non Current Assets	8,694	896
Current Liabilities	5,284	276
Non Current Liabilities	60	22
Revenue	360	49
Net Income / (Loss)	(1,609)	(786)
Other Comprehensive Income	(2)	(3)
Total Comprehensive Income / (Loss)	(1,611)	(789)
<b>The above net income includes :</b>		
Sale of products	150	--
Interest Income	188	36
Cost of material consumed	268	--
Employee Benefits Expense	652	450
Other Expenses	1,245	687
Income Tax Expenses (credit)	(111)	(302)
Net Assets of the Joint Venture	13,058	1,803
Proportion of the Company's interest in Joint Venture (Carrying amount of the Company's interest in joint venture)	6,659	919

**50. The Bankers of the Group has sanctioned Term Loans and Working capital Loans - both fund based and non-fund based to the group.**

- (i) During the year, Foreign currency USD Term Loan is taken for purchase of aircraft. The loan is secured by charge on the same aircraft. The Interest rate is 6 Mths LIBOR + 1.10 spread, with 6 monthly reset. Repayment of Term loan commence from March, 2020 and repayable in USD 18 quarterly installments.
- (ii) Term Loan is taken for purchase of fixed assets for Akurdi, Urse and Chennai Plant. The loan is secured by charge on specific plant & machinery. The Interest rate is 6 monthly MCLR with 6 monthly reset. The term loan is repayable in 16 equal quarterly installments.
- (iii) Term Loan of a subsidiary (Force Motors Ltd) is secured by hypothecation, by way of Exclusive Charge on specified Plant and Machinery, being movable properties, secured as a continuing security for the repayment of Term Loan together with interest. The term loan is repayable in 16 equal quarterly installments
- (iv) Cash credit from banks is secured by hypothecation of company's stock of raw materials, stock-in-process, stores, finished goods and book debts, present and future, situated at Akurdi and Urse Plant : District Pune State Maharashtra , Pithampur Plant : District Dhar, State Madhya Pradesh and Chennai Plant : Village Kottaiyur, District Thiruvallur State Tamil Nadu, Charges created in favour of State Bank of India (lead banker).
- (v) Working Capital Loans of a subsidiary (Force Motors Ltd.) are secured by hypothecation of Company's stock of raw materials, work-in-progress, finished goods, consumable stores, spares, bills receivable and book debts, both present and future. The Fund Based Limits are payable on demand to the Banks.

**Notes to Consolidated Financial Statements for the year ended 31st March 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

**51. CORPORATE SOCIAL RESPONSIBILITY**

The group has spent ₹ 497 lakhs (31st March 2019 : ₹ 507 lakhs) towards Corporate Social Responsibility (CSR), which is included in "Other Expenses" [Note No. 33] to the Notes to Account.

(a) Gross amount spent by the group during the year ₹ 497 lakhs (31st March 2019 : ₹ 507 lakhs)

(b) Amount spent during the year on :

Description	In cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any assets	77 (47)	--	77 (47)
(ii) Promotion of Education	420 (--)	--	420 (--)
(iii) Project of establishing modern, sophisticated hospital	-- (460)	--	-- (460)

**52.** An exceptional item represents the reversal of accruals towards incentive receivable, under the Madhya Pradesh Industrial Investment Promotion Assistance Scheme, 2010, as were made during the previous years.

However, after the implementation of the GST regime, in the absence of clear guidelines from the State Authorities in the subject matter, as a precautionary measure, the Company has reversed the accruals made during the earlier years.

The Company proposes to take up the matter with the State Authorities. Appropriate accounting treatment will be given, for actual receipts, if any, in future.

**53. SCHEME OF AMALGAMATION :**

As reported earlier the Scheme of Amalgamation of Jaya Hind Investments Private Limited, CIN U67200PN1981PTC023979, Prasanna Holdings Private Limited CIN U65999PN1982PTC026304, Ahmednagar Engineering Private Limited, CIN U28991MH1987PTC045185, Dhanna Engineering Private Limited, CIN U29130PN1992PTC065494 with the group was approved by the National group law Tribunal, Mumbai Bench, Mumbai, vide its Order dated 24th October 2018. The said Order has been filed with the Office of the Registrar of Companies, Maharashtra, Pune, on 30th October 2018 and accordingly, as the Scheme envisaged and as approved by the National group Law Tribunal, the Amalgamation is effective from the Appointed Date 1st January 2018. The Scheme has come into force with effect from the said Appointed Date and all accounting related to Amalgamation, including incomes, expenses, assets and liabilities have been recorded in the Books of Accounts of the group with effect from that date.

**54. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND :**

All amounts which became due, for transfer to the credit of Investor Education and Protection Fund, as of 31st March 2020, have been transferred to that fund, except a sum of ₹ 0.60 lakhs (31st March 2019 : ₹ 0.60 lakhs) being amount of 5 Nos. (31st March 2019 : 5 Nos.) fixed deposits and interest thereon amounting to ₹ 0.25 lakhs (31st March 2019 : ₹ 0.25 lakhs). In view of the directives received from the Government Authorities, these amounts are not transferred to the Fund, being involved in an investigation.

**55. DISCLOSURE AS PER THE REQUIREMENT OF SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006.**

On the basis of information received as to the status as Micro, Small and Medium Enterprises, from suppliers of the Company along with a copy of the Memorandum filed by the said suppliers, as per the provisions of Section 8 of the Micro, Small and Medium Enterprises Development Act, 2006 (the Act), dues to Micro, Small and Medium Enterprises are as under :-

Particulars	As at 31st March 2020	As at 31st March 2019
(a) The amounts remaining unpaid to Micro and Small Enterprises as at the end of the year		
(i) Principal	40	71
(ii) Interest	--	--
(b) The payment made to micro and small suppliers beyond the appointed day during each accounting year.	29 #	--
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	--	--
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	--	--
(e) The amount of 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 the MSMED Act, 2006.	--	--

# It pertains to dewas plant that was discontinued from 17th September 2019 vide slump sale.

## Notes to Consolidated Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

The proceedings initiated by one of the suppliers against one of the subsidiary company of the Group, claiming to be a small scale enterprise, as per the provisions of Section 18 of the Act, culminated into an award of claim for ₹ 157 Lakhs with interest. The Company has not accepted the said liability. The Company has a major counter-claim against the said supplier amounting to about ₹ 906 Lakhs, which being unearned income, is not accounted. The award is challenged by the Company, as per the provisions of the Act and proceedings are pending before the Hon'ble District Judge, Pune, and before the Hon'ble High Court of Judicature at Bombay.

### 56. SUBSIDIARY COMPANY - VANGUARD AUTOMOTIVE LIMITED

The Subsidiary Company Vanguard Automotive Limited has not been included in Consolidated Financial statements for FY 2019-20 since Financials of the company as on 31.03.2020 are not available. Balances of Assets and Liabilities have been carried forward based on audited financials of FY 2016-17.

### 57. Expenses Capitalised

Amount capitalized represents expenditure transferred to capital and other accounts allocated out of material cost, employee cost and other expenses, incurred in connection with production related activities.

### 58. COVID - 19

The outbreak of COVID-19 pandemic has had an adverse effect on the operations of the group. It impacted the revenue and profitability during the last quarter of the year ending 31st March, 2020.

The impact of COVID-19 is expected to continue for several months, and the management of the group will closely monitor the developments, and implement all appropriate measures.

### 59. Previous year figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current year's classification.

As per our report of even date

#### For M/s. Kirtane & Pandit LLP

Chartered Accountants  
[FRN : 105215W/W100057]

#### Parag Pansare

Partner  
Membership No. 117309

Place : Pune

Date : 13th August 2020

#### Ishan Ghosh

Chief Financial Officer

#### Amruta Patil

Company Secretary  
[Membership No. : A25028]

On behalf of the Board of Directors

#### Abhaykumar Firodia

Chairman  
[DIN : 00025179]

#### Prasan Firodia

Managing Director  
[DIN : 00029664]

Place : Pune

Date : 13th August 2020



## MANUFACTURING UNITS

Akurdi - Head Office (Maharashtra)



Urse (Maharashtra)



Pithampur (Madhya Pradesh)



Chennai (Tamil Nadu)



**JAYA HIND INDUSTRIES LIMITED**

CIN U74999PN1947PLC005480

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