



## **BOARD OF DIRECTORS & COMPANY'S INFORMATION**

### **Board of Directors**

Mr. Parakramsingh G. Jadeja  
*Chairman cum Managing Director*

Mr. Sahadevsinh L. Jadeja  
*Whole Time Director*

Mr. Vikramsingh R. Rana  
*Whole Time Director*

Mrs. Rajshreeba P. Jadeja  
*Non-executive Director*

Mr. Yogesh D. Kathrecha  
*Independent & Non-Executive Director*

Mr. Vijay P. Paranjape  
*Independent & Non-Executive Director*

Mr. Rikesh Chand  
*Nominee Director*

### **Other Key Managerial Personnel**

Mr. Kamlesh S. Solanki  
Chief Financial Officer

Mr. Maulik B. Gandhi  
Company Secretary

### **Statutory Auditor**

Arun M. Kothari  
*(Chartered Accountants)*  
4, Jay Gujarat Society,  
Opp. Police Commissioner' Office,  
Shahibaug, Ahmedabad – 380 004.

### **Committees and its Membership**

#### **Audit Committee:**

Mr. Yogesh D. Kathrecha  
Mr. Vijay P. Paranjape  
Mr. Parakramsingh G. Jadeja

#### **Nomination & Remuneration Committee:**

Mr. Vijay P. Paranjape  
Mr. Yogesh D. Kathrecha

#### **Corporate Social Responsibility Committee**

Mr. Yogesh D. Kathrecha  
Mr. Parakramsingh G. Jadeja  
Mr. Vikramsingh R. Rana

### **Registered & Corporate Office**

G – 506, Lodhika GIDC, Vill: Metoda  
Dist.: Rajkot – 360 021. India  
Ph. No.: 02827 – 287081 | Fax: 02827 – 287480

Ph. No.: 02827 – 235100  
FAX No.: 02827 – 235141  
E-mail: [info@jyoti.co.in](mailto:info@jyoti.co.in)  
Website : [www.jyoti.co.in](http://www.jyoti.co.in)

CIN: U29221GJ1991PLC014914

**BOARD OF DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting their 29<sup>th</sup> Annual Report on business and operation of your company together with the standalone and consolidated financial statements for the year ended as at **March 31, 2020**.

**STANDALONE FINANCIAL PERFORMANCE:**

Financial Results	[Rs. In Crores]	
	2019 - 20	2018 - 19
Revenue from Operations	560.82	791.42
Other Income	15.47	16.25
Total Revenue *	576.29	807.67
PBDIT	89.78	137.43
Less : Finance Cost	72.73	58.44
Depreciation & Amortization	25.93	24.49
Profit Before Tax (PBT)	1.89	54.50
Less: Tax Expenses	(7.21)	19.71
Profit After Tax (PAT)	9.10	34.79
Other Comprehensive Income/(Loss)	(0.07)	(0.03)
Add: Balance brought forward from previous year	258.20	223.44
Aggregate Retained Earning at the end of year	267.23	258.20
Earnings Per Share (EPS)	3.09	11.80

➤ **OPERATIONS, INDUSTRY SCENARIO AND ECONOMY:**

During the financial year, the total revenue of the company on standalone basis stood at Rs. 560.82 crores against Rs. 791.42 crores during previous financial year. The PAT of the company stood at Rs. 9.10 crores for the year as against Rs. 34.79 crores.

During the previous financial year, global economy had seen trade uncertainty, trade wars, tensions which had continued in FY2019 - 20. This has brought slowdown which had seen its peak and bottom level in the year. Slumps in Industrial production, slowdown in trade and investment activities are amongst the prominent factors contributed to global slowdown. From March 24, 2020, the entire nation was in total lockdown impacting business especially material movement.

Indian Economy, being no exception to global economy, had also witnesses slowdown in FY2019 - 20. Amidst the influential global developments referred to earlier, the Indian economy was hit by specific domestic factors from the second quarter of 2019 onwards, including downturn in its automobile and real estate sectors and pangs of distress among micro, small and medium enterprises (MSMEs). With corrective measures initiated by Central Bank, the lending rate was brought down by 135 basis point and

economy was having abundant liquidity. The end of fourth quarter was looking optimistic. However, the COVID – 19 Pandemic has lost all hopes since government had announced stringent lockdown across the country to contain the spread in end of the financial year and was lasted for one and half months in next financial year. Economy was badly hit with this lockdown and migration of workforce.

Your Directors does not expect the company could recovery in business in short term. This is despite major cost reduction initiative implemented in business operation of company in India and France. While India business operation impacted by Lockdown in March end, the business operation of our French subsidiary affected for 4<sup>th</sup> quarter of FY2019 – 20 as Europe goes into Lockdown during the said period. So, in order to leverage the technical skill and infrastructure of the company, the company has decided to engage in business of Medical and Life Saving Equipments. It is expected that the new business line, to some extent, ease the financial burden of the company in short term. It is also expected that the optimism seen during pre Covid-19 would resurface and improve the business situation and sentiments after ease of Covid-19 situation.

➤ **DIVIDEND:**

In order to conserve the financial resources for future years, your directors do not recommend any dividend for the year ended on **March 31, 2020**.

➤ **FINANCE:**

The company is in capital goods sector where the competition and opportunity both present simultaneously. Competition puts pressure on technology upgradation, price, quality and delivery, while opportunity demands for more research based products for quality and performance. The company is well placed in competitive market as well undertake continuous research to develop new products and improve existing products.

The borrowing of the company during the year was increased mainly to meet cash flow and sustain business operation. As at March 31, 2020, the total current borrowing of the company was Rs. 361.62 Crores.

➤ **BOARD OF DIRECTORS:**

**Appointment, Retirement and Re-appointment:**

Mr. Vikramsinh R. Rana and Mr. Sahadevsinh L. Jadeja, Whole Time Directors of the company, were to retire by rotation in pursuant to the provisions of section 152 of the Companies Act, 2013 read with companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the company and being eligible, were offered themselves for reappointment.

Mr. Ketan H. Marwadi had voluntarily resigned his office as an Independent Director of the company. The board members expressed theirs gratitude to Mr. Ketan H. Marwadi for serving on the board of directors of the company. After his resignation, the composition of the board of directors of the company complies with the provisions of the companies act, 2013.

The Company has received declarations from all the Independent Directors of the company confirming that they meet the criteria of Independence as prescribed under section 149(6) of the Companies Act, 2013.

**No. of Board Meetings:**

The board met 7 times during the year and the intervening gap between the meetings was within the period prescribed under the companies act, 2013.

**Evaluation of Directors:**

The evaluation of performance of Board, Committee and Individual Directors were carried out in pursuant to the evaluation criteria as laid down by the Nomination & Remuneration Committee. The board approved the evaluation results as collated by the nomination and remuneration committee.

➤ **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Jyoti's vision and mission focus on having the right balance between Value Creation and Corporate Citizenship. Corporate Social Responsibility is an integral part of Jyoti's business process and the same is reflecting by activities carried out by the company.

The Annual Report on CSR Activities carried out by the company during the financial year is given in **Annexure I** to this report in the format prescribed in the Companies (Corporation Social Responsibility Policy) Rules, 2014. The CSR Policy and Initiatives undertaken by the company is available on the website of the company.

➤ **SUBSIDIARIES & CONSOLIDATED FINANCIAL STATEMENT:**

The company has overseas subsidiaries including step down operating subsidiaries. During the year, the company has not made any fresh equity investment in any of its subsidiaries. In pursuant to the provisions of section 129(3) of the Company Act, 2013, a company has prepared consolidated financial statement and the audit thereof is under process. The audited consolidated financial statement of the company and its subsidiaries for the financial year ended on March 31, 2020, along with report of auditor thereon, is annexed herewith. Further, a statement containing salient features of financial statement of subsidiaries in Form AOC – I is given separately in this report.

➤ **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Particulars of loans, guarantee given, and investment covered under section 186 of the Companies Act, 2013, form part of the notes to the financial statements annexed to this report.

➤ **RELATED PARTY TRANSACTIONS:**

All contracts / arrangements / transactions entered by the company during the FY 2019 – 20 with related parties were on arm's length basis and in the ordinary course of business. The approval of audit committee was taken for all Related Party Transactions (RPT).

Given that the company does not have any RPTs to report pursuant to Section 134 (3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC - 2, the same is not provided.

➤ **DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The company has zero tolerance towards sexual harassment of woman at its workplace. The company has not received any complaints of sexual harassment during the year.

➤ **RISK MANAGEMENT POLICY:**

The company is in capital goods sector and like any other business, it has to deal with risks arising out of and in surrounding business environments. The company has implemented risk mitigating measures to improve its business efficiency, to sustain in present competitive business environments as well as to transform its business operation to Industry 4.0 standards so as to meet future challenges.

The risk governance structure of the company acts in close coordination with the board of directors and is capable to deal with the risks at all levels as well as to mitigate its impact on business operation and financials of the company. The risks surrounded by the company can broadly be classified under [1] Industry Risk; [2] Operational and Management Risk; [3] Inputs Price Volatility Risk; [4] Finance Risk; [5] Currency and [6] Interest Rate Risk.

The above risk always presents in business of the company and if not contained and/or monitored, the same may have more or less impact on entire business operation and/or future growth of the company. So, in order to mitigate the impact of such risks, the factors arising such risks have well been identified and addressed in time by the company. The Risk Management System of the company is more described in notes on standalone financial statement annexed herewith.

➤ **INTERNAL CONTROL SYSTEM:**

The company has internal control system, commensurate with the size, scale and complexity of operations. The controlling structure in place in company is adequate to safeguard the assets and protect against loss from unauthorized use or disposition.

➤ **DEPOSITS:**

Except accepting money exempted as deposits under section 73 of the companies act, 2013 and to Companies (acceptance of Deposits) Rules, 2014, the company has not accepted any deposits or money falling under the Companies Act, 2013 during the financial year 2019 - 20.

➤ **SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:**

There are no significant and material order passed by the Regulator, Court or Tribunal impacting the going concern status and company's operation in future. However,

members' attention is drawn to the contingent liabilities, commitments given in the notes forming part of the financial statement annexed to this report as well as the facts disclosed here in this report.

➤ **DIRECTORS RESPONSIBILITY STATEMENT:**

As required under Section 134(3)(c) of The Companies Act, 2013 the Directors hereby state and confirm that:

- (a) in the preparation of the Annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures if any;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2020 and of the Profit of the Company for that period;
- (c) the directors taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had devised proper internal systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

➤ **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO:**

The disclosure required in pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 are provided in **Annexure II** to the Report attached herewith.

➤ **COST AUDITOR:**

The Board of Directors of the company has appointed M/s. Mitesh Suvagiya & Co. Practicing Cost Accountant, as Cost Auditor of the company for conducting the audit of cost records of the company for the financial year 2019-20. The cost audit for the financial year 2018 - 19 was conducted by the said auditor and report thereon was filed on the web portal of Ministry of Corporate Affairs.

➤ **AUDIT & AUDITORS:**

The report from auditor on the standalone financial statement of the company for the year ended on March 31, 2019 is annexed to this report. In his report, the auditor put a remark in relevant clauses regarding delay in payment due to the banks and some statutory dues. In this regard, the board would like to explain that the same were temporary and for short duration. The company had paid all such dues to banks, financial institutions as well as government authorities. The report of auditor on consolidated financial statement contains qualified opinion along with view of management which provided in notes to the account.



Apart from above, the Notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments and/or explanation.

➤ **SECRETARIAL AUDIT:**

Pursuant to the provisions of section 204 of the companies act, 2013, the board of directors of the company had appointed M/s. N. S. Dave & Associates, Practicing Company Secretary, for Secretarial Audit and the report thereon submitted by them is annexed to this report (**Annexure III**).

➤ **APPRECIATION:**

Your Directors also wish to place on record their deep sense of appreciation for the committed services of employees of the Company.

Your Directors would like to express their appreciation for assistance and co-operation received from the Government authorities, financial institutions, banks, customer, vendors and members during the year under review.

**For & on behalf of the Board of Directors,**

Sd/-  
**Parakramsinh G. Jadeja**  
Chairman

**Dated:** December 24, 2020 at Metoda, Rajkot.

## Annexure I

**REPORT ON EXPENDITURE MADE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)  
DURING F. Y. 2019 - 20**

- [1] **Brief Outline of the Company's CSR Policy:** The CSR activities of the company will, apart from other activities, focuses on Sports, Arts, Culture and Skill Development. In addition, the committee has also decided to identify the areas under "Swachh Bharat Mission" or "Clean India Mission" initiated by Government of India and had decided to spend amount thereon. The CSR Policy of the company is available on the company's web site <http://jyoti.co.in/about-us/corporate-social-responsibility/>. The projects taken / activities initiated by the company are within the broad framework of Schedule VII of the Companies Act, 2013.
- [2] **Composition of CSR Committee:**
- (i) Shri Parakramsinh G. Jadeja – Managing Director  
(ii) Shri Vikramsinh R. Rana – Whole Time Director  
(iii) Shri Yogesh D. Kathrecha – Independent Director.
- [3] **Average Net Profits of the company for last three financial years:** Rs. 37.74 Crores
- [4] **Prescribed CSR Expenditure (two percent of the amount as in Item 3 above):** Rs. 75.48 Lakhs
- [5] **Details of CSR spent during the financial year:**
- (a) Total amount to be spent for the financial year: Rs. 75.61 Lakhs.  
(b) Amount unspent, if any: -  
(c) Manner in which the amount spent during the financial year is detailed in table given below:

(Rs. In Lakhs)

Sr. No.	CSR Project or Activity Identified	Sector in Which the Project is Covered	Location of Project (State & Districts)	Amount Outlay	Amount Spent on the Project or Programme	Cumulative Expenditure up to the reporting periods	Amount Spent: Direct or through implementing agency
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
1	Promotion of Sports	Sport	Rajkot	1.00	0.71	0.71	Direct
2	Culture Programme	Culture	Rajkot	2.00	1.99	1.99	Direct
3	Clean Rajkot	Clean Indian Mission	Rajkot	6.00	5.66	5.66	Direct
4	Education & Skill Development	Skill Development	Rajkot	70.00	67.25	67.25	Direct
<b>TOTAL</b>				<b>79.00</b>	<b>75.61</b>	<b>75.61</b>	





- (d) In case the company has failed to spend the two percent 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 Report:**

The company had met its CSR obligations during FY2019 – 20.

- (e) A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:**

It is hereby stated that the implementation and monitoring of CSR Policy is in compliance / will be compliance with the CSR Objectives and Policy of the Company.

**Date:** December 24, 2020

**Place:** Metoda, Rajkot

Sd/-  
**Parakramsinh G. Jadeja**  
Chairman

## Annexure II

**CONSERVATION OF ENERGY:****Total energy consumption and energy consumption per unit of production:**1. Energy conservation measures taken:

The efforts have been made at level to conserve the energy and reduce the cost thereof. The company has selected "Energy Saving" as one of the criteria in "5S Management Practice" adopted by the company and during periodic review, proper emphasis been placed on its compliance.

2. Additional investments & proposal for reduction of consumption of energy:

During the year, there was no fresh investment made in reduction of consumption of energy. The focus of the company was on effective utilization of existing facilities so as to reduce energy consumption.

3. Impact of the above measures:

By continuous effort, the company was able to reduce the consumption of energy.

**(A) Power and Fuel Consumption:****Electricity:**

Particulars	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Total Amount of Electricity Consumed	10,77,27,130	13,88,09,311
Consumption of Electricity Units	1,17,52,857	1,73,39,129
Rate / Unit	9.17	8.01

**(B) Consumption Per Unit of Production:**

Particulars	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Number of Machines Produced	1,616	3,119
Electric Units Consumed Per Unit of Production	7273	5559

**TECHNOLOGY ABSORPTION:**1. **Areas in which Research & Development is carried out:**

Your company has its own R & D Centre alongside its manufacturing facility at Metoda, Rajkot. The R & D Centre is staffed with more than 80 full time qualified engineers.

During the year, to remain ahead in technical innovation and to have superior quality product, the company has focused its R & D activities on to development of four axis and five axis machines which has possibility to do variety of process with high speed and high accuracy and entry level machines to capture / penetrate in new emerging market. Remarkable work is carried out in automation on machining centers, which will help customers to produce very complex parts in any quantity (from single, small batch or mass production) without losing much time on job changeover.



Range of entry level turning machines and machining centers has been enhanced to capture market of high volume production of automobile components, bearing ring, agriculture components, etc.

New features are added in many products to cater business from government bodies and corporate companies. Improvements in processes of manufacturing has been carried out to improve productivity and quality for critical components.

## 2. Benefits derived as a result of the above efforts:

During the year, the major projects completed by R & D Centre of the company are enlisted below.

<b>CNC turn center</b>	:	DXG100i DX200-3
<b>Vertical Machining Centres</b>	:	VMC430 3A/3B/4A/B4 Mill tap 30/40 VMC1060 NVU NX3215 HALF GUARDING REVISE NX4222 HALF GUARDING REVISE  KX50M NVU GUARDING
<b>5 axis Machining Centers</b>	:	K3X8F MP PRO APC KX30 NVU GUARD SET

## 3. Future plan of action:

All existing products needs to be upgraded dynamically to sustain in marketplace and rapidly changing customer's expectations. To support Make in India movement and reduce cost major work has been done in backward integration in production supply chain.

## 4. Expenditure For Research & Development:

	(Rs.in Lakhs)
1. Revenue Expenses	Rs. 669.27
2. Capital Expenditure	Rs. 58.45
	=====
3. Total Research & Development Expenditure	Rs. 727.72
4. Total Research & Development Expenditure As a % to Revenue from Operations	1.30 %

**FOREIGN EXCHANGE EARNING & OUTGO:**

(Rs.in Crores)

Foreign Exchange Earned  
Foreign Exchange Outgo

Rs. 71.11  
Rs. 78.37

**For & on behalf of the Board of Directors,  
Jyoti CNC Automation Limited**

Sd/-

**Parakramsinh G. Jadeja**  
Chairman

**Dated:** December 24, 2020 at Metoda, Rajkot.



**Annexure III**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members  
**Jyoti CNC Automaton Limited**  
G -506, LodhikaGIDC, Vill:Metoda  
Rajkot-360021,  
Gujarat, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Jyoti CNC Automaton Limited (CIN: U29221GJ1991PLC014914)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our 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 **March 31, 2020** ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and **subject to** the reporting made hereinafter:

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 **March 31, 2020** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; - (Not applicable)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): - (Not applicable, as company is Unlisted Company)
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - (Not applicable)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; - (Not applicable)
  - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. - (Not applicable)
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - (Not applicable)
  - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - (Not applicable)
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - (Not applicable)
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - (Not applicable)
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - (Not applicable)
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and - (Not applicable)

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

- (1) Secretarial Standards issued by The Institute of Company Secretaries of India (So far issued and notified)
- (2) The Listing Agreements entered into by the Company with Stock Exchanges (Not applicable).

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**, having regard to the business and objects of the company, as per representation given by authorized personnel of the company and as per my belief there is **no Specific Act and Law** applicable to the Company.

**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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system



exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. Further, company has obtained extension of two months and fifteen days, for financial year ending on March 31, 2019, as well.

*Further attention is being drawn on following matters: 1. Few instances of delayed filing of MCA forms were noted; 2. Outstanding amount of Loans and Advances given to Relative of Key Managerial Personnel given at Note No. 38 (Related Party Disclosure) to Standalone Financial Statements of the company for financial year 2018-19; 3. Audited Consolidated Financial Statements along with report of Auditor thereon, for FY ended on March 31, 2019, were approved and adopted by shareholders at an adjourned Annual General Meeting.*

**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 other applicable laws, rules, regulations and guidelines.

**For N S Dave & Associates**  
Practicing Company Secretaries

**Place:** Jamnagar  
**Date:** 24/12/2020  
**UDIN:** A037176B001644177

**Nandish Dave**  
Proprietor  
**ACS:37176, CP: 13946**

Note: This report is to be read with Annexure to the report.

**Annexure to the Secretarial Audit Report dated 24/12/2020**

To,  
The Members  
***Jyoti CNC Automaton Limited***  
G -506, Lodhika GIDC, Vill: Metoda  
Rajkot-360021,  
Gujarat, India

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our 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 random 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 our 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 random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For N S Dave & Associates**  
Practicing Company Secretary

**Place:** Jamnagar  
**Date:** 24/12/2020

**Nandish Dave**  
Proprietor  
**ACS:37176,CP: 13946**





*Statement Containing Salient Features of Financial Statement of Subsidiaries*

**FORM AOC - 1**

(Pursuant to first proviso of sub-section (3) of section 129 of the Act and Rule 5 of the Companies (Accounts) Rules, 2014)

(Amount in Lakhs)

Sl. No.	Particulars	Jyoti SAS	Huron Graffenstanden SAS	Huron Frasmashinen GmbH	Huron Canada Inc.
1	Reporting Period for subsidiary concerned, if different from the holding company's reporting period	-	-	-	-
2	Reporting Currency	Euro	Euro	Euro	USD
3	Exchange Rate*	83.05	83.05	83.05	75.39
4	Share Capital	4075.26	13288.63	212.61	729.11
5	Reserves & Surplus	-69341.00	-17345.27	-296.40	-1413.37
6	Total Assets	15897.33	36975.61	456.27	363.74
7	Total Liabilities	15897.33	36975.61	456.27	363.74
8	Investments	15364.88	-	-	-
9	Turnover	3355.22	20092.95	1017.75	329.46
10	Profit before taxation	355.37	-6097.13	-95.88	-132.47
11	Provision for taxation	-	-	-	-
12	Profit after taxation	355.37	-6097.13	-95.88	-132.47
13	Proposed Dividend	-	-	-	-
14	% of shareholding	100%	100%	100%	100%

**For & on behalf of the Board of Directors,  
Jyoti CNC Automation Limited**

Sd/-

**Parakramsinh G. Jadeja**  
Chairman

**Dated:** December 24, 2020 at Metoda, Rajkot.

**ANNEXURE A**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2020**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

<b>I. REGISTRATION &amp; OTHER DETAILS:</b>		
1	CIN	U29221GJ1991PLC014914
2	Registration Date	17-01-1991
3	Name of the Company	JYOTI CNC AUTOMATION LIMITED
4	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES INDIAN NON - GOVERNMENT COMPANY
5	Address of the Registered office & contact details	G - 506, LODHIKA GIDC, KALAWAD ROAD, VILL.: METODA, DIST.: RAJKOT - 360 021.
6	Whether listed company	NO
7	Name, Address & contact details of the Share Transfer Agent, if any.	Link Intime India Private Limited

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
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(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	CNC Machines and Machinery Parts	3571 & 3573	98.03%

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>					
--	--	--	--	--	--

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Jyoti SAS		Subsidiary	100	2(87)
2	Huron Graffenstanden SAS		Subsidiary	100	2(87)

<b>IV. SHARE HOLDING PATTERN</b>									
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(Equity share capital breakup as percentage of total equity)

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-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		98,23,776	98,23,776	33.32%		98,23,776	98,23,776	33.32%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.		41,94,200	41,94,200	14.23%		41,94,200	41,94,200	14.23%	0.00%
e) Banks / FI		-	-	0.00%			-	0.00%	0.00%
f) Any other (Firm)		-	-	0.00%			-	0.00%	0.00%
<b>Sub Total (A) (1)</b>	-	1,40,17,976	1,40,17,976	47.55%	-	1,40,17,976	1,40,17,976	47.55%	0.00%
<b>(2) Foreign</b>									
a) NRI Individuals	60,08,000	-	60,08,000	20.38%	-	-	-	0.00%	-100.00%
b) Other Individuals		-	-	0.00%		-	-	0.00%	0.00%
c) Bodies Corp.		-	-	0.00%		-	-	0.00%	0.00%
d) Any other		-	-	0.00%		-	-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	60,08,000	-	60,08,000	20.38%	-	-	-	0.00%	-100.00%
<b>TOTAL (A)</b>	60,08,000	1,40,17,976	2,00,25,976	67.93%	-	1,40,17,976	1,40,17,976	47.55%	-30.00%
<b>B. Public</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%

c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>2. Non-Institutions</b>									
a) Bodies Corp.	74,02,750	-	74,02,750	25.11%	1,34,10,750	-	1,34,10,750	45.49%	81.16%
i) Indian	74,02,750	-	74,02,750	25.11%	1,34,10,750	-	1,34,10,750	45.49%	81.16%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals	11,83,000	8,67,640	20,50,640	6.96%	11,83,000	8,67,640	20,50,640	6.96%	0.00%
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	11,83,000	8,67,640	20,50,640	6.96%	11,83,000	8,67,640	20,50,640	6.96%	0.00%
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	85,85,750	8,67,640	94,53,390	32.07%	1,45,93,750	8,67,640	1,54,61,390	52.45%	63.55%
<b>Total Public (B)</b>	85,85,750	8,67,640	94,53,390	32.07%	1,45,93,750	8,67,640	1,54,61,390	52.45%	63.55%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Grand Total</b>	1,45,93,750	1,48,85,616	2,94,79,366	100%	1,45,93,750	1,48,85,616	2,94,79,366	100.00%	33.55%

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Parakramsinh G. Jadeja	75,77,196	25.70%	0	75,77,196	25.70%	0	0.00%
2	Sahadevsinh L. Jadeja	13,37,080	4.54%	0	13,37,080	4.54%	0	0.00%
3	Vikramsinh R. Rana	9,09,500	3.09%	0	9,09,500	3.09%	0	0.00%
4	Jyoti International LLP	41,94,200	14.23%	0	41,94,200	14.23%	0	0.00%
5	Smith R. Virani	60,08,000	20.38%	0	-	0.00%	0	-100.00%
	<b>TOTAL</b>	<b>2,00,25,976</b>	<b>67.93%</b>	<b>0</b>	<b>1,40,17,976</b>	<b>47.55%</b>	<b>0</b>	<b>-30.00%</b>

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year	01.04.2019		<b>2,00,25,976</b>	67.93%		
2	Changes during the year	06.04.2019	Transfer	(60,08,000)		1,40,17,976	47.55%
4	At the end of the year	31.03.2020		1,40,17,976	47.55%		

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Name: Eknath Infracon LLP</b>						
	At the beginning of the year	01.04.2019		74,02,750	25.11%		0.00%
	Changes during the year	06.04.2019	Transfer	60,08,000	20.38%	1,34,10,750	45.49%
	At the end of the year	31.03.2020		1,34,10,750	45.49%		0.00%
2	<b>Name: Shyamalram Shekhran</b>						
	At the beginning of the year	01.04.2019		3,38,800	1.15%		0.00%
	Changes during the year		Transfer	-	0.00%	3,38,800	1.15%
	At the end of the year	31.03.2020		3,38,800	1.15%		0.00%
3	<b>Name: Kaushik D. Solanki</b>						
	At the beginning of the year	01.04.2019		2,88,940	0.98%		0.00%
	Changes during the year		Transfer		0.00%	2,88,940	0.98%
	At the end of the year	31.03.2020		2,88,940	0.98%		0.00%
4	<b>Name: Nitin Anantrai Vora</b>						
	At the beginning of the year	01.04.2019		2,00,000	0.68%		0.00%
	Changes during the year				0.00%	2,00,000	0.68%
	At the end of the year	31.03.2020		2,00,000	0.68%		0.00%
5	<b>Name: Heman Hiralal Shah</b>						
	At the beginning of the year	01.04.2019		2,00,000	0.68%		0.00%
	Changes during the year				0.00%	2,00,000	0.68%
	At the end of the year	31.03.2020		2,00,000	0.68%		0.00%
6	<b>Name: Sujal Hialal Shah</b>						
	At the beginning of the year	01.04.2019		2,00,000	0.68%		0.00%
	Changes during the year				0.00%	2,00,000	0.68%
	At the end of the year	31.03.2020		2,00,000	0.68%		0.00%
7	<b>Name: Praful N. Shah (HUF)</b>						
	At the beginning of the year	01.04.2019		1,30,000	0.44%		0.00%
	Changes during the year			-	0.00%	1,30,000	0.44%
	At the end of the year	31.03.2020		1,30,000	0.44%		0.00%
8	<b>Name: Chetana Nitinkumar Vora</b>						
	At the beginning of the year	01.04.2019		1,20,000	0.41%		0.00%
	Changes during the year				0.00%	1,20,000	0.41%
	At the end of the year	31.03.2020		1,20,000	0.41%		0.00%
9	<b>Name: Kumar N. Shah (HUF)</b>						
	At the beginning of the year	01.04.2019		93,000	0.32%		0.00%
	Changes during the year		Transfer	-	0.00%	93,000	0.32%
	At the end of the year	31.03.2020		93,000	0.32%		0.00%
10	<b>Name: Kumar N. Shah</b>						
	At the beginning of the year	01.04.2019		80,000	0.27%		0.00%
	Changes during the year		Transfer	-	0.00%	80,000	0.27%
	At the end of the year	31.03.2020		80,000	0.27%		0.00%
11	<b>Name: Kanchanben A. Vora</b>						
	At the beginning of the year	01.04.2019		80,000	0.27%		0.00%
	Changes during the year			80,000	0.27%	1,60,000	0.54%
	At the end of the year	31.03.2020		1,60,000	0.54%		0.00%

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

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares

<b>1</b>	<b>Parakramsinh G. Jadeja</b>						
	At the beginning of the year	01.04.2019		75,77,196	25.70%	75,77,196	25.70%
	Changes during the year			-	0.00%	75,77,196	26.42%
	At the end of the year	31.03.2020		75,77,196	25.70%	75,77,196	25.70%
<b>2</b>	<b>Sahadevsinh L. Jadeja</b>						
	At the beginning of the year	01.04.2019		13,37,080	4.66%	13,37,080	4.66%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31.03.2020		13,37,080	4.54%	13,37,080	4.54%
<b>3</b>	<b>Vikramsinh R. Rana</b>						
	At the beginning of the year	01.04.2019		9,09,500	3.17%	9,09,500	3.17%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31.03.2020		9,09,500	3.09%	9,09,500	3.09%
<b>4</b>	<b>Kamlesh S. Solanki</b>						
	At the beginning of the year	01.04.2019		36,000	0.13%	36,000	0.13%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31.03.2020		36,000	0.12%	36,000	0.12%

## V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3,32,76,82,816	85,10,87,911	-	4,17,87,70,727.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	37,72,205	1,81,11,164	-	2,18,83,369.00
<b>Total (i+ii+iii)</b>	<b>3,33,14,55,021</b>	<b>86,91,99,075</b>	<b>-</b>	<b>4,20,06,54,096.00</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	1,30,42,64,835	-	-	1,30,42,64,835
* Reduction		(54,67,76,514)	-	(54,67,76,514)
Net Change	1,30,42,64,835	(54,67,76,514)	-	75,74,88,321
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4,63,21,87,951	29,25,48,397	-	4,92,47,36,348
ii) Interest due but not paid			-	-
iii) Interest accrued but not due	35,31,905	2,98,74,164	-	3,34,06,070
<b>Total (i+ii+iii)</b>	<b>4,63,57,19,856</b>	<b>32,24,22,561</b>	<b>-</b>	<b>4,95,81,42,417</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	Parakramsinh G. Jadeja	(Rs/Lac)
	Designation	Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,30,00,000	130.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option		-
3	Sweat Equity		-
4	Commission		-
	- as % of profit		-
	- others, specify		-
5	Others, please specify		-
	Total (A)	1,30,00,000	130.00
	Ceiling as per the Act		-

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	Sahadevsinh L. Jadeja	(Rs/Lac)
	Designation	Whole Time Director	

1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	78,00,000	78.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	78,00,000	78
	Ceiling as per the Act	-	-

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	Vikramsinh R. Rana	(Rs/Lac)
	Designation	Whole Time Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	45,00,000	45.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify - Reimbursement	50,000.00	0.50
	Total (A)	45,50,000	45.50
	Ceiling as per the Act	-	-

#### B. Remuneration to other Directors

**NOT APPLICABLE**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Vijay Paranjape	Yogesh Kathrecha		(Rs/Lac)
1	Independent Directors	-	-	-	
	Fee for attending board committee meetings	1,00,000.00	18,000.00	-	1.18
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	1,00,000.00	18,000.00	-	1.18
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	1,00,000.00	18,000.00	-	1.18
	Total Managerial Remuneration	-	-	-	254.68
	Overall Ceiling as per the Act			3,47,96,911.38	347.97

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name		Kamlesh S. Solanki	Maulik B. Gandhi	(Rs/Lac)
	Designation	CEO	CFO	CS	
1	Gross salary		12,49,262	6,59,088	19.08
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
	Commission	-	-	-	-

4	- as % of profit		-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	12,49,262.00	6,59,088.00	19.08

**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			N.A.		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			N.A.		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			N.A.		
Punishment					
Compounding					

For, Jyoti CNC Automation Limited

**Date:** 24.12.2020  
**Place:** Metoda, Rajkot

Sd/-  
**Parakramsinh G. Jadeja**  
Managing Director  
DIN: 00125050

Sd/-  
**Vikramsinh R. Rana**  
Whole Time Director  
DIN: 00125079

4, Jay Gujarat Society, Opp. Police Commissioner's Office, Shahibaug, Ahmedabad – 380 004. (Gujarat)  
Tel. No. : 079- 26402110 . Mobile : 9824021386. E-mail : arunmkothari@gmail.com

## INDEPENDENT AUDITORS' REPORT

To,  
The Members of  
**JYOTI CNC AUTOMATION LIMITED**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

I have audited the accompanying Standalone Financial Statements of **JYOTI CNC AUTOMATION LIMITED** ("the Company"), which comprise the standalone Balance sheet as at March 31, 2020, and the standalone statement of Profit and Loss (including Other Comprehensive Income), the standalone statement of Changes in Equity, the standalone Statement of Cash Flows for the year then ended and notes to the Standalone Financial Statements including a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

In my opinion and to the best of my information and according to the explanations given to me, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its total comprehensive income (comprising of profit and other comprehensive income), its changes in equity and its cash flows for the year then ended.

#### Basis for opinion

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





4, Jay Gujarat Society, Opp. Police Commissioner's Office, Shahibaug, Ahmedabad – 380 004. (Gujarat)

Tel. No. : 079- 26402110 . Mobile : 9824021386. E-mail : arunmkothari@gmail.com

### **Emphasis of Matter**

I draw attention to Note no. 44 to the Standalone Financial Statements regarding the Company's non-current investment and non-current loans in the wholly owned subsidiary and other current financial assets in its step down subsidiary as at March 31 2020. The net worth of the aforesaid wholly owned subsidiary has been eroded. However in view of the management, based on their estimates and other factors including the strategic nature of investment, future business plans and growth prospects, the management believes that the realizable amount will not be lower than the carrying value of the non current investment, non-current loans and other current financial assets due to which these are not impaired and are considered good and recoverable.

My opinion is not modified in respect of the above stated matters.

### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Standalone Financial Statements and my auditors' report thereon.

My opinion on the Standalone Financial Statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the Standalone Financial Statements, my 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 my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact.

I have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that



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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 is also responsible for overseeing the Company's financial reporting process.

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

My objective is 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 auditors' report that includes my 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, I exercise professional judgment and maintain professional skepticism throughout the audit, I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my 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



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continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I have communicated 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, I give in the "**Annexure A**" the statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, I report that:
  - a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit;
  - b) in my opinion, proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
  - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone statement of changes in equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In my opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act;



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- 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 with reference to the Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to my separate Report in "**Annexure B**"
- g) 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, in my opinion and to the best of my information and according to the explanations given to me:
- (i) The company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its Standalone Financial Statements – Refer Note 37 to the Standalone Financial Statements;
- (ii) The Company has made provisions, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
- (iii) There were no amounts required to be transferred to Investor Education and Protection Fund by the company during the year ended March 31, 2020.
3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:
- In my opinion and according to the information and explanations given to me, the remuneration paid by the Company to its directors, during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) of the Act which are required to be commented upon by me.



For Arun M. Kothari,  
Chartered Accountant



Arun M. Kothari  
Proprietor

Membership No.: 108669

Place : Ahmedabad

Date : December 19, 2020

UDIN : 20108669AAAAFM1430

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**"Annexure A" to the Independent Auditors' Report**

(Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of my report of even date)

On the basis of the records produced to me for my verification/perusal, such checks as I considered appropriate, and in terms of information and explanations given to me on my enquiries, I state that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As informed to me, the fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in my opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to me, the records examined by me and based on the examination of the conveyance deeds provided to me, I report that, in respect of immovable properties, the title deeds of leasehold properties are in the name of the company and disclosed as Property, Plant & Equipment in the Standalone Financial Statements.
- (ii) The inventory, except for the goods in transit and stocks lying with third parties, has been physically verified by the management during the year at reasonable intervals. In my opinion, the frequency of verification is reasonable and no material discrepancies were noticed on physical verification of the inventory as compared to book records. The year-end verification could not be carried out due to lockdown amidst COVID-19 pandemic. The inventories as on that date have been arrived at by rolling back the receipts and issues with the respect to verification carried out on a subsequent date by the management.
- (iii) In my opinion and according to the information and explanations given to me, during the period covered under report, the Company has not granted any secured or unsecured loan to any companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"), except loans given to its wholly owned subsidiary. Accordingly, the provisions of clause 3 (iii) of the Order are not applicable to the Company.
- (iv) In my opinion and according to the information and explanations given to me, during the period covered under report, the Company has not granted any loans or guarantee to directors under section 185 or has not made any loan and advance or investment under section 186 of



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the Act, 2013, except loans and guarantee given to and investments made in its wholly owned subsidiary. Accordingly, the provisions of clause 3 (iv) of the Order are not applicable to the Company.

- (v) In my opinion and according to the information and explanations given to me, except for the loans accepted as per the stipulation by the Financial lenders, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.
- (vi) I have broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government under Section 148(1) of the Act and am of the opinion that prima facie the prescribed accounts and cost records have been made and maintained. I have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues;
- (a) According to the records of the company, undisputed statutory dues including Provident Fund, Income Tax, Goods and Service Tax, Custom Duty, Professional Tax, cess and other material statutory dues as applicable, have not been regularly deposited to the appropriate authorities and there have been few instances of delayed payment. However, there are no undisputed statutory dues outstanding as at March 31, 2020, for the period of more than six month from the date they become payable.
- (b) According to the information and explanations given to me, there are no dues in respect of Provident Fund, Income Tax, Goods and Service Tax, Customs Duty, Professional Tax, Excise Duty, Value Added Tax, Central Sales Tax and cess that have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statute	Nature of the dues	Amount (₹)	Period to which amount relates	Forum Where dispute is pending
Central Excise Act, 1944	Excise Duty	11,10,399	April-2009 to Sept-2010	CESTAT Tribunal, Ahmedabad
		14,14,702	April-2006 to Nov-2010	CESTAT Tribunal, Ahmedabad
		1,66,94,174	Nov 2011 to Oct 2016	CESTAT Tribunal, Ahmedabad
		38,18,807	Sept 2016 to June 2017	Deputy Commissioner, CGST, Rajkot



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Gujarat Value Added Tax Act, 2003	VAT	23,17,444	2010 – 2011	Addl. Commissioner of Commercial Tax Department, Rajkot
		18,32,768	2013 – 2014	Addl. Commissioner of Commercial Tax Department, Rajkot
Central Sales Tax Act, 1956	CST	42,37,227	2010 - 2011	Addl. Commissioner of Commercial Tax Department, Rajkot
		95,23,153	2011 - 2012	Addl. Commissioner of Commercial Tax Department, Rajkot
		13,71,219	2012 - 2013	Addl. Commissioner of Commercial Tax Department, Rajkot
		1,13,07,385	2013 - 2014	Addl. Commissioner of Commercial Tax Department, Rajkot
Income Tax Act, 1961	Income Tax	45,37,489	April, 2005 to March, 2014	Commissioner of Income Tax (Appeals) 1 Rajkot
		62,17,699	2016 - 2017	Commissioner of Income Tax (Appeals) 1 Rajkot

- (viii) In my opinion and according to the information and explanations given to me, the Company has no defaults in the repayment of dues to bank or financial institutions as at balance sheet date. However, there were delayed repayments during the year ranging from 1 to 17 days with amounts ranging from ₹ 20,84,000 to ₹ 22,90,180. The company has not borrowed any loan from the government and has not issued any debentures.
- (ix) In my opinion and according to the information and explanations given to me, the company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year. As informed to me the term loans raised during the year have been applied for the purpose for which they were raised except for one loan where necessary permissions from Banks were awaited.
- (x) During the course of my examination of the books of account and records of the company, carried out in accordance with generally accepted auditing principles in India and according to the information and explanation given to me, I have neither come across any incidence of fraud



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by the Company or any fraud on the Company by its officers or employees noticed or reported during the year, nor have I been informed of any such case by the management.

- (xi) According to the information and explanations given to me and based on the examination of the records of the Company, the company has paid/provided for managerial remuneration in accordance with the requisite approval mandated by the provisions of Section 197 read with Schedule V of the Act.
- (xii) In my opinion and according to the information and explanations given to me, the Company is not a Nidhi Company. Accordingly, the provision of clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In my opinion and according to the information and explanations given to me, all transactions with the related parties are in compliance with section 177 and 188 of Act and the details have been disclosed in the Standalone Financial Statements as required by the applicable Ind AS.
- (xiv) In my opinion and according to the information and explanations given to me, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provision of clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) In my opinion and according to the information and explanations given to me, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provision of clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) In my opinion and according to the information and explanations given to me, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of clause 3 (xvi) of the Order is not applicable to the Company.



For Arun M. Kothari,  
Chartered Accountant

Arun M. Kothari

Proprietor

Membership No.: 108669

Place : Ahmedabad

Date : December 19, 2020

UDIN : 20108669AAAAFM1430



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**"Annexure B" to the Independent Auditors' Report**

**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

(Referred to in paragraph 2(f) under the heading of "Report on other Legal and Regulatory Requirements" of my report of even date)

I have audited the internal financial controls over financial reporting with reference to the Standalone Financial Statements of **Jyoti CNC Automation Limited** ("the Company") as of March 31, 2020 in conjunction with my audit of the Standalone Financial Statements of the Company for the year ended on that date.

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

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I 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.



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My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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 judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

### **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 Standalone 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 Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3] provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

### **Inherent 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.



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**Opinion**

In my opinion, to the best of my information and according to explanations given to me, 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 internal financial 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 Control over Financial Reporting issued by the Institute of Chartered Accountants of India



For Arun M. Kothari,  
Chartered Accountant

*Arun M. Kothari*

Arun M. Kothari

Proprietor

Membership No.: 108669

Place : Ahmedabad

Date : December 19, 2020

UDIN : 20108669AAAAFM1430

**JYOTI CNC AUTOMATION LIMITED**  
BALANCE SHEET AS AT MARCH 31, 2020

(Amount in ₹)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment		2,64,28,43,504	2,63,32,41,900
Capital work-in-progress	4(a)	15,39,72,268	18,21,31,276
Right of Use Assets	4(b)	12,82,064	-
Intangible assets		7,27,27,123	7,01,54,969
Intangible assets under development	4(c)	1,07,69,200	90,200
<b>Financial Assets</b>			
Investments	5	29,05,80,428	30,12,70,833
Loans	6	1,50,37,18,563	1,26,15,61,925
Other Financial Assets	7	3,38,66,502	9,89,64,720
Other non-current assets	8	4,72,72,184	5,92,50,159
<b>Total Non - Current Assets</b>		<b>4,75,70,31,836</b>	<b>4,60,66,65,982</b>
<b>Current Assets</b>			
Inventories	9	4,92,28,33,531	4,50,52,94,064
<b>Financial Assets</b>			
Trade receivables	10	1,80,27,60,866	1,80,51,77,832
Cash and Cash Equivalents	11	67,99,060	53,44,608
Other balances with bank	12	17,69,80,058	7,70,83,379
Loans	13	4,38,61,140	3,92,81,812
Other Financial Asset	14	43,90,29,831	40,92,92,632
Other current assets	15	14,42,10,551	13,29,87,428
Current Tax Asset		3,79,26,764	-
<b>Total Current Assets</b>		<b>7,57,44,01,801</b>	<b>6,97,44,61,756</b>
<b>Total Assets</b>		<b>12,33,14,33,637</b>	<b>11,58,11,27,738</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	16	29,47,93,660	29,47,93,660
Other Equity	17	3,79,50,49,902	3,68,43,94,513
<b>Total Equity</b>		<b>4,08,98,43,562</b>	<b>3,97,91,88,173</b>
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	1,34,18,86,393	1,11,97,33,230
Provisions	19	9,28,70,381	8,04,92,929
Deferred tax liabilities (Net)	20	22,33,81,666	29,34,98,248
<b>Total Non - Current Liabilities</b>		<b>1,65,81,38,440</b>	<b>1,49,37,24,407</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21	3,61,62,56,023	2,86,32,08,195
Trade payables	22		
-Micro & Small enterprises*		1,68,90,401	1,88,30,752
-Other than Micro & Small enterprises		2,25,59,76,602	2,45,53,54,410
Other Financial Liabilities	23	35,96,07,506	21,77,12,671
Other Current liabilities	24	31,87,75,234	48,57,19,647
Provisions	25	1,59,45,869	1,56,72,400
Current Tax Liabilities		-	5,17,17,083
<b>Total Current Liabilities</b>		<b>6,58,34,51,635</b>	<b>6,10,82,15,158</b>
<b>Total Equity and Liabilities</b>		<b>12,33,14,33,637</b>	<b>11,58,11,27,738</b>

\* Refer note no. 22 of notes to Standalone Financial Statements

**See Accompanying notes to Standalone Financial Statements**

As per my report of even date  
For Arun M. Kothari,  
Chartered Accountant

*Arun M. Kothari*



Arun M. Kothari  
Proprietor  
Membership No: 108669

UDJN: 20J08669AAAAFM1430

Place : Ahmedabad

Date : December 19, 2020

For & on behalf of the Board,

*Parakramsinh G. Jadeja*

Parakramsinh G. Jadeja  
Managing Director

*Vikramsinh R. Rana*

Vikramsinh R. Rana  
Whole - Time Director

*Maulik B. Gandhi*

Maulik B. Gandhi  
Company Secretary

*Kamlesh S. Solanki*

Kamlesh S. Solanki  
Chief Financial Officer

Place : Rajkot

Date : December 19, 2020

**JYOTI CNC AUTOMATION LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING ON MARCH 31, 2020**

(Amount in ₹)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Revenue</b>			
Revenue from operations	26	5,60,82,73,500	7,91,42,58,530
Other income	27	15,46,65,353	16,25,18,992
<b>Total Income</b>		<b>5,76,29,38,853</b>	<b>8,07,67,77,522</b>
<b>Expenses</b>			
Cost of material consumed	28	3,33,04,37,091	3,34,76,96,126
Changes in inventories of finished goods and work-in progress	29	(11,37,93,398)	1,51,12,71,975
Employee benefits expense	30	72,73,23,009	76,31,93,456
Finance costs	31	61,96,72,444	58,43,74,257
Depreciation and amortization expense	4	25,92,82,227	24,49,16,812
Other expenses	32	92,11,53,813	1,08,03,08,100
<b>Total Expenses</b>		<b>5,74,40,75,186</b>	<b>7,53,17,60,726</b>
<b>Profit Before Tax</b>		<b>1,88,63,667</b>	<b>54,50,16,796</b>
<b>Tax expenses</b>			
Current tax	33	-	18,19,03,417
Prior Year Tax		(58,28,202)	-
Deferred tax	33	(6,62,93,089)	1,52,25,156
		<b>(7,21,21,291)</b>	<b>19,71,28,573</b>
<b>Profit for the year</b>		<b>9,09,84,958</b>	<b>34,78,88,223</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(i) Remeasurement gains/(losses) on post employment defined benefit plans	17	(10,53,135)	(4,81,800)
(ii) Income tax relating to items that will not be reclassified to profit or loss	20	3,51,536	1,68,341
<b>Total Other Comprehensive Income/(loss)</b>		<b>(7,01,599)</b>	<b>(3,13,459)</b>
<b>Total Comprehensive Income for the Year</b>		<b>9,02,83,359</b>	<b>34,75,74,764</b>
<b>Earning per share</b>			
Basic		3.09	11.80
Diluted	34	3.09	11.80

**See Accompanying notes to Standalone Financial Statements**

As per my report of even date  
For Arun M. Kothari,  
Chartered Accountant

For & on behalf of the Board,

*Arun Kothari*



Arun M. Kothari  
Proprietor  
Membership No: 108669  
UDIN: 20108669AAAAFM1930

Place : Ahmedabad  
Date : December 19, 2020

*PC. Jadeja*  
Parakramsinh G. Jadeja  
Managing Director

*M.B. Gandhi*  
Maulik B. Gandhi  
Company Secretary

*V.R. Rana*  
Vikramsinh R. Rana  
Whole - Time Director

*Kamlesh S. Solanki*  
Kamlesh S. Solanki  
Chief Financial Officer

Place : Rajkot  
Date : December 19, 2020

**JYOTI CNC AUTOMATION LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2020**

(Amount in ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash flow from Operating Activities</b>		
Net Profit before tax	1,88,63,667	54,50,16,796
<b>Adjustments for :</b>		
Depreciation and Amortisation Expenses	25,92,82,227	24,49,16,812
(Gain)/ Loss on sale of property, plant & Equipments	-	36,85,749
Gain on fair value of Investment through P&L	(7,36,257)	(14,74,555)
Interest & Commission Income	(8,87,68,770)	(8,81,04,861)
Finance Cost	61,96,72,444	58,43,74,257
Other Expense	97,69,278	-
<b>Operating Profit before changes in current &amp; non current liabilities</b>	<b>81,80,82,589</b>	<b>1,28,84,14,198</b>
<b>Adjustments for :</b>		
Increase/(decrease) in current & non current liabilities	(35,34,64,962)	53,26,93,282
(Increase)/decrease in current & non current assets	(44,86,84,177)	(59,92,72,634)
<b>Cash generated from Operations</b>	<b>1,59,33,451</b>	<b>1,22,18,34,846</b>
Direct taxes paid (net of refunds)	(9,33,86,991)	(9,39,44,470)
<b>Net cash generated/(used) in operating activities</b>	<b>(7,74,53,540)</b>	<b>1,12,78,90,376</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment (Net of Capital Adv)	(25,52,58,040)	(37,94,99,115)
Sale of Property, Plant & Equipment	-	20,12,935
Loan repaid/(given) by/(to) Subsidiary	(14,62,85,450)	58,60,70,625
Movement in Deposit with Banks	(3,47,98,461)	(2,30,64,724)
Sale/ (Purchase) of Investments (Net)	1,14,26,662	-
Interest & Commission Received	1,69,83,782	1,72,84,714
<b>Net cash generated/used in investing activities</b>	<b>(40,79,31,507)</b>	<b>20,28,04,435</b>
<b>C. Cash flow from Financing Activities</b>		
Increase/ (Decrease) in Non Current Borrowings	35,34,64,115	(38,61,94,362)
Increase/ (Decrease) in Current Borrowings	75,30,47,828	(36,64,45,810)
Finance Cost paid	(61,96,72,444)	(58,43,74,257)
<b>Net cash generated/used in financing activities</b>	<b>48,68,39,499</b>	<b>(1,33,70,14,429)</b>
<b>Net increase/(decrease) in cash and cash equivalent</b>	<b>14,54,452</b>	<b>(63,19,618)</b>
<b>Cash and cash equivalent at the beginning of the year</b>	<b>53,44,608</b>	<b>1,16,64,226</b>
<b>Cash and cash equivalent at the end of the year</b>	<b>67,99,060</b>	<b>53,44,608</b>

Note: The above Cash Flow Statement has been prepared under the 'Indirect Method' as set it out in Indian Accounting Standard 7 - Statement of Cash Flow.

**See Accompanying notes to Standalone Financial Statements**

As per my report of even date  
For Arun M. Kothari,  
Chartered Accountant

*Arun M. Kothari*



Arun M. Kothari  
Proprietor  
Membership No: 108669  
UDIN: 20308669AAAAFM 1430

Place : Ahmedabad  
Date : December 19, 2020

For & on behalf of the Board,

*P.C. Jadeja*

Parakramsinh G. Jadeja  
Managing Director

*V.R. Rana*

Vikramsinh R. Rana  
Whole - Time Director

*M.B. Gandhi*

Maulik B. Gandhi  
Company Secretary

*K.S. Solanki*

Kamlesh S. Solanki  
Chief Financial Officer

Place : Rajkot  
Date : December 19, 2020

**JYOTI CNC AUTOMATION LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**

<b>A Equity Share Capital</b>				(Amount in ₹)		
As at the	Changes during	As at the	Changes during	As at the		
April 1, 2018	2018-19	March 31, 2019	2019-20	March 31, 2020		
29,47,93,660	-	29,47,93,660	-	29,47,93,660		
<b>B Other Equity</b>						
(Amount in ₹)						
Particulars	As at the April 1, 2018	Total Comprehensive Income for the year	Transfer to/from Retained Earnings	On Issue of Shares	Exchange differences on translating Long Term Foreign Currency Monetary Items	As at the March 31, 2019
<b>Reserves &amp; Surplus</b>						
Securities Premium	98,47,87,475	-	-	-	-	98,47,87,475
Foreign Currency Translation Reserve	20,75,65,124	-	-	-	(8,99,93,926)	11,75,71,198
Retained Earnings	2,23,44,61,076	34,78,88,223	(3,13,459)	-	-	2,58,20,35,840
Other Comprehensive Income for the year	-	(3,13,459)	3,13,459	-	-	-
<b>Total</b>	<b>3,42,68,13,675</b>	<b>34,75,74,764</b>	<b>-</b>	<b>-</b>	<b>(8,99,93,926)</b>	<b>3,68,43,94,513</b>



**JYOTI CNC AUTOMATION LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	(Amount in ₹)			
	As at the April 1, 2019	Total Comprehensive Income for the year	Transfer to/from Retained Earnings	On Issue of Shares Term Foreign Currency Monetary Items
<b>Reserves &amp; Surplus</b>				
Securities Premium	98,47,87,475	-	-	98,47,87,475
Foreign Currency Translation Reserve	11,75,71,198	-	-	2,03,72,030
Retained Earnings	2,58,20,35,840	9,09,84,958	(7,01,599)	13,79,43,228
Other Comprehensive Income for the year	-	(7,01,599)	7,01,599	-
<b>Total</b>	<b>3,68,43,94,513</b>	<b>9,02,83,359</b>	<b>-</b>	<b>2,03,72,030</b>
				<b>3,79,50,49,902</b>

**See Accompanying notes to Standalone Financial Statements**

As per my report of even date  
 For Arun M. Kothari,  
 Chartered Accountant



*Arun Kothari*  
 Arun M. Kothari  
 Proprietor

For & on behalf of the Board,

*V.R.*  
 Vikramsinh R. Rana  
 Whole - Time Director

*Parakramsinh G. Jadeji*  
 Parakramsinh G. Jadeji  
 Managing Director

*Kamlesh S. Solanki*  
 Kamlesh S. Solanki  
 Chief Financial Officer

*Maulik B. Gandhi*  
 Maulik B. Gandhi  
 Company Secretary

Membership No: 108669  
 UJIN; 20108669AAAAAFN1430  
 Place : Ahmedabad  
 Date : December 19, 2020

Place : Rajkot  
 Date : December 19, 2020



# JYOTI CNC AUTOMATION LIMITED

## SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

### 1. CORPORATE INFORMATION

Jyoti CNC Automation Limited is an Unlisted Public Company, limited by shares and incorporated under the Companies Act, 1956 with its registered office at Rajkot, Gujarat, India. The Company is a global player in the machine tools industry with market presence in India and other countries in Asia, Europe, Middle East, North America, South America and Africa.

The company is a one-stop metal cutting solutions provider. The Company offers a wide range of CNC metal cutting products for both Turning and Milling operations, from the entry level to high-end machines viz; CNC Turning Center, CNC Vertical Machining Center (3-4-5 Axes), CNC Horizontal Machining Center, Vertical Line CNC Machines and Multitasking Machines. The Company is an integrated CNC machine manufacturer with design, development and manufacturing most of the critical components in-house. The Company has a captive foundry, machining, sheet metal unit, paint shop and assembly unit.

The Company caters to a large customer base spread across Automobile, Aerospace, Agriculture, Bearings, Consumer Durables, Die and Mould, Diamond Jewellery, Defence, General Engineering, Medical Equipment, Plastic Processing, Pumps and Valves, Railways, Tooling and Textile Machinery

The standalone financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on December 8, 2020.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### I. Basis of preparation and presentation, Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards [Ind AS] as per the Companies [Indian Accounting Standards] Rules, 2015, as amended and notified under section 133 of the Companies Act, 2013 (the "Act").

#### Functional & Presentational Currency

The functional and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operates.

#### II. Basis of measurement

The financial statements have been prepared on the historical cost convention and on an accrual basis of accounting, except for the following material items which have been measured at fair value as required by relevant Ind AS:

Items	Measurement Basis
Investments classified as fair value through profit or loss	Fair value
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations



# JYOTI CNC AUTOMATION LIMITED

## SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

### III. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are disclosed under Capital Work - in - Progress.

Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### IV. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

#### Intangible assets under development

The Company expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset.

### V. Depreciation and amortisation on Property, Plant & Equipment and Intangible Assets

Depreciation and amortization is provided so as to write off, on a straight line basis, the cost/deemed cost of Property, Plant and Equipment and the intangible assets, including right-of-use assets to their residual value as per useful lives prescribed under Schedule II of Companies Act, 2013 which are as follows:



# JYOTI CNC AUTOMATION LIMITED

## SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

Particulars	Estimated Useful Life (Years)
Leasehold Land	Not Depreciated
Building	60 years
Plants and Machinery	15 years
Furniture and Fixtures	10 years
Electrical Installation	10 years
Office Equipments	5 years
Computers	3 years
Vehicles:	
Four Wheelers	8 years
Two Wheelers	10 years
Software	10 years

These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of right-of-use assets, over the lease period, if shorter. The estimated useful lives of assets and residual values and depreciation method are reviewed regularly and, when necessary, revised.

Depreciation/ Amortisation on assets under construction/ intangible asset under development commences only when the assets are ready for their intended use.

Assets value up to ₹ 30,000 are fully depreciated in the year of acquisition.

### VI. Leases

The Company has adopted Ind AS 116 "Leases" using the modified retrospective approach with effect from initially applying this standard from 1<sup>st</sup> April 2019. Accordingly, the information presented for previous year ended March 31, 2019, is not restated and reported as per Ind AS 17.

The Company determines that a contract is or contains a lease, if the contract conveys right to control the use of an identified asset for a period of time in exchange for a consideration. At the inception of a contract which is or contains a lease, the Company recognises lease liability at the present value of the future lease payments for non-cancellable period of a lease which is not short term in nature except for lease of low value items. The future lease payments for such non-cancellable period are discounted using the Company's incremental borrowing rate specific to the lease being evaluated or for the portfolio of the lease with similar characteristics. Lease payments include fixed payments, i.e. amounts expected to be payable by the Company under residual value guarantee, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease if the lease term considered reflects that the Company shall exercise termination option. The Company also recognizes a right of use asset which comprises of amount of initial measurement of the lease liability, any initial direct cost incurred by the Company and estimated dilapidation costs.

Right of use assets is amortised over the period of lease.



# JYOTI CNC AUTOMATION LIMITED

## SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

Payment made towards short term leases (leases for which non-cancellable term is 12 months or lesser) and low value assets are recognised in the statement of Profit and Loss as rental expenses over the tenor of such leases.

### VII. Financial Instruments

#### 1. Financial Assets

##### a) Initial Recognition and Measurement

All Financial Assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

##### b) Subsequent measurement

###### ➤ Financial Assets measured at Amortised Cost

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### ➤ Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### ➤ Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL.

##### c) Investment in Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any).

##### d) Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

##### e) Loans to Employees

Loans given to employees are repayable to the company on demand and hence are carried at cost in the financial statements.



# JYOTI CNC AUTOMATION LIMITED

## SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

### f) **Impairment of Financial Assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables.

At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

## 2. **Financial Liabilities & Equity Instruments**

### a) **Classification as debt or equity**

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

### b) **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received.

### c) **Financial Liabilities: Initial Recognition and Measurement**

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

### d) **Financial Liabilities: Subsequent Measurement**

Financial Liabilities are carried at amortized cost using the effective interest rate (EIR) method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.



# JYOTI CNC AUTOMATION LIMITED

## SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

### 3. **De-recognition of Financial Instruments**

The Company derecognizes a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. A Financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### 4. **Offsetting**

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## VIII. **Provisions, Contingent Liabilities & Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Long-term provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. Short term provisions are carried at their redemption value and are not offset against receivables from reimbursements.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets are neither recognized nor disclosed in the Notes forming part of the Financial Statements

## IX. **Foreign currency transactions, translation**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange Differences relating to Long Term Monetary Items that are in substance forming the part of the Company's net investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve Account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.



# JYOTI CNC AUTOMATION LIMITED

## SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

### X. Employee Benefits:

#### 1. Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

#### 2. Post-Employment Benefits

##### a) Defined Contribution Plan:

##### ➤ Provident Fund and Employee State Insurance

Contributions under defined contribution plans are recognised as expense for the period in which the employee has rendered the service. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

##### b) Defined Benefits Plan:

##### (i) Gratuity

For defined benefit retirement schemes, the cost of providing benefits is determined using the Discounting Cash flow Method, with actuarial valuation being carried out at each year-end balance sheet date. Remeasurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) are recognised as an expense within employee costs. Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations as reduced by the fair value of plan assets.

##### (ii) Compensated absences

Compensated absences which are expected to occur after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.



# JYOTI CNC AUTOMATION LIMITED

## SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

### XI. Income taxes

Tax expenses comprise of current and deferred tax. Current and deferred tax are recognized as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in other equity, in which case the tax is also recognized in other comprehensive income or directly in equity.

#### A Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted in country where the Company operate by the end of the reporting period.

#### B Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. In contrast, deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognized as deferred tax assets in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.





# JYOTI CNC AUTOMATION LIMITED

## SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

### XII. Inventories

Inventories are measured at the lower of Cost and Net Realizable Value. The cost of inventories is ascertained on the weighted average basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition but does not include statutory levies of whom input credits is availed by the company.

Costs of Finished Goods and Works-in-Progress are determined by taking material cost [Net of Input tax credit availed], labour and relevant appropriate overheads based on the normal operating capacity, but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work in progress is determined with reference to the selling prices of related finished products.

### XIII. Revenue recognition:

#### a) Sale of Goods:

The Company recognizes revenue from sale of goods measured at the fair value of the consideration received or receivable, upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term.

#### b) Sale of Services:

Sale of services are recognised on satisfaction of performance obligation towards rendering of such services

#### c) Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

### XIV. Borrowing costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.



# JYOTI CNC AUTOMATION LIMITED

## SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

### XV. Impairment of Non-Financial Assets

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### XVI. Government grants

Government grants are recognised in accordance with the terms of the respective grant on accrual basis considering the status of compliance of prescribed conditions and ascertainment that the grant will be received.

Government grants related to revenue are recognised on a systematic and gross basis in the Statement of Profit and Loss over the period during which the related costs intended to be compensated are incurred.

Government grants related to assets are recognised as income in equal amounts over the expected useful life of the related asset.

### XVII. Earnings per share

Basic Earnings Per Share are calculated by dividing the net profit or loss [excluding other comprehensive income] for the period attributable to Equity Shareholders by the Weighted Average Number of Equity Shares outstanding during the period. Earnings considered in ascertaining the Company's Earnings per Share are the Net Profit after Tax for the Year. The Weighted Average Numbers of Equity Shares outstanding during the period are adjusted for events of Bonus Issue and Sub-division of Shares.

For the purpose of calculating diluted earnings per share, the net profit or loss [excluding other comprehensive income] for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



# JYOTI CNC AUTOMATION LIMITED

## SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

### XVIII. Standards Issued but not yet Effective

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

### 3. USE OF JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

While preparing financial statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period.

Financial reporting results rely on the management estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgment, estimates and assumptions are required in particular for:

#### a) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to probable maturity of tire post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

#### b) Recognition of deferred tax liabilities and assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. 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, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

#### c) Discounting of financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial assets / liabilities which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.



# JYOTI CNC AUTOMATION LIMITED

## SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

### d) Provisions

Significant estimates are involved in the determination of provisions related to liquidated damages and warranty costs. The Company records a provision for onerous sales contracts when current estimates of total contract costs exceed expected contract revenue. The provision for warranty, liquidated damages, onerous contracts is based on the best estimate required to settle the present obligation at the end of the reporting period.

Legal proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, considerable judgment is part of determining whether it is probable that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a Legal Proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated. Internal and external counsels are generally part of the determination process.

### e) Estimation of uncertainties relating to COVID-19

The Company has considered relevant internal and external sources of information to evaluate the impact of the pandemic on the financial statements for the year ended March 31, 2020. The Company has assessed the recoverability of the assets including receivables, investments, property plant and equipment, intangible assets, right-of-use assets have made necessary adjustments to the carrying amounts by recognising provisions/impairment of assets, where necessary. However, the actual impact may be different from that estimated as it will be dependent upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy.



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

**4a Property, Plant & Equipment**

Particulars	Leasehold Land	Buildings	Plants & Machinery	Furniture and Fixtures	Electrical Installation	Office Equipments	Computers	Vehicles	Total	Capital work in progress
<b>For Yr ended March 31, 2019</b>										
<b>Gross carrying amount</b>										
As at April 01, 2018	8,22,11,753	70,58,22,990	3,04,69,99,493	7,92,85,103	9,64,92,650	5,46,16,034	7,36,29,369	7,06,64,806	4,20,97,22,199	12,16,17,315
Additions	-	48,48,419	24,46,47,319	47,38,111	48,82,650	1,20,25,295	89,83,491	84,04,264	28,85,29,549	6,57,03,765
Disposals/ Other Adjustments	-	-	2,08,02,091	-	-	-	66,500	-	2,08,68,591	51,89,804
<b>Closing Gross carrying amount</b>	<b>8,22,11,753</b>	<b>71,06,71,409</b>	<b>3,27,08,44,721</b>	<b>8,40,23,214</b>	<b>10,13,75,300</b>	<b>6,66,41,329</b>	<b>8,25,46,360</b>	<b>7,90,69,070</b>	<b>4,47,73,83,157</b>	<b>18,21,31,276</b>
<b>Accumulated Depreciation</b>										
As at April 01, 2018	-	18,37,60,364	1,17,85,54,112	4,68,62,881	7,70,13,965	3,84,10,705	5,95,43,883	3,92,50,966	1,62,33,96,876	-
Charge during the year	-	2,08,68,725	18,49,62,129	60,99,212	29,29,775	62,10,309	77,08,012	71,36,127	23,59,14,289	-
Disposals/ Other Adjustments	-	-	1,51,03,409	-	-	-	66,500	-	1,51,69,909	-
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>20,46,29,089</b>	<b>1,34,84,12,832</b>	<b>5,29,62,093</b>	<b>7,99,43,740</b>	<b>4,46,21,014</b>	<b>6,71,85,395</b>	<b>4,63,87,093</b>	<b>1,84,41,41,256</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2019</b>	<b>8,22,11,753</b>	<b>50,60,42,320</b>	<b>1,92,24,31,889</b>	<b>3,10,61,121</b>	<b>2,14,31,560</b>	<b>2,20,20,315</b>	<b>1,53,60,965</b>	<b>3,26,81,977</b>	<b>2,63,32,41,900</b>	<b>18,21,31,276</b>
<b>For Yr ended March 31, 2020</b>										
<b>Gross carrying amount</b>										
As at April 01, 2019	8,22,11,753	71,06,71,409	3,27,08,44,721	8,40,23,214	10,13,75,300	6,66,41,329	8,25,46,360	7,90,69,070	4,47,73,83,157	18,21,31,276
Additions	45,53,829	4,36,70,843	13,67,79,694	6,88,46,480	3,28,657	9,53,948	19,97,256	-	25,71,30,707	8,08,52,744
Disposals/ Other Adjustments	-	-	-	-	-	-	-	-	-	10,90,11,752
<b>Closing Gross carrying amount</b>	<b>8,67,65,582</b>	<b>75,43,42,252</b>	<b>3,40,76,24,415</b>	<b>15,28,69,694</b>	<b>10,17,03,957</b>	<b>6,75,95,277</b>	<b>8,45,43,616</b>	<b>7,90,69,070</b>	<b>4,73,45,13,864</b>	<b>15,39,72,268</b>
<b>Accumulated Depreciation</b>										
As at April 01, 2019	-	20,46,29,089	1,34,84,12,832	5,29,62,093	7,99,43,740	4,46,21,014	6,71,85,395	4,63,87,093	1,84,41,41,256	-
Charge during the year	-	2,13,15,441	19,39,82,070	93,33,273	33,20,277	61,27,503	66,17,506	68,33,034	24,75,29,104	-
Disposals/ Other Adjustments	-	-	-	-	-	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>22,59,44,530</b>	<b>1,54,23,94,902</b>	<b>6,22,95,366</b>	<b>8,32,64,017</b>	<b>5,07,48,517</b>	<b>7,38,02,901</b>	<b>5,32,20,127</b>	<b>2,09,16,70,360</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>8,67,65,582</b>	<b>52,83,97,722</b>	<b>1,86,52,29,513</b>	<b>9,05,74,328</b>	<b>1,84,39,940</b>	<b>1,68,46,760</b>	<b>1,07,40,715</b>	<b>2,58,48,943</b>	<b>2,64,28,43,504</b>	<b>15,39,72,268</b>

(i) Refer to note 18 for information on property, plant and equipment pledged as security by the company.

(ii) Contractual obligations: Refer to note 37 for disclosure on information on Contractual commitments for the acquisition of property, plant and equipment.

(iii) Capital work in progress comprises of Capital work in progress mainly comprise Plant & Machinery & Building.



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

**4b Right of Use Assets**

(Amount in ₹)

Particulars	Right of Use Assets	Total
<b>For Yr ended March 31, 2020</b>		
<b>Gross carrying amount</b>		
As at April 01, 2019	-	-
Additions	14,37,735	14,37,735
Disposals/ Other Adjustments	-	-
<b>Closing Gross carrying amount</b>	<b>14,37,735</b>	<b>14,37,735</b>
<b>Accumulated Depreciation</b>		
As at April 01, 2019	-	-
Depreciation during the year	1,55,671	1,55,671
Disposals/ Other Adjustments	-	-
<b>Closing Accumulated Depreciation</b>	<b>1,55,671</b>	<b>1,55,671</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>12,82,064</b>	<b>12,82,064</b>

**4c Intangible Assets**

(Amount in ₹)

Particulars	Software	Total	Intangible Assets	
			Under Development	Total
<b>For Yr ended March 31, 2019</b>				
<b>Gross carrying amount</b>				
As at April 01, 2018	9,31,41,930	<b>9,31,41,930</b>	35,38,059	<b>35,38,059</b>
Additions	2,19,44,776	<b>2,19,44,776</b>	90,200	<b>90,200</b>
Disposals/ Other Adjustments	-	-	35,38,059	<b>35,38,059</b>
<b>Closing Gross carrying amount</b>	<b>11,50,86,706</b>	<b>11,50,86,706</b>	<b>90,200</b>	<b>90,200</b>
<b>Accumulated Depreciation</b>				
As at April 01, 2018	3,59,29,214	<b>3,59,29,214</b>	-	-
Amortisation during the year	90,02,523	<b>90,02,523</b>	-	-
Disposals/ Other Adjustments	-	-	-	-
<b>Closing Accumulated Depreciation</b>	<b>4,49,31,737</b>	<b>4,49,31,737</b>	-	-
<b>Net carrying amount as at March 31, 2019</b>	<b>7,01,54,969</b>	<b>7,01,54,969</b>	<b>90,200</b>	<b>90,200</b>
<b>For Yr ended March 31, 2020</b>				
<b>Gross carrying amount</b>				
As at April 01, 2019	11,50,86,706	<b>11,50,86,706</b>	90,200	<b>90,200</b>
Additions	1,41,69,606	<b>1,41,69,606</b>	1,06,79,000	<b>1,06,79,000</b>
Disposals/ Other Adjustments	-	-	-	-
<b>Closing Gross carrying amount</b>	<b>12,92,56,312</b>	<b>12,92,56,312</b>	<b>1,07,69,200</b>	<b>1,07,69,200</b>
<b>Accumulated Depreciation</b>				
As at April 01, 2019	4,49,31,737	<b>4,49,31,737</b>	-	-
Amortisation during the year	1,15,97,452	<b>1,15,97,452</b>	-	-
Disposals/ Other Adjustments	-	-	-	-
<b>Closing Accumulated Depreciation</b>	<b>5,65,29,189</b>	<b>5,65,29,189</b>	-	-
<b>Net carrying amount as at March 31, 2020</b>	<b>7,27,27,123</b>	<b>7,27,27,123</b>	<b>1,07,69,200</b>	<b>1,07,69,200</b>



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

5 Non- Current Investments	Particulars	As at March 31, 2020		As at March 31, 2019	
		Nos.	₹	Nos.	₹
	<b>Investments measured at cost</b>				
	<b>In Equity Shares of Subsidiary Companies</b>				
	<b>Unquoted, Fully paid up</b>				
	Jyoti SAS France	49,07,000	28,82,90,778	49,07,000	28,82,90,778
	(of Euro 1 each)				
		<b>49,07,000</b>	<b>28,82,90,778</b>	<b>49,07,000</b>	<b>28,82,90,778</b>
	<b>Other Investments</b>				
	<b>Unquoted</b>				
	Investment in shares of Kalapur Bank	8,000	2,00,000	-	-
		<b>8,000</b>	<b>2,00,000</b>	-	-
	<b>Investments at fair value through profit or loss</b>				
	<b>Unquoted</b>				
	Investment in BOI Sovereign Gold bonds	500	20,89,650	500	15,80,050
		<b>500</b>	<b>20,89,650</b>	<b>500</b>	<b>15,80,050</b>
	<b>Quoted</b>				
	Investment in SBI Mutual Fund	-	-	3,81,654	1,14,00,005
		-	-	<b>3,81,654</b>	<b>1,14,00,005</b>
	<b>Total Non-current investment</b>	<b>49,15,500</b>	<b>29,05,80,428</b>	<b>52,89,154</b>	<b>30,12,70,833</b>
	Aggregate amount of quoted investments	-	-	3,81,654	1,14,00,005
	Market Value of quoted investments	-	-	3,81,654	1,14,00,005
	Aggregate amount of unquoted investments	49,15,500	29,05,80,428	49,07,500	28,98,70,828
	Aggregate provision for diminution in value of Investments	-	-	-	-



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Amount in ₹)

**6 Loans- Non Current**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>( Unsecured, considered good )</b>		
Loans & Advances to Related Parties*	1,50,37,18,563	1,26,15,61,925
<b>Total</b>	<b>1,50,37,18,563</b>	<b>1,26,15,61,925</b>

(\* For Related Party Transactions Refer Note No. 38 )

**7 Other Non Current Financial Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>( Unsecured, considered good )</b>		
Banks Term Deposits having maturity period more than 12 months from the Balance Sheet date	3,38,66,502	9,89,64,720
<b>Total</b>	<b>3,38,66,502</b>	<b>9,89,64,720</b>

**8 Other Non-Current Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>( Unsecured, considered good unless otherwise stated )</b>		
Security Deposit*	3,74,23,584	3,74,73,861
Capital Advances	88,48,600	1,07,76,298
Other Advances	10,00,000	1,10,00,000
<b>Total</b>	<b>4,72,72,184</b>	<b>5,92,50,159</b>

(\* For Related Party Transactions Refer Note No. 38 )

**9 Inventories**

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Inventories are measured at lower of Cost and NRV</i>		
Raw materials (including in Transit)	3,22,63,34,204	2,93,00,34,802
Work-in-progress	1,59,66,17,665	1,41,48,45,775
Finished goods	2,47,57,050	9,27,35,542
Stores and spares	7,51,24,612	6,76,77,945
<b>Total</b>	<b>4,92,28,33,531</b>	<b>4,50,52,94,064</b>

**10 Trade receivables**

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good*	1,80,27,60,866	1,80,51,77,832
Bad & Doubtful	-	-
	<b>1,80,27,60,866</b>	<b>1,80,51,77,832</b>
Less: Allowances for bad and doubtful debts	-	-
<b>Total</b>	<b>1,80,27,60,866</b>	<b>1,80,51,77,832</b>

(\* For Related Party Transactions Refer Note No. 38 )





**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Amount in ₹)

**11 Cash and Cash Equivalents**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Cash and cash equivalents</b>		
Cash on hand	47,91,262	29,56,595
Balances with banks	20,07,798	23,88,013
<b>Total</b>	<b>67,99,060</b>	<b>53,44,608</b>

**12 Other balances with bank**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Bank balances other than cash and cash equivalents</b>		
Balances with Banks in Term Deposit Accounts to the extent held as Margin Money Deposits	17,69,80,058	7,70,83,379
<b>Total</b>	<b>17,69,80,058</b>	<b>7,70,83,379</b>

**13 Loans- Current**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, considered good</b>		
Loans to Employees*	4,38,61,140	3,92,81,812
<b>Total</b>	<b>4,38,61,140</b>	<b>3,92,81,812</b>

(\* For Related Party Transactions Refer Note No. 38)

**14 Other Financial Assets- Current**

Particulars	As at March 31, 2020	As at March 31, 2019
Interest Accrued on Banks Term Deposits	19,27,812	61,08,166
Interest & Commission Receivable from Subsidiaries*	37,60,32,557	30,68,12,306
Other Assets	6,10,69,462	9,63,72,160
<b>Total</b>	<b>43,90,29,831</b>	<b>40,92,92,632</b>

(\* (For Related Party Transactions Refer Note No. 38)

**15 Other Current Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid Expense	1,56,38,136	1,44,88,902
Balance with Statutory Authorities	3,43,06,052	4,10,92,610
Advances To Suppliers	9,42,66,363	7,74,05,916
<b>Total</b>	<b>14,42,10,551</b>	<b>13,29,87,428</b>



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

16 Share capital	Particulars	As at March 31, 2020		As at March 31, 2019	
		Nos.	₹	Nos.	₹
<b>Authorised capital</b>					
	Equity shares of ₹ 10 each	4,50,00,000	45,00,00,000	4,50,00,000	45,00,00,000
	Preference shares of ₹ 10 each	20,00,000	2,00,00,000	20,00,000	2,00,00,000
		<b>4,70,00,000</b>	<b>47,00,00,000</b>	<b>4,70,00,000</b>	<b>47,00,00,000</b>
<b>Issued, subscribed and paid up</b>					
	Equity shares of ₹ 10 each fully paid up	2,94,79,366	29,47,93,660	2,94,79,366	29,47,93,660
		<b>2,94,79,366</b>	<b>29,47,93,660</b>	<b>2,94,79,366</b>	<b>29,47,93,660</b>

**16.1 Right, Preferences & Restrictions Attached to the Shares:**

The Company have two Classes of Shares referred to as Ordinary Equity Shares having a par value of ₹10/- each & Preference Shares having a par value of ₹10/- each. Each holder of Ordinary Equity Shares is entitled to one vote per share.

In the event of the Liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of the equity shares held by the shareholders.



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

**16.2 Reconciliation of number of shares outstanding is set out below:**

Particulars	As at	
	March 31, 2020	March 31, 2019
Number of Shares at the beginning of the year	2,94,79,366	2,94,79,366
Shares Issued during the year	-	-
Issue of Bonus Shares	-	-
Number of Shares at the end of the year	2,94,79,366	2,94,79,366

**16.3 List of Shareholders holding more than 5% of the aggregate Ordinary Equity Shares in the Company:**

Name of the Shareholder	As at March 31, 2020 and March 31, 2019	
	No of Shares	% to total
Parakramsinh G. Jadeja	75,77,196	25.70%
Ek Nath Infracon LLP	74,02,750	25.11%
Smit Virani	60,08,000	20.38%
Jyoti International LLP	41,94,200	14.23%



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Amount in ₹)

**17 Other Equity**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Securities Premium</b>		
As Per Last Balance Sheet	98,47,87,475	98,47,87,475
Add : Receipts on Allotment of Shares	-	-
	<b>98,47,87,475</b>	<b>98,47,87,475</b>

(Amounts received on issue of shares in excess of the par value has been classified as securities premium)

<b>Foreign Currency Translation Reserve</b>		
As Per Last Balance Sheet	11,75,71,198	20,75,65,124
Add : Effect of Foreign Exchange Rate Variations	2,03,72,030	(8,99,93,926)
	<b>13,79,43,228</b>	<b>11,75,71,198</b>

(Exchange Differences relating to Long Term Monetary Items that are in substance forming part of the Company's net investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve Account)

**Retained Earnings**

As Per Last Balance Sheet	2,58,20,35,840	2,23,44,61,076
Add : Net Profit For The Year	9,09,84,958	34,78,88,223
Add/(Less): Remeasurement of the net defined benefit liability/asset (net of tax effect)*	(7,01,599)	(3,13,459)
	<b>2,67,23,19,199</b>	<b>2,58,20,35,840</b>

(Retained Earnings comprise of the company's undistributed earnings after taxes and other comprehensive income. The items of Other Comprehensive income consists of remeasurement of net defined benefit liability/ asset)

<b>Total</b>	<b>3,79,50,49,902</b>	<b>3,68,43,94,513</b>
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\* As per Schedule III Div II (Ind AS), remeasurements of defined benefit plans, when accumulated at the end of every reporting period, shall be recognized as a part of retained earnings and hence there contains no amounts to be reported under Other Comprehensive Income.



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Amount in ₹)

**18 Borrowings**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Secured - At amortised cost</b>		
Term Loans- from Banks (Term loans are secured by first charge on pari passu basis on the Company's immovable & movable assets and second charge on inventory, receivables & other current assets, both present and future)	1,04,46,18,354	65,85,02,078
Vehicle loans (Vehicle loans are secured by way of hypothecation of vehicles)	27,21,751	77,86,808
Long Term Maturity of Finance lease obligation	69,13,039	1,17,54,981
	<b>1,05,42,53,144</b>	<b>67,80,43,867</b>
<b>Unsecured - At amortised cost</b>		
Deposits from Inter-corporate bodies#	7,71,64,194	9,04,58,969
Loans and Advances From Others	4,78,90,804	11,93,25,010
Loans and Advances From Related Parties*	-	7,23,88,836
Loans from Banks	16,25,78,251	15,95,16,548
	<b>28,76,33,249</b>	<b>44,16,89,363</b>
<b>Total</b>	<b>1,34,18,86,393</b>	<b>1,11,97,33,230</b>

# The loan amounting to ₹ 6.66 cr has been accepted from company which has been converted into LLP during the year

\* ( For Related Party Transactions Refer Note No. 38 )

**18.1 Maturity Profile**

**Terms of Repayment for the Long- Term Borrowings**

Particulars	Term Loans from Bank	Vehicle Loans from Bank
<b>Secured Borrowings</b>		
Name of Banks	Corporation Bank, Oriental Bank of Commerce, Exim Bank	ICICI Bank, Corporation Bank, HDFC Bank, Kotak Mahindra Bank
Interest Rate	1 year MCLR + 3.15% to 3.50%, LIBOR (6 months)+ 400 bps	8.26% to 9.80%
Maturity Period from 31 <sup>st</sup> March, 2020	30 to 87 Months	4 to 42 Months
<b>Repayment Schedule</b>		
Starting Date of Repayment	July, 2014 to December, 2020	May, 2016 to December, 2018
Installment Amount	Installments ranging from ₹ 20,84,000/- to ₹ 64,28,571/- USD 3,00,000 to USD 7,50,000	Installments ranging from ₹ 15,417/- to ₹ 1,19,200/-



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Amount in ₹)

**18.1 Maturity Profile**

Particulars	Unsecured Loans from Bank
Name of Bank	Kalupur Bank
Interest Rate	11%
Maturity Period from 31 <sup>st</sup> March, 2020	66 Months
<b>Repayment Schedule</b>	
Starting Date of Repayment	Mar-20
Installment Amount	₹ 27,55,000/-

There were delayed payments during the year ranging from 1 to 17 days whose installments are ranging from ₹ 20,84,000 to ₹ 22,90,180/-. However, there are no defaults in the repayment of dues to bank as on balance sheet date

**Terms of Repayment for the Finance lease obligation**

Particulars	Finance Lease
<b>Name of Financial Institution</b>	Hewlett - Packard Financial Service India Pvt. Ltd.
Interest Rate	11.47% to 19.38%
Maturity Period from 31 <sup>st</sup> March, 2020	1 month to 33 months
<b>Repayment Schedule</b>	
Starting Date of Repayment	01.04.2017 to 01.03.2020
Installment Amount	₹3,663/- to ₹7,72,800/-

**19 Provisions- Non Current**

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee benefits	9,28,70,381	8,04,92,929
<b>Total</b>	<b>9,28,70,381</b>	<b>8,04,92,929</b>

**20 Deferred Tax Liabilities (Net)**

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance of Net Timing Difference	89,33,96,773	84,98,21,626
Current Year Change	(1,90,55,309)	4,35,75,147
	<b>87,43,41,464</b>	<b>89,33,96,773</b>
Opening Balance Deferred Tax Liability (Net)	29,34,98,248	22,31,79,474
Current Year Change	(6,62,93,089)	1,52,25,156
Remeasurement of defined benefit plans	(3,51,536)	(1,68,341)
MAT Credit (Entitlement)/ Utilised for the year	(34,71,958)	5,52,61,959
<b>Total</b>	<b>22,33,81,666</b>	<b>29,34,98,248</b>



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Amount in ₹)

**21 Borrowings- Current**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Secured - At amortised cost</b>		
<b>Loan Repayable on Demand</b>		
<b>From Banks</b>		
Rupee Loans - Cash Credit & Overdraft	2,70,54,52,472	2,39,83,48,864
Foreign Currency Loans - Packing Credit Arrangement	80,18,60,461	19,69,83,719
Foreign Currency Loans - Buyer's Credit Arrangement	7,41,53,778	-
(The above Loans are secured by first charge on pari passu basis over Company's stock & book debts and second charge on pari passu basis over Company's immovable and movable assets)		
<b>Unsecured - At amortised cost</b>		
Loans and Advances From Others	3,47,89,312	26,78,75,612
<b>Total</b>	<b>3,61,62,56,023</b>	<b>2,86,32,08,195</b>

**22 Trade payables**

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payable - Micro and small enterprise*	1,68,90,401	1,88,30,752
Trade payable - Other than Micro and small enterprise#	2,25,59,76,602	2,45,53,54,410
<b>Total</b>	<b>2,27,28,67,003</b>	<b>2,47,41,85,162</b>

\* The company has requested the suppliers to give information about their status as Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006. Details to the extent available has been reported. (Refer Note No. 35)

(# For Related Party Transactions Refer Note No. 38)

**23 Other financial liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
Current Maturity of Long Term Borrowings - Secured	10,43,16,015	3,55,22,968
Current Maturity of Long Term Borrowings - Unsecured	10,80,76,917	3,87,17,716
Current Maturity of Finance Lease Obligations	1,34,94,082	1,87,83,398
Interest due on Long Term Borrowings - Unsecured	-	1,81,11,164
Interest Accrued but not due	2,03,31,389	37,72,205
Expenses Payable	6,44,22,137	7,02,21,440
Payables for Capital Expenditure	4,89,66,966	3,25,83,780
<b>Total</b>	<b>35,96,07,506</b>	<b>21,77,12,671</b>



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Amount in ₹)

**24 Other Current Liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
Advances against Sales	18,70,55,360	25,61,66,655
Others	13,17,19,874	22,95,52,992
<b>Total</b>	<b>31,87,75,234</b>	<b>48,57,19,647</b>

**25 Provisions- Current**

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee benefits	1,59,45,869	1,56,72,400
<b>Total</b>	<b>1,59,45,869</b>	<b>1,56,72,400</b>





**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Amount in ₹)

**26 Revenue from operations**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of product*	5,49,75,85,161	7,80,53,51,452
Sale of services	9,75,68,060	10,89,07,078
Other operating income	1,31,20,279	-
<b>Total</b>	<b>5,60,82,73,500</b>	<b>7,91,42,58,530</b>

\* ( For Related Party Transactions Refer Note No. 38 )

**26.1 Details Of Services Rendered**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Annual Maintenance Contract Income	7,69,39,514	7,96,05,320
Machine Service Income	1,99,86,266	2,33,85,898
Job Work Income	53,900	38,32,278
Calibration Income	5,88,380	7,29,832
Installation & Commissioning Income	-	13,53,750
<b>Total</b>	<b>9,75,68,060</b>	<b>10,89,07,078</b>

**27 Other income**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income *	8,05,64,534	7,97,67,537
Guarantee Commission *	82,04,236	83,37,324
Foreign Exchange Fluctuation Gain ( Net of Loss )	1,18,26,294	-
Others	5,40,70,289	7,44,14,131
<b>Total</b>	<b>15,46,65,353</b>	<b>16,25,18,992</b>

\* ( For Related Party Transactions Refer Note No. 38 )

**28 Cost of material consumed**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Stock	2,93,00,34,802	1,20,57,35,946
Add: Purchases*	3,62,67,36,493	5,07,19,94,982
	<b>6,55,67,71,295</b>	<b>6,27,77,30,928</b>
Less: Closing stock	(3,22,63,34,204)	(2,93,00,34,802)
<b>Total</b>	<b>3,33,04,37,091</b>	<b>3,34,76,96,126</b>

(\* For Related Party Transactions Refer Note No. 38 )



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Amount in ₹)

**29 Changes in inventories of finished goods and work-in-progress**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock:		
Finished goods	9,27,35,542	7,58,71,861
Work-in-progress	1,41,48,45,775	2,94,29,81,431
	<b>1,50,75,81,317</b>	<b>3,01,88,53,292</b>
Less: Closing stock		
Finished goods	2,47,57,050	9,27,35,542
Work-in-progress	1,59,66,17,665	1,41,48,45,775
	<b>1,62,13,74,715</b>	<b>1,50,75,81,317</b>
<b>Net (increase)/decrease in inventory</b>	<b>(11,37,93,398)</b>	<b>1,51,12,71,975</b>

**30 Employee Benefits Expenses**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salary and Wages*	65,04,75,640	68,43,83,524
Contribution to Provident & Other Funds	4,88,54,421	4,26,87,714
Other Employee Benefit Expenses	2,79,92,948	3,61,22,218
<b>Total</b>	<b>72,73,23,009</b>	<b>76,31,93,456</b>

\* ( For Related Party Transactions Refer Note No. 38 )

**31 Finance Costs**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Interest Expenses</b>		
On Borrowings		
Paid on Term Loans & Corporate Loans	6,62,96,779	7,48,52,709
Paid on Vehicle Loans	10,66,957	13,28,511
Paid on Working Capital	31,83,39,434	31,01,50,994
Paid on Unsecured Loans*	9,00,94,235	10,05,81,832
Paid on Financial Lease	42,27,674	57,73,441
On Others	3,22,59,139	2,91,29,611
On MSME Trade Payables	25,95,608	32,29,658
On Delayed Payment of Income Tax	24,46,063	83,19,921
<b>Other Borrowing Cost</b>		
Bank & Other Financial Charges	10,23,46,555	5,10,07,580
<b>Total</b>	<b>61,96,72,444</b>	<b>58,43,74,257</b>

(\* For Related Party Transactions Refer Note No. 38 )



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Amount in ₹)

**32 Other Expenses**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Manufacturing &amp; Other Direct Expenses</b>		
Consumption of Stores & Spares	12,88,34,378	18,92,60,950
Job Work Charges	7,92,80,065	12,55,42,828
Power & Fuel Expenses	10,87,48,503	13,90,93,261
Factory Expenses	2,81,91,580	4,30,80,623
Transportation Expenses - Inward	6,68,05,317	10,73,21,943
Clearing, Forwarding & Agency Expenses - Import	1,64,76,574	2,23,58,419
Repairs & Maintenance - Machinery*	1,34,71,920	1,79,14,584
	<b>44,18,08,337</b>	<b>64,45,72,608</b>
<b>Administrative &amp; Selling Expenses</b>		
Advertisement & Marketing Expenses	5,64,89,931	5,65,70,070
Exhibition Expenses*	9,41,20,835	7,47,48,286
After Sale Service Expenses	3,78,35,246	4,16,42,485
AMC Expenses	3,52,92,795	3,16,55,354
Clearing & Forwarding Expenses - Exports	79,98,015	77,51,566
Donation	1,17,001	10,47,837
Transportation Expense - Outward	6,61,75,546	9,62,51,279
Legal & Professional Charges	1,53,70,420	29,77,532
Office Expenses	1,42,43,453	1,06,03,819
Postage, Stationary & Telephone Expenses	69,24,158	87,09,457
Remuneration to Auditor		
- Audit Fees	2,00,000	2,00,000
Commission Expense*	3,76,91,737	3,07,68,337
Travelling, Conveyance & Vehicle Expenses*	3,08,80,111	3,13,03,001
Corporate Social Responsibility Expenses#	75,61,996	27,23,390
Other Expenses	6,84,44,232	3,87,83,079
	<b>47,93,45,476</b>	<b>43,57,35,492</b>
<b>Total</b>	<b>92,11,53,813</b>	<b>1,08,03,08,100</b>

(\* For Related Party Transactions Refer Note No. 38 )

(# Refer note no. 43 of Notes forming part of Financial Statements)



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Amount in ₹)

**33 Tax Expense**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>a) Income Tax Expense</b>		
Current Tax on Profits for the year	-	18,19,03,417
Deferred Tax	(6,62,93,089)	1,52,25,156
	<b>(6,62,93,089)</b>	<b>19,71,28,574</b>
<b>b) Reconciliation of Tax Expense and the accounting</b>		
<b>Profit multiplied by the Indian Tax Rate</b>		
Profit before Tax	1,88,63,667	54,50,16,796
Applicable Tax Rate	33.38%	34.94%
Computed Tax Expense	62,96,692	19,04,28,869
Tax effect of:		
Income exempt from tax/items not deductible	1,28,23,751	1,73,44,857
Additional Tax benefit for Research & Development Expenditure	(1,40,96,689)	(88,33,294)
Depreciation	(50,23,754)	(2,12,32,409)
Others (including MAT Credit Availed)	-	(77,08,023)
Adjustments recognised in the current year in relation to the current tax of prior years	-	1,19,03,417
<b>Income Tax recognised in Profit and Loss</b>	<b>-</b>	<b>18,19,03,417</b>

The Company shall exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from the next fiscal year. Accordingly, the Company has recognized and remeasured its deferred tax liabilities at the rate prescribed in the said section. The full impact of this change has been recognized in the statement of profit and loss for the year ended March 31, 2020.

**34 Earnings Per Share**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Basic &amp; Diluted Earnings Per Share - EPS</b>		
Profit available for Equity Shareholder	9,09,84,958	34,78,88,223
Weighted Average Number of Shares Outstanding	2,94,79,366	2,94,79,366
<b>Basic &amp; Diluted Earnings Per Share - of ₹ 10/- each</b>	<b>3.09</b>	<b>11.80</b>



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Amount in ₹)

- 35** According to information available with the Management, on the basis of information received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006('MSMED Act'), the Company has amounts due to Micro, Small and Medium Enterprises under the said Act as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Principal amount remaining unpaid to any supplier at the end of the year	1,42,94,793	1,56,01,094
(b) Interest due thereon remaining unpaid to any supplier at the end of the year	15,89,910	3,36,250
(a) The amount of principal paid beyond the appointed date	1,81,71,400	5,04,77,895
(b) The amount of interest paid beyond the appointed date	-	-
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 the MSMED Act, 2006	10,05,698	28,93,408
The amount of interest accrued and remaining unpaid at the end of each accounting year	25,95,608	32,29,658
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**36 Details Of Expenditure Incurred On Research & Development Activity**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Inhouse Research &amp; Development Expenses</b>		
Raw Material Consumed	3,55,22,097	3,28,17,312
Employees Benefit Expenses	2,29,40,029	75,10,092
Power & Fuel Expenses	79,52,403	56,47,052
Other Expenses	5,12,808	3,78,907
	<b>6,69,27,337</b>	<b>4,64,13,363</b>



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Amount in ₹)

**37 Contingent Liabilities & Commitments - To The Extent Not Provided For**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A Contingent Liabilities</b>		
<b>i Letter of Credit, Standby Letter of Credit, Letter of Comfort &amp; Bank Guarantee</b>		
Outstanding Letter of Credits & Bank Guarantee	1,12,51,00,000	1,17,92,70,065
Outstanding Standby Letter of Credit & Letter of Comfort *	€ 60,00,000	€ 60,00,000
<b>ii Corporate Guarantee</b>		
Guarantees given by the Company to banks on behalf of step down subsidiary*	€ 90,00,000	€ 90,00,000
<b>iii Claim Against the Company not Acknowledged as Debt</b>		
Vendor	6,11,632	6,11,632
Customer		
Compensation Claim	57,85,947	25,27,025
Amount paid under protest	20,00,114	19,50,114
<b>iv Disputed Excise Duty, Service Tax &amp; Other Liabilities</b>		
Disputed Excise Duty, Service Tax, & other Liabilities in respect of Pending Litigations before Appellate Authority & Against which amount paid Under Protest are as follows :		
Disputed Excise Duty Liabilities	2,54,20,671	2,54,20,671
Disputed Income Tax Liabilities	1,07,55,188	45,37,489
Disputed CST Liabilities	4,51,93,111	4,51,93,111
Disputed VAT Liabilities	47,29,573	47,29,573
Disputed Stamp Act Liabilities	-	63,89,250
Amount Paid Under Protest - Excise Duty	23,82,589	23,82,589
Amount paid Under Protest - CST	1,87,54,127	1,87,54,127
Amount paid Under Protest - VAT	5,79,361	5,79,361
<b>B Commitments</b>		
<b>i Capital Commitments - Estimated amount of Capital Contracts Remaining to be executed &amp; not provided as on Balance Sheet Date *</b>	16,71,260	32,91,139
	-	€ 19,00,000
<b>ii Other Commitments - Export Obligation Against Advance License</b>	3,33,24,429	33,76,00,376

(\* For Related Party Transactions Refer Note No. 38 )



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Amount in ₹)

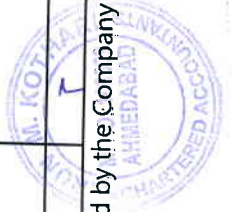
**38 Related Party Disclosures**

As per Ind AS- 24, the disclosures of Party List, Relationship, Nature of Transactions, Transaction Amount & Outstanding Balances with Related Parties are given below :

**38.1 List of Related Parties & Relationships**

Related Party	Nature of Relationship
Parakramsinh G. Jadeja	Managing Director
Sahdevsinh L. Jadeja	
Vikramsinh R. Rana	Whole Time Director
Kamlesh S. Solanki	Chief Financial Officer
Maulik B. Gandhi	Company Secretary
Rajshri P. Jadeja	Non Executive Women Director
Vijay Paranjape	
Yogesh Kathrecha	Independent Director
Bhaveshsinh L. Jadeja	
Jagdishsinh L. Jadeja	
Bhavesh S. Solanki	
Hitesh S. Solanki	Relative of Key Management Personnel
Shreepal Sinh Jadeja	
Jyoti SAS, France	
Huron Graffenstaden SAS, France	Wholly Owned Subsidiary
Huron Frasmachinen GMBH, Germany	Wholly Owned Subsidiary of Jyoti SAS, France
Huron Canada Inc., Canada	Wholly Owned Subsidiary of Huron Graffenstaden SAS, France
Jyoti International LLP	
SP3 Technologies LLP	
Jyoti Enterprise	Enterprise influenced by Key Management Personnel
Ignite Inc	

\*Related Party Relationship is as identified by the Company & relied upon by the Auditor.



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Amount in ₹)

**38.2 Details of Related Party Transactions during the year & Outstanding Balances as at March 31, 2020 & as at March 31, 2019.**

Nature of Transaction	Subsidiaries	KMP	Relatives of KMP	Independent Director	Enterprise Influenced By KMP	Enterprise Influenced By Relative of KMP	Total
<b>Transactions Carried Out With Related Parties referred in 38.1 Above, in Ordinary Course of Business</b>							
Loans & Advances Taken (Net)	-	(5,00,000)	-	-	(9,00,00,000)	-	(9,05,00,000)
	-	5,00,000	-	-	(18,82,78,836)	-	(18,77,78,836)
Loans & Advances Given (Net)	14,62,85,450 (58,60,70,625)	-	-	-	-	-	14,62,85,450 (58,32,81,425)
			27,89,200	-	-	-	
Revenue From Operations	37,58,36,372 51,48,67,871	-	-	-	-	4,61,99,462 12,22,828	42,20,35,834 75,18,61,307
Other Income	7,17,84,988 7,20,26,275	-	-	-	-	-	7,17,84,988 7,20,26,275
Purchase of Raw Materials	2,00,30,027 16,40,69,904	-	-	-	-	-	2,00,30,027 16,40,69,904
Property, Plant & Equipment	6,08,70,075 6,54,00,050	-	-	-	10,000	4,91,65,892 32,91,500	11,00,45,967 6,86,91,550
Employee Benefit Expenses	-	2,72,58,350	24,43,281	-	-	-	2,97,01,631
	-	2,54,13,560	26,27,565	-	-	-	2,80,41,125





**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Amount in ₹)

**38.2 Details of Related Party Transactions during the year & Outstanding Balances as at March 31, 2020 & as at March 31, 2019.**

Nature of Transaction	Transactions Carried Out With Related Parties referred in 38.1 Above, in Ordinary Course of Business						
	Subsidiaries	KMP	Relatives of KMP	Independent Director	Enterprise Influenced By KMP	Enterprise Influenced By Relative of KMP	Total
Sitting Fees	-	-	-	1,18,000	-	-	1,18,000
Other Expenses	7,41,21,928	-	-	-	57,63,333	1,150	7,98,86,411
	-	47,598	-	-	1,38,32,912	41,960	1,39,22,470
Nature of Transaction	Outstanding Balances at the end of the year with Related Parties referred in 38.1 Above, in Ordinary Course of Business						
	Subsidiaries	KMP	Relatives of KMP	Independent Director	Enterprise Influenced By KMP	Enterprise Influenced By Relative of KMP	Total
Investment	28,82,90,778	-	-	-	-	-	28,82,90,778
Trade Receivables	28,82,90,778	-	-	-	-	-	28,82,90,778
Loans & Advances Accepted	61,55,46,060	-	-	-	-	-	61,55,46,060
	51,06,67,310	-	-	-	23,57,70,608	10,63,550	74,75,01,468
Interest due on Long Term Borrowings	-	5,00,000	-	-	-	-	7,23,88,836
	-	-	-	-	7,18,88,836	-	7,23,88,836
	-	-	-	-	-	-	1,81,11,164
	-	-	-	-	1,81,11,164	-	1,81,11,164



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Amount in ₹)

**38.2 Details of Related Party Transactions during the year & Outstanding Balances as at March 31, 2020 & as at March 31, 2019.**

Nature of Transaction	Subsidiaries	KMP	Relatives of KMP	Independent Director	Enterprise Influenced By KMP	Enterprise Influenced By Relative of KMP	Total
Security Deposit	-	-	-	-	1,79,79,011	-	1,79,79,011
Loans & Advances Given	1,50,37,18,564 1,26,15,61,925	-	27,89,200 27,89,200	-	-	-	1,50,65,07,764 1,26,43,51,125
Other Financial Assets - Current	37,60,32,557 30,68,12,306	-	-	-	-	-	37,60,32,557 30,68,12,306
Payable for Capital Expenditure	-	-	-	-	-	26,23,893 18,29,341	26,23,893 18,29,341
Employee Benefits Payable	-	2,45,515 1,49,479	3,13,188 1,91,163	-	-	-	5,58,703 3,40,642
Trade Payables	9,09,88,675 6,63,47,452	-	-	-	-	-	9,09,88,675 6,63,47,452



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Amount in ₹)

**38.2 Details of Related Party Transactions during the year & Outstanding Balances as at March 31, 2020 & as at March 31, 2019.**

Nature of Transaction	Subsidiaries	KMP	Relatives of KMP	Independent Director	Enterprise Influenced By KMP	Enterprise Influenced By Relative of KMP	Total
Capital Commitments - Estimated amount of Capital Contracts Remaining Unexecuted & not provided as on Balance Sheet Date	-	-	-	-	-	-	-
	€ 19,00,000	-	-	-	-	-	€ 19,00,000
Guarantees and Collateral Security Given	€ 1,50,00,000	-	-	-	-	-	€ 1,50,00,000
	€ 1,50,00,000	-	-	-	-	-	€ 1,50,00,000

*Figures in Italics represents Previous Year's Figures.*



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

**39 Disclosure Pursuant To Ind Accounting Standard - 19 - Employee Benefits**

**39.1 Defined Contribution Plan**

The Company has recognized ₹ 1,63,32,443/- & ₹ 1,94,05,418/- in the Statement of Profit & Loss for the year ended March 31, 2020 & March 31, 2019 respectively under Defined Contribution Plan.

**39.2 Defined Benefit Plan**

The following table summaries the component of Net Benefit Expenses recognized in the Statement of Profit & Loss and amounts recognized in the Balance Sheet as per Actuarial Valuation Report.

Particulars	As at March 31, 2020		As at March 31, 2019	
	Gratuity	Compensated Expenses	Gratuity	Compensated Expenses
<b>(Amount in ₹)</b>				
<b>Net Asset / ( Liability ) Recognized in Balance Sheet</b>				
Present Value of Funded Defined Benefit Obligations	8,78,93,657	-	7,36,32,614	-
Fair Value of Plan Assets	1,28,95,153	-	1,19,73,215	-
Present Value of Unfunded Obligation	7,49,98,504	3,38,17,746	6,16,59,399	3,45,05,930
Unrecognized Past Service Cost	-	-	-	-
Unrecognized Actuarial Loss	-	-	-	-
<b>Net Asset / ( Liability ) Recognized in the Balance Sheet</b>	<b>(7,49,98,504)</b>	<b>(3,38,17,746)</b>	<b>(6,16,59,399)</b>	<b>(3,45,05,930)</b>
<b>Components of Employer Expenses</b>				
Current Service Cost	1,03,84,852	44,38,211	97,75,010	45,33,561
Adjustment to the Opening Fund	-	-	-	-
Interest Cost on Defined Benefit Obligation	53,21,276	24,95,994	44,42,553	22,08,184
Expected Return on Plan Assets	(9,82,866)	-	(8,84,111)	-
Past Service Cost	-	-	-	-
Net Actuarial Loss / ( Gain ) Recognized in year	-	(53,25,024)	-	(6,69,779)
<b>Expense Recognized in The Statement of Profit &amp; Loss</b>	<b>1,47,23,262</b>	<b>16,09,181</b>	<b>1,33,33,452</b>	<b>60,71,966</b>
<b>Change in Defined Benefit Obligations - DBO during the year ended</b>				
Opening Defined Benefit Obligation	7,36,32,614	3,45,05,930	6,26,49,582	3,12,38,031
Current Service Cost	1,03,84,852	44,38,211	97,75,010	45,33,561
Interest Cost On Defined Benefit Obligation	53,21,276	24,95,994	44,42,553	22,08,184
Other Adjustment	-	-	-	-
Actuarial Loss / ( Gain )	9,92,207	(53,25,024)	6,30,426	(6,69,779)
Past Service Cost	-	-	-	-
Benefits Paid	(24,37,292)	(22,97,365)	(38,64,957)	(28,04,067)
<b>Closing Defined Benefit Obligation</b>	<b>8,78,93,657</b>	<b>3,38,17,746</b>	<b>7,36,32,614</b>	<b>3,45,05,930</b>
<b>Change in Fair Value of Plan Assets during the year ended</b>				
Opening Fair Value of Plan Assets	1,19,73,215	-	1,09,40,478	-
Adjustment to Fund	-	-	-	-
Interest Income	9,82,866	-	8,84,111	-
Expected Return on Plan Assets	(60,928)	-	1,48,626	-
Actuarial Gain / ( Loss )	-	-	-	-
Employer Contribution	-	-	-	-
Exchange Differences on Foreign Plans	-	-	-	-
Benefits Paid	-	-	-	-
<b>Closing Fair Value of Plan Assets</b>	<b>1,28,95,153</b>	<b>-</b>	<b>1,19,73,215</b>	<b>-</b>
<b>Other Comprehensive Income for the Period</b>				
Components of actuarial gain/losses on obligations:				
Due to Change in financial assumptions	74,04,716	-	(7,11,062)	-
Due to change in demographic assumption	(59,570)	-	-	-
Due to experience adjustments	(63,52,939)	-	13,41,488	-
Return on plan assets excluding amounts included in interest income	60,928	-	(1,48,626)	-
<b>Amounts recognized in Other Comprehensive Income</b>	<b>10,53,135</b>	<b>-</b>	<b>4,81,800</b>	<b>-</b>
<b>Investment Details</b>				
Government of India Securities	-	-	-	-
Corporate Bonds	-	-	-	-
Special Deposit Scheme	-	-	-	-
Insurer Managed Funds	-	-	-	-
Others	-	-	-	-
<b>Principal Actuarial Assumptions</b>				
Discount Rate	6.85%	6.85%	7.70%	7.70%
Expected Rate Of Return	-	-	-	-
Interest Rate	-	-	-	-
Salary Escalation	6.00%	6.00%	6.00%	6.00%
Retirement Age	-	-	-	-
Proportion of Employees opting for Early Retirement	0.00%	0.00%	0.00%	0.00%
Attrition - Withdrawal Rates	1% to 15%	1% to 15%	1% to 15%	1% to 15%
Current Liability	1,14,90,003	44,55,866	1,06,32,836	50,39,564
Non - Current Liability	6,35,08,501	2,93,61,880	5,10,26,563	2,94,66,366
<b>Net Liability as at March 31, 2020 &amp; March 31, 2019</b>	<b>7,49,98,504</b>	<b>3,38,17,746</b>	<b>6,16,59,399</b>	<b>3,45,05,930</b>

The estimates of rate of escalation in future salary considered in Actuarial Valuation, take into account inflation, seniority, promotion and other relevant factors including supply & demand in the Employment Market. The above information is certified by The Actuary.

**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

**40 Fair Value Measurements**

**Financial instruments by category**

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Investments*						
Bonds	20,89,650	-	-	15,80,050	-	-
Mutual Fund	-	-	-	1,14,00,005	-	-
Loans	-	-	1,50,37,18,563	-	-	1,26,15,61,925
Other Non-Current Financial Assets	-	-	3,38,66,502	-	-	9,89,64,720
Trade receivables	-	-	1,80,27,60,866	-	-	1,80,51,77,832
Cash & Cash Equivalents	-	-	67,99,060	-	-	53,44,608
Other Balances with banks	-	-	17,69,80,058	-	-	7,70,83,379
Loans	-	-	4,38,61,140	-	-	3,92,81,812
Other Current Financial Assets	-	-	43,90,29,831	-	-	40,92,92,632
<b>Total Financial Assets</b>	<b>20,89,650</b>	<b>-</b>	<b>4,00,70,16,020</b>	<b>1,29,80,055</b>	<b>-</b>	<b>3,69,67,06,908</b>
<b>Financial Liabilities</b>						
Borrowings (including current maturities and interest accrued but not due)	-	-	5,20,43,60,819	-	-	4,09,40,76,671
Trade Payables	-	-	2,27,28,67,003	-	-	2,47,41,85,162
Other Financial Liabilities	-	-	11,33,89,103	-	-	10,28,05,220
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>7,59,06,16,925</b>	<b>-</b>	<b>-</b>	<b>6,67,10,67,053</b>

\* excludes Investment in Subsidiary of ₹ 28,82,90,778 measured at cost.

**I. Fair value hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes the Company's investments in Gold Funds; prices of which have been derived from MCX.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level includes investment in unquoted equity shares.



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

**40 Fair Value Measurements (Contd.)**

Particulars	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
<b>( Amount in ₹ )</b>				
<b>Financial Assets</b>				
Investments in Gold Bonds	-	20,89,650	-	20,89,650
Investment in Mutual Fund	-	-	-	-
Investments in Equity Shares	-	-	28,82,90,778	28,82,90,778
	-	<b>20,89,650</b>	<b>28,82,90,778</b>	<b>29,03,80,428</b>
<b>Financial Liabilities</b>				
	-	-	-	-

Particulars	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
<b>( Amount in ₹ )</b>				
<b>Financial Assets</b>				
Investments in Gold Bonds	-	15,80,050	-	15,80,050
Investment in Mutual Fund	1,14,00,005	-	-	1,14,00,005
Investments in Equity Shares	-	-	28,82,90,778	28,82,90,778
	-	<b>15,80,050</b>	<b>28,82,90,778</b>	<b>30,12,70,833</b>
<b>Financial Liabilities</b>				
	-	-	-	-

> **Financial Assets:**

The Carrying amounts of trade receivables, loans and advances to related parties and other financial assets, cash and cash equivalents are considered to be the approximately equal to the fair values.

> **Financial Liabilities**

Fair values of Loans from banks, other financial liabilities and trade payables are considered to be approximately equal to the carrying values.

> Investments carried at fair value are generally based on market price quotations. The investments included in the level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value. Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

> Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.



# JYOTI CNC AUTOMATION LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 41. Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the achievement of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long term and short term bank borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents and other bank balances (including non-current and earmarked balances).

The table below summarizes the capital, net debt and net debt to equity ratio of the Company.

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Total Equity(A)*</b>	<b>4,08,98,43,562</b>	<b>3,97,91,88,172</b>
<b>Gross Debt(B)</b>	<b>5,20,43,60,819</b>	<b>4,09,78,48,876</b>
Gross Debt as above	5,20,43,60,819	4,09,78,48,876
Less: Cash & Cash Equivalents	(67,99,060)	(53,44,608)
Less: Other Balances with banks	(17,69,80,058)	(7,70,83,379)
<b>Net Debt (C)</b>	<b>5,02,05,81,701</b>	<b>4,01,54,20,889</b>
<b>Net Debt to Equity (C/A)*</b>	<b>0.82</b>	<b>0.99</b>

\* Net Debt to Equity ratio as at March 31, 2020 and March 31, 2019 has been computed based on Equity as at year end



# JYOTI CNC AUTOMATION LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 42. Risk Management:

The Company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

The Company's risk management is done in close co-ordination with the board of directors and focuses on actively securing the Company's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

The most significant financial risks to which the Company is exposed are described below:

#### a) Credit risk:

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from loans and advances to related parties, trade receivables, bank deposits and other financial assets. The Company periodically assesses the financial reliability of the counter party taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual customer limits are set accordingly.

Loans and advances to related parties: They are given for business purposes. The Company reassesses the recoverability of loans periodically.

Trade Receivable: The Company trades with recognized and credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant.

There are no significant credit risks with related parties of the Company. The Company is exposed to credit risk in the event of non-payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the Company's large customer base. Adequate expected credit losses are recognized as per the assessments. The history of trade receivables shows nil allowance as at March 31, 2020 and March 31, 2019.

Bank deposits: The Company maintains its Cash and cash equivalents and Bank deposits with reputed and highly rated banks. Hence, there is no significant credit risk on such deposits.

#### b) Liquidity risk:

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.





# JYOTI CNC AUTOMATION LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which it operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

### Maturities of financial liabilities:

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

( Amount in ₹ )

Non-derivative Financial Liabilities:	As at March 31, 2020			
	< 1 year	1-2 year	>2 year	Total
Borrowings [including current maturities and interest]	3,86,24,74,426	22,15,60,144	1,12,03,26,249	5,20,43,60,819
Other Current financial liabilities	11,33,89,103	-	-	11,33,89,103
Trade Payable	2,27,28,67,003	-	-	2,27,28,67,003

Non-derivative Financial Liabilities:	As at March 31, 2019			
	< 1 year	1-2 year	>2 year	Total
Borrowings [including current maturities and interest]	2,97,81,15,646	13,92,31,351	98,05,01,879	4,09,78,48,876
Other Current financial liabilities	10,28,05,220	-	-	10,28,05,220
Trade Payable	2,47,41,85,162	-	-	2,47,41,85,162

### a) Foreign currency risk:

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company's operations in foreign currency creates natural foreign currency hedge. This results in insignificant net open foreign currency exposures considering the volumes and operations of the Company.



# JYOTI CNC AUTOMATION LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### b) Interest Rate risk

#### Liabilities:

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2019, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in Fixed Deposits are at fixed interest rates.

#### Sensitivity \*:

Below is the sensitivity of profit or loss(PAT) in interest rates:

Particulars	Movement in Rate	March 31, 2020	March 31, 2019
Interest Rates	+1.00%	(3,09,05,371)	(2,89,76,713)
Interest Rates	-1.00%	3,09,05,371	2,89,76,713

\* Holding all other variables constant



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

**43 Corporate Social Responsibility Expenses**

A Gross Amount required to be spent by the Company during the year 2019-2020 : ₹ 75,48,570

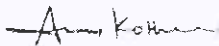
B Amount spent during the year on:

Particulars	2019-2020		
	In Cash	Yet to be paid	Total
i) Construction/ Acquisition of any Assets			
ii) Purposes other than (i) above	75,61,996	-	75,61,996

- 44 The company has made investment and given long term loans & advances to its wholly owned subsidiary Jyoti SAS France which are stated at Note no. 5 & 6 respectively to the Notes to the Standalone Financial Statements which in turn are invested in Huron Graffenstaden SAS France, its operating step down subsidiary. The Company also has receivables from its above stated wholly owned subsidiary and step down subsidiaries as per Note no. 10 and 14 to the notes to the Standalone Financial Statements. In view of the erosion of net-worth of the wholly owned subsidiary and recurrent losses recorded by the operating step down subsidiary until now, the management has assessed the impairment of its investment, loans & advances and other receivables. Despite the wholly owned subsidiary's Auditors qualification for non impairment of non-current investments and non-current loans in the step down subsidiary, the management, is of the view that the expected recovery in the business of the step down subsidiary and the strategic nature of its investment, no provision for impairment is required to be made in respect of these investment and loans & advances and other receivables are considered good.
- 45 The outstanding balances as at March 31, 2020 in respect of Trade Payables, Trade Receivables, Loans & Advances and deposits are subject to confirmation from respective parties and consequential reconciliation and/or adjustments arising there from, if any. The Management, however, does not expect any material variation.
- 46 According to the opinion of the Management, the value of realization of current assets, loans and advances and other receivables in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

As per my report of even date

For Arun M. Kothari,  
Chartered Accountant

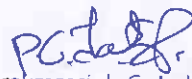



Arun M. Kothari  
Proprietor  
Membership No: 108669

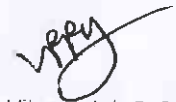



Place : Ahmedabad  
Date : December 19, 2020

For & on behalf of the Board,

  
Parakramsinh G. Jadeja  
Managing Director

  
Maulik B. Gandhi  
Company Secretary

  
Vikramsinh R. Rana  
Whole - Time Director

  
Kamlesh S. Solanki  
Chief Financial Officer

Place : Rajkot  
Date : December 19, 2020

## INDEPENDENT AUDITORS' REPORT

To,

The Members of

**JYOTI CNC AUTOMATION LIMITED**

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### QUALIFIED OPINION

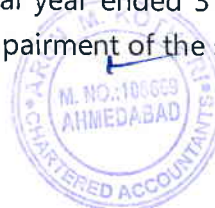
I have audited the accompanying Consolidated Financial Statements of **JYOTI CNC AUTOMATION LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance sheet as at March 31, 2020, and the Consolidated statement of Profit and Loss (including Other Comprehensive Income), the Consolidated statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended and notes to the Consolidated Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In my opinion and to the best of my information, according to the explanations given to me and based on the consideration of reports of other auditors on the Separate Financial Statements and on the other financial information of the subsidiaries, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, its consolidated total comprehensive income (comprising of profit and other comprehensive income), its consolidated changes in equity and its consolidated cash flows for the year then ended.

#### BASIS FOR QUALIFIED OPINION

I draw attention to the following qualification to the audit opinion on the Separate Financial Statement of Jyoti SAS France, a subsidiary of the Holding Company, related to the investment made in its wholly owned subsidiary, Huron Graffenstaden SAS issued by other auditor vide their report dated December 22, 2020 on matters which are relevant to my opinion on the Consolidated Financial Statements of the Group, which states as under:

"In our report dated 20 December 2019 relating to the financial year ended 31 March, 2019, we expressed a reservation due to the absence of a provision for impairment of the securities in Huron Graffenstaden S.A.S.



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4, Jay Gujarat Society, Opp. Police Commissioner's Office, Shahibaug, Ahmedabad – 380 004. (Gujarat)

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This absence of a provision subsists at the end of the financial year ended 31 March 2020. The securities in Huron Graffenstaden S.A.S. are posted in the assets in the balance sheet at 31 March, 2020 for the amount of Euro 18,500,760. The paragraph in the Notes "Accounting rules and methods" entitled "Long term equity interests, other securities and advances related to equity interests" indicates that the inventory value of the long term equity interests is determined on the basis of the corrected net assets as well as on the prospects for the development and yield of the equity interests held. If an impairment for the amount of the net asset, i.e if at 31 March, 2020 a negative value had been recorded, the value of the securities in the Huron Graffenstaden S.A.S. would be reduced by Euro 18.5m and the loss for the financial year would be increased by the same amount."

The above qualification was also prevailing as on March 31, 2019 and therefore a qualified opinion to that extent was issued by me in respect of Consolidated Financial Statement for March 31, 2019 vide my report dated January 29, 2020.

I have conducted my audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. My responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of my report. I am independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the Consolidated Financial Statements under the provisions of the Act and the Rules there under, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that, the audit evidences I have obtained are sufficient and appropriate to provide a basis for my opinion on the Consolidated Financial Statements.

### **EMPHASIS OF MATTER**

I draw your attention to the following paragraph included in the Separate Financial Statement of Subsidiary Jyoti SAS France in the Notes "Accounting rules and methods" titled "Extra Ordinary Income" which is reproduced hereunder:

"Jyoti SAS has a debt partially cancelled for the amount of 3.5 million euros and 0.5 million euros of interest - by Ascending Wealth Offshore Inc. on the loan for a total of Euro 8.5m granted on 15 June 2018.

This cancellation was accompanied by a "return to profitability" clause conditioned by the achievement by Huron of a net income from operations (before tax) of at least Euro 5,00,000 with no time limit."



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The said write off of loan amount of 3.5 million euros and 0.5 million euros of interest (equivalent to Rs. 31,83,04,836) has been included under head "Exceptional Items" in the Consolidated Statement of Profit & Loss and has also been shown in Note no. 34 and 40 to the Consolidated Financial Statements. My opinion is not modified in respect of this matter relying on the judgment of independent auditor of Jyoti SAS France.

### **OTHER INFORMATION**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements and my auditors' report thereon.

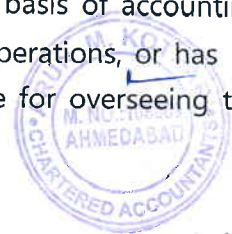
My opinion on the Consolidated Financial Statements does not cover the other information and I do not express any form of assurance conclusion thereon.

I 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 matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the Consolidated Financial Position, Consolidated Financial performance including other Comprehensive income, Consolidated statement of Changes in Equity and Consolidated Cash Flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective management and Board of Directors of the Companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board management is responsible for assessing the Companies' 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 is also responsible for overseeing the Company's financial reporting process.



## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

My objective is 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 auditors' report that includes my 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, I exercise professional judgment and maintain professional skepticism throughout the audit, I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the Holding 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



4, Jay Gujarat Society, Opp. Police Commissioner's Office, Shahibaug, Ahmedabad – 380 004. (Gujarat)

**Tel. No. : 079- 26402110 . Mobile : 9824021386. E-mail : arunmkothari@gmail.com**

- 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. I am responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which I am the independent auditor. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. I remain solely responsible for my audit opinion.

I have communicated 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

## **OTHER MATTERS**

I did not audit the Consolidated Financial Statements of Jyoti SAS France (which consolidates Financial information of Jyoti SAS and its subsidiaries Huron Graffenstaden SAS, France; Huron Canada Inc., Canada; and Huron Frasmashinen GmbH, Germany) whose financial statements reflect total assets of ₹ 3,583.61 million as at March 31, 2020, total revenue of ₹ 1,712.43 million, total comprehensive income (comprising of profit/(loss) and other comprehensive income) of ₹ (560.88) million and net cash flows amounting to ₹ (-116.98) million for the year then ended as considered in the Consolidated Financial Statements. This Consolidated Financial Statements are unaudited and have been furnished to me by the management, and my opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and my report in terms of sub-section (3) of section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements.

My opinion on the Consolidated Financial Statements, and my report on the Other Legal and Regulatory requirements below, is not modified in respect of the above matter with the respect to my reliance on the financial statements certified by the management.





## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on my audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as referred in the 'Other Matters' paragraph, I report, to the extent applicable, that:
  - a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit of the aforesaid Consolidated Financial Statements;
  - b) in my opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as appears from my examination of those books and on the basis of representations provided by the management;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements;
  - d) In my opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
  - e) On the basis of the written representations received from the directors of Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company, 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 with reference to the Consolidated Financial Statements of the Holding Company and the operating effectiveness of such controls, refer to my separate Report in "**Annexure A**"
  - g) 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 my opinion and to the best of my information and according to the explanations given to me and based on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries, as noted in the 'Other Matters':



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- (i) The Group has disclosed the impact of pending litigations as at March 31, 2020 on its Consolidated financial position in its Consolidated Financial Statements – Refer Note 34 to the Consolidated Financial Statements;
- (ii) .The Group has made provisions, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
- (iii) There were no amounts required to be transferred to Investor Education and Protection Fund by the company during the year ended March 31, 2020.
2. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In my opinion and according to the information and explanations given to me, the remuneration paid by the Holding Company to its directors, during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) of the Act which are required to be commented upon by me.

For Arun M. Kothari,  
Chartered Accountant



*Arun Kothari*

Arun M. Kothari  
Proprietor

Membership No.: 108669

UDIN-21108669AAAACX7251

Place : Ahmedabad

Date : 13/08/2021

4, Jay Gujarat Society, Opp. Police Commissioner's Office, Shahibaug, Ahmedabad – 380 004. (Gujarat)

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**"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED  
FINANCIAL STATEMENTS OF JYOTI CNC AUTOMATION LIMITED FOR THE YEAR  
ENDED MARCH 31, 2020**

**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-  
SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

(Referred to in paragraph 2(f) under the heading of "Report on other Legal and Regulatory Requirements" of my report of even date)

I have audited the internal financial controls over financial reporting of JYOTI CNC AUTOMATION LIMITED ("the Holding Company"), for the year ended March 31, 2020, in conjunction with my audit of the Consolidated Financial Statements of the Group for the year ended on that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Holding Company's management is 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 Control 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**AUDITORS' RESPONSIBILITY**

My responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I 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.



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My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Holding Company's internal financial controls system over financial reporting.

### 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 authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



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## INHERENT 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 my opinion, the Holding Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020 criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Arun M. Kothari,  
Chartered Accountant



*Arun Kothari*

Arun M. Kothari  
Proprietor

Membership No.: 108669

UDIN-21108669AAAACT251

Place : Ahmedabad

Date : 13/08/2021

**JYOTI CNC AUTOMATION LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

(Amount in ₹)

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment		3,175,566,234	3,170,188,606
Capital work-in-progress	4(a)	553,067,382	339,320,008
Right of Use Assets	4(b)	1,282,064	-
Intangible assets		261,710,554	274,166,653
Intangible under development	4(c)	10,769,200	90,200
<b>Financial Assets</b>			
Investments	5	2,289,650	12,980,055
Other Financial Assets	6	33,866,502	98,964,720
Other non-current assets	7	115,730,797	121,388,947
<b>Total Non - Current Assets</b>		<b>4,154,282,383</b>	<b>4,017,099,189</b>
<b>Current Assets</b>			
Inventories	8	6,245,526,698	5,914,606,276
<b>Financial Assets</b>			
Trade receivables	9	1,975,885,256	1,750,577,289
Cash and Cash Equivalents	10	31,547,510	159,041,250
Other balances with bank	11	176,980,058	77,083,379
Loans	12	43,861,140	41,823,301
Other Financial Asset	13	62,997,274	102,480,326
Other current assets	14	375,654,760	411,956,854
<b>Total Current Assets</b>		<b>8,912,452,696</b>	<b>8,457,568,675</b>
<b>Total Assets</b>		<b>13,066,735,079</b>	<b>12,474,667,864</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	15	294,793,660	294,793,660
Other Equity	16	1,602,122,635	2,159,977,968
<b>Total Equity</b>		<b>1,896,916,295</b>	<b>2,454,771,628</b>
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	17	1,377,606,032	1,440,948,527
Provisions	18	220,059,712	174,221,740
Deferred tax liabilities (Net)	19	223,381,666	293,498,247
<b>Total Non - Current Liabilities</b>		<b>1,821,047,410</b>	<b>1,908,668,514</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20	4,860,814,090	4,237,048,002
Trade payables	21		
- Micro & Small Enterprise*		16,890,401	18,830,752
- Other than Micro & Small Enterprise		2,697,298,866	2,507,741,651
Other Financial Liabilities	22	893,421,595	512,425,585
Other Current liabilities	23	864,400,552	767,792,248
Provisions	24	15,945,869	15,672,400
Current Tax Liabilities		-	51,717,083
<b>Total Current Liabilities</b>		<b>9,348,771,374</b>	<b>8,111,227,722</b>
<b>Total Equity and Liabilities</b>		<b>13,066,735,079</b>	<b>12,474,667,864</b>

\* Refer note no. 21 of notes to Consolidated Financial Statements

**See Accompanying notes to Consolidated Financial Statements**

As per my report of even date  
 For Arun M. Kothari,  
 Chartered Accountant

*Arun M. Kothari*

Arun M. Kothari  
 Proprietor  
 Membership No: 108669

Place : Ahmedabad  
 Date : 13/08/2021



For & on behalf of the Board.

*Parakram G. Jadeja*  
 Parakramsinh G. Jadeja  
 Managing Director

*Maulik B. Gandhi*  
 Maulik B. Gandhi  
 Company Secretary

*Vikramsinh R. Rana*  
 Vikramsinh R. Rana  
 Whole - Time Director

*Kamlesh S. Solanki*  
 Kamlesh S. Solanki  
 Chief Financial Officer

Place : Rajkot  
 Date : 13/08/2021

**JYOTI CNC AUTOMATION LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING ON**  
**31<sup>ST</sup> MARCH, 2020**

(Amount in ₹)

Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Revenue</b>			
Revenue from operations	25	6,867,740,104	9,652,566,278
Other income	26	116,670,127	140,841,436
<b>Total Income</b>		<b>6,984,410,231</b>	<b>9,793,407,714</b>
<b>Expenses</b>			
Cost of material consumed	27	3,905,930,634	4,031,162,207
Changes in inventories of finished goods and work-in progress	28	(21,089,270)	1,455,520,188
Employee benefits expense	29	1,534,660,994	1,572,989,109
Finance costs	30	707,101,171	726,358,212
Depreciation and amortization expense	4	372,860,562	355,509,915
Other expenses	31	1,378,462,957	1,676,539,963
<b>Total Expenses</b>		<b>7,877,927,048</b>	<b>9,818,079,594</b>
<b>Profit/(Loss) Before Exceptional Items</b>		<b>(893,516,817)</b>	<b>(24,671,880)</b>
<b>Exceptional Items</b>		<b>318,304,836</b>	<b>406,650,000</b>
<b>Profit/(Loss) Before Tax</b>		<b>(575,211,981)</b>	<b>381,978,120</b>
<b>Tax expenses</b>			
Current tax		-	181,903,417
Prior Year Tax		(5,828,202)	-
Deferred tax		(66,293,089)	15,225,156
		<b>(72,121,291)</b>	<b>197,128,574</b>
<b>Profit/(Loss) for the year</b>		<b>(503,090,690)</b>	<b>184,849,546</b>
<b>Other Comprehensive Income</b>			
<b>(A) Items that will be reclassified to profit or loss</b>			
(i) Foreign Currency Translation Differences		42,501,037	124,051,133
<b>(B) Items that will not be reclassified to profit or loss</b>			
(i) Remeasurement gains/(losses) on post employment defined benefit plans (Net of Tax)		(701,599)	(313,459)
<b>Total Other Comprehensive Income/(loss)</b>		<b>41,799,438</b>	<b>123,737,674</b>
<b>Total Comprehensive Income for the Year</b>		<b>(461,291,252)</b>	<b>308,587,220</b>
<b>Earning per share</b>			
Basic		(17.07)	6.27
Diluted	32	(17.07)	6.27

**See Accompanying notes to Consolidated Financial Statements**

As per my report of even date  
For Arun M. Kothari,  
Chartered Accountant




Arun M. Kothari  
Proprietor  
Membership No: 108669

Place : Ahmedabad  
Date : 13/08/2021




For & on behalf of the Board,

  
Parakramsinh G. Jadeja  
Managing Director

  
Maulik B. Gandhi  
Company Secretary

  
Vikramsinh R. Rana  
Whole - Time Director

  
Kamlesh S. Solanki  
Chief Financial Officer

Place : Rajkot  
Date : 13/08/2021

**JYOTI CNC AUTOMATION LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON**  
**31<sup>ST</sup> MARCH, 2020**

(Amount in ₹)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>A. Cash flow from Operating Activities</b>		
Net Profit before tax	(575,211,981)	381,978,120
<b>Adjustments for :</b>		
Depreciation, Amortisation and Impairment Expenses	372,860,562	355,509,915
(Gain)/Loss on sale of Property, Plant & Equipments	-	3,685,749
Gain on fair value of Investment through P&L	(736,257)	(1,474,555)
Interest & Commission Income	(16,983,782)	(16,078,586)
Other Expense	9,769,278	-
Finance Cost	707,101,171	726,358,212
<b>Operating Profit before changes in working capital</b>	<b>496,798,991</b>	<b>1,449,978,855</b>
<b>Adjustments for :</b>		
Increase/(decrease) in current & non current liabilities	325,221,557	(148,582,252)
(Increase)/decrease in current & non current assets	(152,010,562)	273,674,114
Inventories	(330,920,423)	(36,236,884)
<b>Cash generated from Operations</b>	<b>339,089,564</b>	<b>1,538,833,833</b>
Direct taxes paid (net of refunds)	(93,386,991)	(93,944,470)
<b>Net cash generated by/(used in) operating activities</b>	<b>245,702,573</b>	<b>1,444,889,363</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment (Net of Capital Ad	(352,839,433)	(560,339,094)
Sale of Property, Plant & Equipment	-	1,111,602,245
Movement in Deposit with Banks	(34,798,461)	(13,079,724)
Sale/Purchase of Investments (Net)	11,426,662	(12,934,110)
Interest & Commission Received	21,164,136	19,587,135
<b>Net cash generated by/(used in) investing activities</b>	<b>(355,047,096)</b>	<b>544,836,452</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from Non Current Borrowings	70,890,491	(454,948,808)
Current Borrowings (Net)	623,766,088	(770,165,640)
Finance Cost	(712,805,794)	(688,204,214)
<b>Net cash generated by/(used in) financing activities</b>	<b>(18,149,215)</b>	<b>(1,913,318,662)</b>
<b>Net increase/(decrease) in cash and cash equivalent</b>	<b>(127,493,738)</b>	<b>76,407,152</b>
<b>Cash and cash equivalent at the beginning of the year</b>	<b>159,041,250</b>	<b>82,634,096</b>
<b>Cash and cash equivalent at the end of the year</b>	<b>31,547,512</b>	<b>159,041,250</b>

Note: The above Cash Flow Statement has been prepared under the 'Indirect Method' as set it out in Indian Accounting Standard 7 - Statement of Cash Flow.

**See Accompanying notes to Consolidated Financial Statements**

As per my report of even date  
For Arun M. Kothari,  
Chartered Accountant




Arun M. Kothari  
Proprietor  
Membership No: 108669

Place : Ahmedabad  
Date : 13/08/2021



For & on behalf of the Board,

  
Parakramsinh G. Jadeja  
Managing Director

  
Maulik B. Gandhi  
Company Secretary

  
Vikramsinh R. Rana  
Whole - Time Director

  
Kamlesh S. Solanki  
Chief Financial Officer

Place : Rajkot  
Date : 13/08/2021



**JYOTI CNC AUTOMATION LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

A Equity Share Capital		( Amount in ₹ )	
Balance as at 1 <sup>st</sup> April, 2018	294,793,660	Changes in equity share capital during 2018-19	-
Balance as at 31 <sup>st</sup> March, 2019	294,793,660	Changes in equity share capital during 2019-20	-
Balance as at 31 <sup>st</sup> March, 2020	294,793,660		

**B Other Equity**

Particulars	Balance as at 1 <sup>st</sup> April, 2018	Total Comprehensive Income for the year	On Issue of Shares	Exchange difference on translation	Additional Charge on account of Conclusion of lease & Buy back transaction	Balance as at 31 <sup>st</sup> March, 2019
<b>Reserves &amp; Surplus</b>						
Securities Premium Reserve	984,787,475	-	-	-	-	984,787,475
Foreign Currency Translation Reserve	90,951,985	-	-	(153,816,477)	-	(62,864,492)
Capital Reserve on Consolidation	351,758,610	-	-	(12,749,702)	-	339,008,908
Retained Earnings	(164,682,117)	184,849,546	-	-	(129,007,273)	(108,839,844)
Other Comprehensive Income for the year	884,148,247	123,737,674	-	-	-	1,007,885,921
<b>Total</b>	<b>2,146,964,200</b>	<b>308,587,220</b>	<b>-</b>	<b>(166,566,178)</b>	<b>(129,007,273)</b>	<b>2,159,977,968</b>



**JYOTI CNC AUTOMATION LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Particulars	Balance as at 1 <sup>st</sup> April, 2019	Total Comprehensive Income for the year	On Issue of Shares	Exchange difference on translation	Additional Charge on account of Conclusion of lease & Buy back transaction	Balance as at 31 <sup>st</sup> March, 2020
<b>Other Equity (Cont.)</b> (Amount in ₹)						
<b>Reserves &amp; Surplus</b>						
Securities Premium Reserve	984,787,475	-	-	-	-	984,787,475
Foreign Currency Translation Reserve	(62,864,492)	-	-	(119,906,393)	-	(182,770,885)
Capital Reserve on Consolidation	339,008,908	-	-	23,342,312	-	362,351,220
Retained Earnings	(108,839,844)	(503,090,690)	-	-	-	(611,930,534)
Other Comprehensive Income for the year	1,007,885,921	41,799,438	-	-	-	1,049,685,359
<b>Total</b>	<b>2,159,977,968</b>	<b>(461,291,252)</b>	<b>-</b>	<b>(96,564,081)</b>	<b>-</b>	<b>1,602,122,635</b>

**See Accompanying notes to Consolidated Financial Statements**

As per my report of even date  
For Arun M. Kothari,  
Chartered Accountant

*Arun Kothari*

Arun M. Kothari  
Proprietor  
Membership No: 108669



For & on behalf of the Board,

*P.C. Jadhav*

Parakramsinh G. Jadeja  
Managing Director

Vikramsinh R. Rana  
Whole - Time Director

*Maulik B. Gandhi*

Maulik B. Gandhi  
Company Secretary

*Kamlesh S. Solanki*  
Kamlesh S. Solanki  
Chief Financial Officer

Place : Ahmedabad  
Date : 13/08/2021

Place : Rajkot  
Date : 13/08/2021

# JYOTI CNC AUTOMATION LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

Jyoti CNC Automation Limited is an Unlisted Public Company, limited by shares and incorporated under the Companies Act, 1956 with its registered office at Rajkot, Gujarat, India. The Consolidated financial statements comprise financial statements of Jyoti CNC Automation Limited ("the Company") and its subsidiaries (collectively, "the Group") for the year ended March 31, 2020. The Group is a global player in the machine tools industry with market presence in India and other countries in Asia, Europe, Middle East, North America, South America and Africa.

The Group is a one-stop metal cutting solutions provider, offering a wide range of CNC metal cutting products for both Turning and Milling operations, from the entry level to high-end machines viz; CNC Turning Center, CNC Vertical Machining Center (3-4-5 Axes), CNC Horizontal Machining Center, Vertical Line CNC Machines and Multitasking Machines. The Group is an integrated CNC machine manufacturer with design, development and manufacturing most of the critical components in-house. Group caters to a large customer base spread across Automobile, Aerospace, Agriculture, Bearings, Consumer Durables, Die and Mould, Diamond Jewellery, Defence, General Engineering, Medical Equipment, Plastic Processing, Pumps and Valves, Railways, Tooling and Textile Machinery.

The Consolidated Financial Statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on July 07, 2021.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of preparation and presentation, Statement of Compliance**

The Consolidated Financial Statements of the group have been prepared in accordance with the Indian Accounting standards ('Ind AS') prescribed under section 133 of Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

#### **Functional & Presentation Currency**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian Rupee "₹", which is holding company's functional & presentation currency.



# JYOTI CNC AUTOMATION LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Basis of Measurement

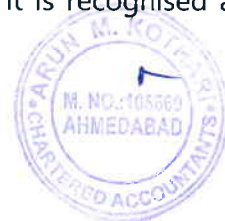
The Consolidated financial statements have been prepared on the historical cost convention and on an accrual basis of accounting, except for the following material items which have been measured at fair value as required by relevant Ind AS

Items	Measurement Basis
Investments classified as fair value through profit or loss	Fair value
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations

### I. Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

- A.** Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date of acquisition up to the effective date of disposal, as appropriate.
- B.** The Financial Statements of the Holding Company and its subsidiaries are combined by like items of assets, liabilities, equity, income, expenses and cash flows. The carrying amount of the parent's investment in the subsidiary and the parent's portion of equity of the subsidiary have been eliminated. The intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group are eliminated in full. Inter-company balances and inter-company transactions and unrealised profits or losses have been fully eliminated.
- C.** Where any member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements.
- D.** The excess of cost to the Holding Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the Consolidated Financial Statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as



## JYOTI CNC AUTOMATION LIMITED

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

'Capital Reserve' and shown under the head 'Reserves and Surplus', in the Consolidated Financial Statements.

- E. In case of a foreign subsidiary, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All the assets and the liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised as "Foreign Currency Translation Difference" in the Statement of Profit and loss.
- F. The list of subsidiary companies (direct & indirect) which are included in the consolidation & the Group Holdings therein are as under:

Sr. No.	Name of the Subsidiary Company	Date of Acquisition	Country of Incorporation	% of Holding As at 31.03.2020
	<b>Direct Subsidiary</b>			
1	Jyoti SAS	06.09.2007	France	100%
	<b>Indirect Subsidiaries</b>			
1	Huron Graffenstaden SAS	20.11.2007	France	100%
2	Huron Frasmashinen, GmbH	20.11.2007	Germany	100%
3	Huron Canada Inc.	20.11.2007	Canada	100%

Jyoti SAS was floated as a 100% subsidiary of Jyoti CNC Automation Ltd on 06.09.2007. Jyoti SAS thereafter acquired 100% shareholding of Huron Graffenstaden SAS along with its marketing subsidiaries namely, Huron Frasmashinen GmbH and Huron Canada Inc. However, the effective control of these indirect subsidiaries was taken with effect from 01.01.2008.

## II. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are disclosed under Capital Work - in - Progress.



# JYOTI CNC AUTOMATION LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### III. Intangible Assets

Intangible assets are initially recognised at cost.

Subsequent to initial recognition, intangible assets with indefinite useful lives are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets with definite useful lives are amortized on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

#### Intangible assets under development:

The Group expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognized as intangible assets under development until the development phase is complete, upon which the amount is capitalized as intangible asset.

### IV. Depreciation and amortisation on Property, Plant & Equipment and Intangible Assets

Depreciation is provided so as to write off, on a straight-line basis or diminishing balance method, the cost/deemed cost of Property, Plant and Equipment and the intangible assets, including right-of-use assets to their residual value as per useful lives prescribed under Schedule II of Companies Act, 2013 which are as follows:

Particulars	Estimated useful life (years)	
	Holding Company	Subsidiary Companies
Leasehold Land	Not Depreciated	
Building	60 years	10 to 20 years
Plants and Machinery	15 years	3 to 10 years
Furniture and Fixtures	10 years	3 to 6 years
Electrical Installation	10 years	3 to 6 years
Office Equipments	5 years	3 to 6 years
Computers	3 years	3 to 6 years
Vehicles:		
Four Wheelers	8 years	3 to 6 years
Two Wheelers	10 years	
Software	10 years	5 years



## JYOTI CNC AUTOMATION LIMITED

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The charges of depreciation/ amortisation are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of right-of-use assets, over the lease period, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and when necessary, revised.

Depreciation/ Amortisation on assets under construction/ intangible asset under development commences only when the assets are ready for their intended use.

Leasehold land is not depreciated.

The Holding Company fully depreciates the assets costing less than ₹30,000 in the year of acquisition.

#### V. Leases

The Group has adopted Ind AS 116 "Leases" using the modified retrospective approach with effect from initially applying this standard from 1st April 2019. Accordingly, the information presented for previous year ended March 31, 2019, is not restated and reported as per Ind AS 17.

The Group determines that a contract is or contains a lease, if the contract conveys right to control the use of an identified asset for a period of time in exchange for a consideration. At the inception of a contract which is or contains a lease, the Group recognises lease liability at the present value of the future lease payments for non-cancellable period of a lease which is not short term in nature except for lease of low value items. The future lease payments for such non-cancellable period are discounted using the Company's incremental borrowing rate specific to the lease being evaluated or for the portfolio of the lease with similar characteristics. Lease payments include fixed payments, i.e. amounts expected to be payable by the Company under residual value guarantee, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease if the lease term considered reflects that the Company shall exercise termination option. The Group also recognizes a right of use asset which comprises of amount of initial measurement of the lease liability, any initial direct cost incurred by the Company and estimated ruin costs.

Right of use assets is amortised over the period of lease.

Payment made towards short term leases (leases for which non-cancellable term is 12 months or lesser) and low value assets are recognised in the statement of Profit and Loss as rental expenses over the tenor of such leases.



# JYOTI CNC AUTOMATION LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### VI. Financial Instruments

#### i. Financial Assets

##### a) Initial Recognition and Measurement

All Financial Assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

##### b) Subsequent measurement

###### ➤ Financial Assets measured at Amortised Cost

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### ➤ Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### ➤ Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL.

##### c) Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Group has elected to present the value changes in 'Other Comprehensive Income'.

##### d) Loans to Employees

Loans given to the employees are repayable on demand and hence are carried at cost in the Financial Statements.





# JYOTI CNC AUTOMATION LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### e) Cash & Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### f) Impairment of Financial Assets

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For Trade Receivables the Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables.

At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Group uses 12 month Expected Credit Loss to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime Expected Credit Loss is used.

## ii. Financial Liabilities & Equity Instruments

### a) Classification as debt or equity

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

### b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received.



# JYOTI CNC AUTOMATION LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### c) Financial Liabilities: Initial Recognition and Measurement

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

### d) Financial Liabilities: Subsequent Measurement

Financial Liabilities are carried at amortized cost using the effective interest rate (EIR) method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### iii. De-recognition of Financial Instruments

The Group derecognizes a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. A Financial liability (or a part of a financial liability) is derecognized from the Group Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. The difference in the carrying amount of Financial Liability is recognised in the Statement of Profit and Loss.

### iv. Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Group has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## VII. Provisions, Contingent Liabilities & Contingent Assets

### i. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Long-term provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. Short term provisions are carried at their redemption value and are not offset against receivables from reimbursements.



# JYOTI CNC AUTOMATION LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Huron Graffenstaden SAS

### Provision for Warranty & Commissioning:

When each new machine is sold, a provision is constituted according to a standard amount defined for each family of machines for any warranty costs adjusted according to the specificities of each machine, the country of destination and the distribution network, and an amount is determined machine by machine for backfitting costs known at the end of the financial year; The costs of commissioning and training customers are provisioned on the sale of each machine according to a standard amount defined for each family of machines.

The standard amounts for provisions for warranties are re-assessed at the end of each financial year taking account of the net expenses actually incurred (hours of labour, cost of parts and work entrusted to subcontractors, minus any refunds obtained from suppliers of components or their insurers) during the warranty period and exclusively concerning work done under warranty.

This revision is determined overall for the entire machine base. These provisions are tracked machine by machine, the net costs incurred giving rise to a writeback of the provision originally constituted. At the end of the warranty period or on completion of commissioning, the remainder of the provision is written back in full.

### **ii. Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### **iii. Contingent Assets**

Contingent Assets are neither recognized nor disclosed in the Notes forming part of the Financial Statements

## **VIII. Foreign currency transactions, translation**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

The results and financial position of foreign operation that have a functional currency different from the presentation currency are translated into the presentation currency as follows:



# JYOTI CNC AUTOMATION LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- assets and liabilities are translated at closing rate at the date of that balance sheet
- income, expenses & cash flows are translated at average exchange rates and
- all Resulting exchange differences are recognised in other comprehensive income

On Consolidation, exchange differences arising from the translation of any net investment in foreign entities, are recognised in other comprehensive income. When foreign operation is sold, the associated exchange differences are reclassified to profit & loss, as part of the gain or loss on sale.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

### IX. Employee Benefits:

#### i. Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

#### ii. Post-Employment Benefits

Jyoti CNC Automation Limited

##### a) Defined Contribution Plan:

##### ➤ Provident Fund and Employee State Insurance

Contributions under defined contribution plans are recognised as expense for the period in which the employee has rendered the service. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.



# JYOTI CNC AUTOMATION LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### b) Defined Benefits Plan:

#### ➤ Gratuity

For defined benefit retirement schemes, the cost of providing benefits is determined using the Discounting Cash flow Method, with actuarial valuation being carried out at each year-end balance sheet date. Remeasurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) are recognised as an expense within employee costs. Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations as reduced by the fair value of plan assets.

#### ➤ Compensated absences

Compensated absences which are expected to occur after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

Huron Graffenstaden SAS/ Huron Frasmachines, GmbH

#### ➤ Retirement Pension Commitments

Retirement Gratuities : the provision was determined according to a method integrating the number of years' service, the likelihood of the persons' presence in the company at retirement age (turnover and mortality), an annual salary adjustment rate of 0.50%, a discount rate of 1.43% for retirement at the employee's own initiative at the age of 67.

## X. Income taxes

Tax expenses comprise of current and deferred tax. Current and deferred tax are recognized as an expense or income in the consolidated statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in other equity, in which case the tax is also recognized in other comprehensive income or directly in equity.

### i. Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.



# JYOTI CNC AUTOMATION LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the reporting period.

### ii. Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. In contrast, deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognized as deferred tax assets in the Consolidated balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

### XI. Inventories

Inventories are measured at the lower of Cost and Net Realizable Value. The cost of inventories is ascertained on the weighted average basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition but does not include statutory levies of whom input credits is availed by the company.



# JYOTI CNC AUTOMATION LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Costs of Finished Goods and Works-in-Progress are determined by taking material cost (Net of Input tax credit availed), labor and relevant appropriate overheads based on the normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realizable value of work in progress is determined with reference to the selling prices of related finished products.

### **XII. Revenue recognition:**

#### **a) Sale of Goods:**

The Group recognizes revenue from sale of goods measured at the fair value of the consideration received or receivable, upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term.

#### **b) Sale of Services:**

Sale of services are recognised on satisfaction of performance obligation towards rendering of such services

#### **c) Interest Income:**

Interest Income is recognized on time proportion basis depending upon the amount outstanding and effective interest rate applicable

### **XIII. Borrowing costs:**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.



# JYOTI CNC AUTOMATION LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### XIV. Impairment of Non-Financial Assets

The Group assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognized in the Consolidated Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### XV. Government grants

Government grants are recognized in accordance with the terms of the respective grant on accrual basis considering the status of compliance of prescribed conditions and ascertainment that the grant will be received.

Government grants related to revenue are recognized on a systematic and net basis in the Statement of Profit and Loss over the period during which the related costs intended to be compensated are incurred.

Government grants related to assets are recognized as income in equal amounts over the expected useful life of the related asset.

### XVI. Earnings per share

Basic Earnings Per Share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the period attributable to Equity Shareholders by the Weighted Average Number of Equity Shares outstanding during the period. Earnings considered in ascertaining the Company's Earnings per Share are the Net Profit after Tax for the Year. The





# JYOTI CNC AUTOMATION LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Weighted Average Numbers of Equity Shares outstanding during the period are adjusted for events of Bonus Issue and Sub-division of Shares.

For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### **XVII. Standards Issued but not yet Effective**

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

### **3. USE OF JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

While preparing consolidated financial statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on the management estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgment, estimates and assumptions are required in particular for:

#### **I. Recognition and measurement of defined benefit obligations**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to probable maturity of tire post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.



# JYOTI CNC AUTOMATION LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### II. Recognition of deferred tax liabilities and assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. 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, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

### III. Discounting of financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial assets / liabilities which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

### IV. Provisions

Significant estimates are involved in the determination of provisions related to liquidated damages and warranty costs. The Group records a provision for onerous sales contracts when current estimates of total contract costs exceed expected contract revenue. The provision for warranty, liquidated damages, onerous contracts is based on the best estimate required to settle the present obligation at the end of the reporting period.

Legal proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, considerable judgment is part of determining whether it is probable that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a Legal Proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated. Internal and external counsels are generally part of the determination process.

### V. Estimation uncertainties relating to the Covid-19 global health pandemic

The Group has considered relevant internal and external sources of information to evaluate the impact of the pandemic on the financial statements for the year ended March 31<sup>st</sup>, 2020. The Group has assessed the recoverability of the assets including receivables, investments, property plant and equipment, intangible assets, right of use assets have made necessary adjustments to the carrying amounts by recognising provisions/impairment of assets where necessary. However, the actual impact may be different from that estimated as it will be dependent upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy.



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

4a Property, Plant & Equipment

Particulars	Leasehold Land	Buildings	Plants & Machinery	Furniture and Fixtures	Electrical Installation	Office Equipments	Computers	Vehicles	Total	(Amount in ₹)
										Capital work in progress
<b>For Yr ended March 31, 2019</b>										
<b>Gross carrying amount</b>										
As at April 01, 2018	165,386,452	1,328,449,939	3,511,693,407	79,285,102	96,492,651	100,884,805	145,359,970	73,820,157	5,501,372,484	121,617,315
Additions	222,416,242	163,277,388	274,317,398	4,738,111	4,882,650	12,191,208	10,464,917	8,404,264	700,692,178	230,236,063
Disposals/ FOREX Adj	88,699,316	496,386,006	24,773,210	-	-	201,242	156,495	-	610,216,269	12,533,370
<b>Closing Gross carrying amount</b>	<b>299,103,377</b>	<b>995,341,321</b>	<b>3,761,237,595</b>	<b>84,023,213</b>	<b>101,375,301</b>	<b>112,874,771</b>	<b>155,668,392</b>	<b>82,224,421</b>	<b>5,591,848,392</b>	<b>339,320,008</b>
<b>Accumulated Depreciation</b>										
As at April 01, 2018	-	343,381,678	1,532,501,503	46,862,880	77,013,965	78,069,341	127,237,650	42,406,317	2,247,473,334	-
Charge during the year	-	26,931,633	215,594,586	6,099,212	2,929,775	7,235,392	10,451,354	7,136,127	276,378,079	-
Disposals	-	87,021,717	15,103,409	-	-	-	66,500	-	102,191,626	-
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>283,291,593</b>	<b>1,732,992,680</b>	<b>52,962,092</b>	<b>79,943,740</b>	<b>85,304,734</b>	<b>137,622,504</b>	<b>49,542,444</b>	<b>2,421,659,786</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2019</b>	<b>299,103,377</b>	<b>712,049,728</b>	<b>2,028,244,915</b>	<b>31,061,121</b>	<b>21,431,561</b>	<b>27,570,038</b>	<b>18,045,889</b>	<b>32,681,976</b>	<b>3,170,188,606</b>	<b>339,320,008</b>
<b>For Yr ended March 31, 2020</b>										
<b>Gross carrying amount</b>										
As at April 01, 2019	299,103,377	995,341,321	3,761,237,595	84,023,213	101,375,301	112,874,771	155,668,392	82,224,421	5,591,848,392	339,320,008
Additions	4,553,829	44,584,788	136,779,694	68,846,480	328,657	953,948	6,756,307	-	262,803,703	300,078,030
Disposals/ FOREX Adj	(14,933,979)	(13,758,203)	(5,686,330)	-	-	(345,056)	(132,885)	-	(34,856,454)	86,330,656
<b>Closing Gross carrying amount</b>	<b>318,591,186</b>	<b>1,053,684,312</b>	<b>3,903,703,619</b>	<b>152,869,693</b>	<b>101,703,958</b>	<b>114,173,775</b>	<b>162,557,585</b>	<b>82,224,421</b>	<b>5,889,508,549</b>	<b>553,067,382</b>
<b>Accumulated Depreciation</b>										
As at April 01, 2019	-	283,291,593	1,732,992,680	52,962,092	79,943,740	85,304,734	137,622,504	49,542,444	2,421,659,787	-
Charge during the year	-	30,110,030	223,535,492	9,333,273	3,320,277	6,812,804	12,337,617	6,833,034	292,282,528	-
Disposals	-	-	-	-	-	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>313,401,623</b>	<b>1,956,528,172</b>	<b>62,295,365</b>	<b>83,264,017</b>	<b>92,117,538</b>	<b>149,960,121</b>	<b>56,375,478</b>	<b>2,713,942,315</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>318,591,186</b>	<b>740,282,689</b>	<b>1,947,175,447</b>	<b>90,574,328</b>	<b>18,439,941</b>	<b>22,056,238</b>	<b>12,597,464</b>	<b>25,848,942</b>	<b>3,175,566,234</b>	<b>553,067,382</b>



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**4b Right of Use Assets** (Amount in ₹)

Particulars	Right of Use Assets	Total
<b>For Yr ended March 31, 2020</b>		
<b>Gross carrying amount</b>		
As at April 01, 2019	-	-
Additions	1,437,735	1,437,735
Disposals/ Other Adjustments	-	-
<b>Closing Gross carrying amount</b>	<b>1,437,735</b>	<b>1,437,735</b>
<b>Accumulated Depreciation</b>		
As at April 01, 2019	-	-
Depreciation during the year	155,671	155,671
Disposals/ Other Adjustments	-	-
<b>Closing Accumulated Depreciation</b>	<b>155,671</b>	<b>155,671</b>
<b>Net carrying amount as at</b>		
<b>March 31, 2020</b>	<b>1,282,064</b>	<b>1,282,064</b>



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

4b Intangible Assets	Particulars	Development Rights		Software	Total	Intangible Assets Under Development		Total	(Amount in ₹)
<b>For Yr ended March 31, 2019</b>									
<b>Gross carrying amount</b>									
	As at April 01, 2018	596,349,533	168,004,550	764,354,083	3,538,059	3,538,059	90,200	3,538,059	
	Additions	66,701,986	21,944,776	88,646,762	90,200	90,200	90,200	90,200	
	Disposals/ FOREX Adj.	7,630,094	12,783	7,642,877	3,538,059	3,538,059	90,200	3,538,059	
	<b>Closing Gross carrying amount</b>	<b>655,421,425</b>	<b>189,936,542</b>	<b>845,357,968</b>	<b>90,200</b>	<b>90,200</b>	<b>90,200</b>	<b>90,200</b>	
<b>Accumulated Depreciation</b>									
	As at April 01, 2018	383,058,586	109,000,892	492,059,478	-	-	-	-	
	Amortisation during the year	68,961,334	10,170,503	79,131,837	-	-	-	-	
	Disposals	-	-	-	-	-	-	-	
	<b>Closing Accumulated Depreciation</b>	<b>452,019,919</b>	<b>119,171,395</b>	<b>571,191,315</b>	<b>90,200</b>	<b>90,200</b>	<b>90,200</b>	<b>90,200</b>	
	<b>Net carrying amount as at March 31, 2019</b>	<b>203,401,506</b>	<b>70,765,147</b>	<b>274,166,653</b>	<b>90,200</b>	<b>90,200</b>	<b>90,200</b>	<b>90,200</b>	
<b>For Yr ended March 31, 2020</b>									
<b>Gross carrying amount</b>									
	As at April 01, 2019	655,421,425	189,936,542	845,357,968	90,200	90,200	10,679,000	10,679,000	
	Additions	41,241,434	14,169,606	55,411,040	(12,555,224)	(12,555,224)	-	-	
	Disposals/ FOREX Adj.	(12,538,274)	(16,951)	(12,555,224)	709,201,133	204,123,099	913,324,232	10,769,200	
	<b>Closing Gross carrying amount</b>	<b>709,201,133</b>	<b>204,123,099</b>	<b>913,324,232</b>	<b>10,769,200</b>	<b>10,769,200</b>	<b>10,769,200</b>	<b>10,769,200</b>	
<b>Accumulated Depreciation</b>									
	As at April 01, 2019	452,019,919	119,171,395	571,191,315	-	-	-	-	
	Amortisation during the year	68,361,557	12,060,806	80,422,364	-	-	-	-	
	Disposals	-	-	-	-	-	-	-	
	<b>Closing Accumulated Depreciation</b>	<b>520,381,477</b>	<b>131,232,201</b>	<b>651,613,678</b>	<b>10,769,200</b>	<b>10,769,200</b>	<b>10,769,200</b>	<b>10,769,200</b>	
	<b>Net carrying amount as at March 31, 2020</b>	<b>188,819,656</b>	<b>72,890,898</b>	<b>261,710,554</b>	<b>10,769,200</b>	<b>10,769,200</b>	<b>10,769,200</b>	<b>10,769,200</b>	



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Amount in ₹)

**6 Other Non Current Financial Assets**

Particulars	As at 31.03.2020	As at 31.03.2019
<b>( Unsecured, considered good)</b>		
Banks Term Deposits having maturity period more than 12 months from the Balance Sheet date	33,866,502	98,964,720
<b>Total</b>	<b>33,866,502</b>	<b>98,964,720</b>

**7 Other Non-Current Assets**

Particulars	As at 31.03.2020	As at 31.03.2019
Security Deposit*	69,336,128	66,233,040
Capital Advances	8,848,600	10,776,298
Other Advances	37,546,069	44,379,609
<b>Total</b>	<b>115,730,797</b>	<b>121,388,947</b>

(\* For Related Party Transactions Refer Note No. 35 )

**8 Inventories**

Particulars	As at 31.03.2020	As at 31.03.2019
Raw materials (including in Transit)	3,530,178,359	3,218,289,292
Work-in-progress	2,145,214,439	2,041,675,436
Finished goods & Scrap	264,746,353	289,323,108
Stores and spares	305,387,547	365,318,440
<b>Total</b>	<b>6,245,526,698</b>	<b>5,914,606,276</b>

**9 Trade receivables**

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured, considered good*	1,975,885,256	1,750,577,289
Bad & Doubtful	-	-
	<b>1,975,885,256</b>	<b>1,750,577,289</b>
Less: Allowances for bad and doubtful debts	-	-
<b>Total</b>	<b>1,975,885,256</b>	<b>1,750,577,289</b>

(\* For Related Party Transactions Refer Note No. 35 )



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Amount in ₹)

**10 Cash and Cash Equivalents**

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Cash and cash equivalents</b>		
Cash on hand	4,797,622	2,962,617
Balances with banks	26,749,888	156,078,633
<b>Total</b>	<b>31,547,510</b>	<b>159,041,250</b>

**11 Other balances with bank**

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Bank balances other than cash and cash equivalents</b>		
Balances with Banks in Term Deposit Accounts to the extent held as Margin Money Deposits	176,980,058	77,083,379
<b>Total</b>	<b>176,980,058</b>	<b>77,083,379</b>

**12 Loans- Current**

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Unsecured, considered good</b>		
Loans to Employees*	43,861,140	41,823,301
<b>Total</b>	<b>43,861,140</b>	<b>41,823,301</b>

(\* For Related Party Transactions Refer Note No. 35 )

**13 Other Financial Assets- Current**

Particulars	As at 31.03.2020	As at 31.03.2019
Interest Accrued on Banks Term Deposits	1,927,812	6,108,166
Other Assets	61,069,462	96,372,160
<b>Total</b>	<b>62,997,274</b>	<b>102,480,326</b>

**14 Other Current Assets**

Particulars	As at 31.03.2020	As at 31.03.2019
Other Advances	375,654,760	411,956,854
<b>Total</b>	<b>375,654,760</b>	<b>411,956,854</b>



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

15 Share capital	Particulars	As at 31.03.2020		As at 31.03.2019	
		Nos.	₹	Nos.	₹
<b>Authorised capital</b>					
	Equity shares of ₹10 each	45,000,000	450,000,000	45,000,000	450,000,000
	Preference shares of ₹10 each	2,000,000	20,000,000	2,000,000	20,000,000
		<b>47,000,000</b>	<b>470,000,000</b>	<b>47,000,000</b>	<b>470,000,000</b>
<b>Issued, subscribed and paid up</b>					
	Equity shares of ₹10 each fully paid up	29,479,366	294,793,660	29,479,366	294,793,660
		<b>29,479,366</b>	<b>294,793,660</b>	<b>29,479,366</b>	<b>294,793,660</b>

**15.1 Right, Preferences & Restrictions Attached to the Shares:**

The Company have two Classes of Shares referred to as Ordinary Equity Shares having a par value of ₹10/- each & Preference Shares having a par value of ₹10/- each. Each holder of Ordinary Equity Shares is entitled to one vote per share.

In the event of the Liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of the equity shares held by the shareholders.





**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**15.2 Reconciliation of number of shares outstanding is set out below:**

Particulars	As at 31.03.2020	As at 31.03.2019
Number of Shares at the beginning of the year	29,479,366	29,479,366
Shares Issued during the year	-	-
Issue of Bonus Shares	-	-
Number of Shares at the end of the year	<b>29,479,366</b>	<b>29,479,366</b>

**15.3 List of Shareholders holding more than 5% of the aggregate Ordinary Equity Shares in the Company:**

Name of the Shareholder	As at 31.03.2020 and As at 31.03.2019	
	No of Shares	% to total
Parakramsinh G. Jadeja	7,577,196	25.70%
Eknath Infracon LLP	7,402,750	25.11%
Smit Virani	6,008,000	20.38%
Jyoti International LLP	4,194,200	14.23%



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Amount in ₹)

**16 Other Equity**

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Securities Premium Reserve</b>		
As Per Last Balance Sheet	984,787,475	984,787,475
Add : Receipts on Allotment of Shares	-	-
	<b>984,787,475</b>	<b>984,787,475</b>
 (Amounts received on issue of shares in excess of the par value has been classified as securities premium)		
<b>Foreign Currency Translation Reserve</b>	<b>(182,770,885)</b>	<b>(62,864,492)</b>
 (Exchange Differences arising from the consolidation of Financial Statements of Subsidiary and Holding company have been classified as Foreign Currency Translation Reserve)		
<b>Capital Reserve on Consolidation</b>	<b>362,351,220</b>	<b>339,008,908</b>
 Excess of fair value of net assets acquired over the fair value of consideration in a business combination is recognised as Capital Reserve on Consolidation.		
<b>Retained Earnings</b>		
As Per Last Balance Sheet	(108,839,844)	(164,682,117)
Add : Net Profit For The Year	(503,090,690)	184,849,546
Less : Additional Charge on account of Conclusion of lease & Buy back transaction	-	(129,007,273)
	<b>(611,930,534)</b>	<b>(108,839,844)</b>
 (Retained Earnings comprise of the company's undistributed earnings after taxes.		
<b>Other Comprehensive Income</b>		
As per Last Balance Sheet	1,007,885,921	884,148,247
Add: Changes (Net) for current year	41,799,438	123,737,674
	<b>1,049,685,359</b>	<b>1,007,885,921</b>
<b>Total</b>	<b>1,602,122,635</b>	<b>2,159,977,968</b>



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Amount in ₹)

**17 Borrowings**

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Secured - At amortised cost</b>		
Term Loans- from Banks	1,073,272,846	688,121,007
(Term loans of Parent Company are secured by first charge on pari passu basis on the Company's immovable & movable assets and second charge on inventory, receivables & other current assets, both present and future)		
(Term loans of subsidiary company is secured by first rank mortgage of immovable property held by Jyoti SAS, France)		
Vehicle loans	2,721,751	7,786,808
(Vehicle loans are secured by way of hypothecation of vehicles)		
Long Term Maturity of Finance lease obligation (Secured by Leased Asset)	13,978,186	31,401,348
	<b>1,089,972,783</b>	<b>727,309,164</b>
<b>Unsecured - At amortised cost</b>		
Loans and Advances From Financial Institutions & Others	125,054,998	481,733,979
Loans and Advances From Related Parties*	-	72,388,836
Loans from Banks	162,578,251	159,516,548
	<b>287,633,249</b>	<b>713,639,363</b>
<b>Total</b>	<b>1,377,606,032</b>	<b>1,440,948,527</b>

\* ( For Related Party Transactions Refer Note No. 35 )

**18 Provisions- Non Current**

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for Employee benefits	220,059,712	174,221,740
<b>Total</b>	<b>220,059,712</b>	<b>174,221,740</b>



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Amount in ₹)

**19 Deferred Tax Liabilities (Net)**

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Tax Liability [Net of Assets]	223,381,666	293,498,247
<b>Total</b>	<b>223,381,666</b>	<b>293,498,247</b>

**20 Borrowings- Current**

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Secured - At amortised cost</b>		
<b>Loan Repayable on Demand</b>		
From Banks	4,826,024,778	3,969,172,390
<p>(The Parent Company's loans repayable on demand (Working Capital Limits) are secured by first charge on pari passu basis over Parent Company's stock &amp; book debts and second charge on pari passu basis over Parent Company's immovable and movable assets)</p> <p>(The borrowings of subsidiary is secured by pledge on its current assets including stock and book debts/ receivables/invoices and business pledge of Euro 10 Million and first rank mortgage on Factory Building. The same is also secured by corporate guarantee of Parent Company and personal guarantee of Promoter Directors of Parent Company)</p>		
From Others	34,789,312	267,875,612
<b>Total</b>	<b>4,860,814,090</b>	<b>4,237,048,002</b>

**21 Trade payables**

Particulars	As at 31.03.2020	As at 31.03.2019
Trade payable - Micro and small enterprise*	16,890,401	18,830,752
Trade payable - Other than Micro and small enterprise	2,697,298,866	2,507,741,651
<b>Total</b>	<b>2,714,189,267</b>	<b>2,526,572,403</b>

\* The Holding company has requested the suppliers to give information about their status as Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006. Details to the extent available has been reported. (Refer Note No. 33)



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Amount in ₹)

**22 Other financial liabilities**

Particulars	As at 31.03.2020	As at 31.03.2019
Current Maturity of Long Term Borrowings - Secured	107,319,850	38,295,693
Current Maturity of Long Term Borrowings - Unsecured	108,076,917	38,717,716
Current Maturity of Finance Lease Obligations	27,427,962	31,578,335
Interest Accrued but not due	20,331,389	3,772,205
Interest due on Long Term Borrowings - Unsecured	-	18,111,164
Interest due on Short Term Borrowings	25,567,607	29,720,250
Expenses Payable	167,390,434	191,336,237
Payables for Capital Expenditure	437,307,437	160,893,986
<b>Total</b>	<b>893,421,596</b>	<b>512,425,585</b>

**23 Other Current Liabilities**

Particulars	As at 31.03.2020	As at 31.03.2019
Advances against Sales	542,417,280	462,155,649
Others	321,983,272	305,636,599
<b>Total</b>	<b>864,400,552</b>	<b>767,792,248</b>

**24 Provisions- Current**

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for Employee benefits	15,945,869	15,672,400
<b>Total</b>	<b>15,945,869</b>	<b>15,672,400</b>



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Amount in ₹)

**25 Revenue from operations**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Sale of product	6,680,443,434	9,422,773,053
Sale of services	173,886,923	224,474,487
Other operating income	13,409,747	5,318,738
<b>Total</b>	<b>6,867,740,104</b>	<b>9,652,566,278</b>

**26 Other income**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Interest Income	16,983,782	16,078,586
Discount Income	-	99,223
Foreign Exchange Fluctuation Gain ( Net of Loss )	1,960,469	-
Others	97,725,876	124,663,628
<b>Total</b>	<b>116,670,127</b>	<b>140,841,436</b>

**27 Cost of material consumed**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Opening Stock	3,515,929,787	1,979,204,017
Add: Purchases	4,114,828,177	5,597,822,775
	<b>7,630,757,964</b>	<b>7,577,026,792</b>
Less: Closing stock	(3,760,441,294)	(3,515,929,787)
Foreign Currency Translation Reserve	35,613,964	(29,934,798)
<b>Total</b>	<b>3,905,930,634</b>	<b>4,031,162,207</b>

**28 Changes in inventories of finished goods and work-in-progress**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Opening stock:		
Finished goods	289,323,108	218,402,972
Work-in-progress	2,041,675,436	3,616,139,989
	<b>2,330,998,544</b>	<b>3,834,542,961</b>
Less: Closing stock		
Finished goods	264,746,353	289,323,108
Work-in-progress	2,145,214,439	2,041,675,436
	<b>2,409,960,792</b>	<b>2,330,998,544</b>
Foreign Currency Translation Reserve	57,872,978	(48,024,229)
<b>Net (increase)/decrease in inventory</b>	<b>(21,089,270)</b>	<b>1,455,520,188</b>



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Amount in ₹)

**29 Employee Benefits Expenses**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Salary and Wages*	1,228,697,489	1,257,154,197
Contribution to Provident & Other Funds	277,970,557	279,712,694
Other Employee Benefit Expenses	27,992,948	36,122,218
<b>Total</b>	<b>1,534,660,994</b>	<b>1,572,989,109</b>

\* ( For Related Party Transactions Refer Note No. 35 )

**30 Finance Costs**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Interest Expenses</b>		
On Borrowings *	540,562,563	623,492,390
On Others	37,300,810	40,679,190
<b>Other Borrowing Cost</b>		
Bank & Other Financial Charges	129,237,798	62,186,632
<b>Total</b>	<b>707,101,171</b>	<b>726,358,212</b>

\* ( For Related Party Transactions Refer Note No. 35 )



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Amount in ₹)

**31 Other Expenses**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Manufacturing &amp; Other Direct Expenses</b>		
Consumption of Stores & Spares	133,654,963	197,946,669
Job Work Charges	136,675,075	194,459,105
Power & Fuel Expenses	137,593,303	175,143,678
Factory Expenses	28,191,580	43,080,623
Transportation Expenses - Inward	98,482,400	145,031,411
Clearing, Forwarding & Agency Expenses - Import	16,476,574	22,358,419
Repairs & Maintenance - Machinery	27,234,507	32,973,484
	<b>578,308,402</b>	<b>810,993,389</b>
<b>Administrative &amp; Selling Expenses</b>		
Advertisement, Exhibition & Marketing Expenses	126,499,963	152,040,752
After Sale Service Expenses	37,455,721	41,642,485
AMC Expenses	35,292,795	31,655,354
Clearing & Forwarding Expenses - Exports	24,503,066	30,730,788
Donation	117,001	1,047,837
Foreign Exchange Fluctuation Loss ( Net of Gain )	-	17,481,417
Transportation Expense - Outward	82,608,427	129,540,868
Legal & Professional Charges	15,870,805	5,325,692
Office Expenses	15,348,223	12,476,036
Postage, Stationary & Telephone Expenses	14,818,039	16,648,485
Remuneration to Auditor		
- Audit Fees	2,304,357	6,876,380
Commission Expense	98,597,040	104,665,916
Travelling, Conveyance & Vehicle Expenses	92,540,327	99,649,724
Other Expenses	254,198,790	215,764,842
	<b>800,154,555</b>	<b>865,546,574</b>
<b>Total</b>	<b>1,378,462,957</b>	<b>1,676,539,963</b>

**32 Earnings Per Share**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Basic &amp; Diluted Earnings Per Share - EPS</b>		
Profit available for Equity Shareholder	(503,090,690)	184,849,546
Weighted Average Number of Shares Outstanding	29,479,366	29,479,366
Basic & Diluted Earnings Per Share - of ₹ 10/- each	<b>(17.07)</b>	<b>6.27</b>





**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Amount in ₹)

- 33 According to information available with the Management, on the basis of information received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006('MSMED Act'), the Holding Company has amounts due to Micro, Small and Medium Enterprises under the said Act as follows:

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Principal amount remaining unpaid to any supplier at the end of the year	14,294,793	15,601,094
(b) Interest due thereon remaining unpaid to any supplier at the end of the year	1,589,910	336,250
(a) The amount of principal paid beyond the appointed date	18,171,400	50,477,895
(b) The amount of interest paid beyond the appointed date	-	-
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 the MSMED Act, 2006	1,005,698	2,893,408
The amount of interest accrued and remaining unpaid at the end of each accounting year	2,595,608	3,229,658
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**34 Contingent Liabilities & Commitments - To The Extent Not Provided For**

Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
<b>I Contingent Liabilities</b>		
<b>i Letter of Credit &amp; Bank Guarantee</b>		
Outstanding Letter of Credits & Bank Guarantee	1,125,100,000	1,179,270,065
Outstanding Standby Letter of Credit & Letter of Comfort *	€ 60,00,000	€ 60,00,000
<b>ii Corporate Guarantee</b>		
Guarantees given by the Holding Company to banks on behalf of step down subsidiary*	€ 90,00,000	€ 90,00,000
<b>iii Claim Against the Company not Acknowledged as Debt</b>		
Vendor	611,632	611,632
Customer		
Compensation Claim	5,785,947	2,527,025
Amount paid under protest	2,000,114	1,950,114
<b>iv Disputed Excise Duty, Service Tax &amp; Other Liabilities</b>		
Disputed Excise Duty, Service Tax, & other Liabilities in respect of Pending Litigations before Appellate Authority & Against which amount paid Under Protest are as follows :		
Disputed Excise Duty Liabilities	25,420,671	25,420,671
Disputed Income Tax Liabilities	10,755,188	4,537,489
Disputed CST Liabilities	45,193,111	45,193,111
Disputed VAT Liabilities	4,729,573	4,729,573
Disputed Stamp Act Liabilities	-	6,389,250
Amount Paid Under Protest - Excise Duty	2,382,589	2,382,589
Amount paid Under Protest - CST	18,754,127	18,754,127
Amount paid Under Protest - VAT	579,361	579,361
<b>II Commitments</b>		
<b>i Capital Commitments - Estimated amount of Capital Contracts Remaining Unexecuted &amp; not provided as on Balance Sheet Date</b>	1,671,260	3,291,139
<b>ii Other Commitments - Export Obligation Against Advance License</b>	33,324,429	337,600,376
<b>iii Other Commitments - Repayment of Loan taken by Subsidiary which is subject to profitability in subsidiary</b>	€ 90,40,000	€ 50,00,000



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Amount in ₹)

**35 Related Party Disclosures**

As per Ind AS- 24, the disclosures of Party List, Relationship, Nature of Transactions, Transaction Amount & Outstanding Balances with Related Parties are given below :

**35.1 Names of Related Parties where transactions have taken place during the year:**

Related Party	Nature of Relationship
Parakramsinh G. Jadeja	Managing Director
Sahdevsinh L. Jadeja	Whole Time Director
Vikramsinh R. Rana	Whole Time Director
Kamlesh S. Solanki	Chief Financial Officer
Marc Troia	Chief Executive Officer
Maulik B. Gandhi	Company Secretary
Rajshri P. Jadeja	Non Executive Women Director
Vijay Paranjape	Independent Director
Yogesh Kathrecha	Independent Director
Bhaveshsinh L. Jadeja	
Jagdhsinh L. Jadeja	
Bhaves S. Solanki	Relatives of Key Management Personnel
Hitesh S. Solanki	
Shreepal Singh Jadeja	
Jyoti International LLP	
Jyoti Enterprise	Enterprise influenced by Key Management Personnel
SP3 Technologies LLP	
Ignite Inc	Enterprise influenced by Relative of Key Management Personnel

\*Related Party Relationship is as identified by the Company & relied upon by the Auditor.



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Amount in ₹)

**35.2 Details of Related Party Transactions during the year & Outstanding Balances as at 31<sup>st</sup> March, 2020 & as at 31<sup>st</sup> March, 2019.**

**35.2.1 Transactions Carried Out With Related Parties referred in 35.1 Above, In Ordinary Course of Business**

Nature of Transaction	KMP	Relatives of KMP	Independent Director	Enterprise Influenced By KMP	Enterprise Influenced By Relative of KMP	Total
Loans & Advances Taken (Net)	500,000 <i>(500,000)</i>	-	-	(90,000,000) <i>(188,278,836)</i>	-	(89,500,000) <i>(188,778,836)</i>
Loans & Advances Given (Net)	-	2,789,200	-	-	-	-
Revenue From Operations	-	-	-	-	46,199,462	46,199,462
Property, Plant & Equipment	-	-	-	235,770,608	1,222,828	236,993,436
Employee Benefit Expenses	-	-	-	10,000	49,165,892	49,175,892
Sitting Fees	37,658,409 35,661,140	2,443,281 2,626,565	-	-	3,297,500	40,101,690 38,287,705
Other Expenses	47,598	-	118,000 120,000	-	-	118,000 120,000
				5,763,333 13,832,912	1,150 41,960	5,764,483 13,922,470

*Figures in italics represents Previous Year's Figures.*



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Amount in ₹)

**35.2.2 Outstanding Balances at the end of the year with Related Parties referred in 35.1 Above, In Ordinary Course of Business**

Nature of Transaction	KMP	Relatives of KMP	Enterprise Influenced By KMP	Enterprise Influenced By Relative of KMP	Total
Trade Receivables	-	-	235,770,608	1,063,550	236,834,158
Loans & Advances Accepted	500,000	-	71,888,836	-	72,388,836
Interest due on Long Term Borrowings	-	-	18,111,164	-	18,111,164
Other Advances	3,297,300	-	-	-	3,297,300
Security Deposit	-	-	17,979,011	-	17,979,011
Loan to Employees	-	2,789,200	-	-	2,789,200
Payable for Capital Expenditure	-	2,789,200	-	-	2,789,200
Employee Benefits Payable	245,515	313,188	-	2,623,893	2,623,893
	149,479	191,163	-	1,829,341	1,829,341
	-	-	-	-	558,703
	-	-	-	-	340,642

*Figures in Italics represents Previous Year's Figures.*



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**36 Disclosure Pursuant To Ind AS - 19 - Employee Benefits**

**36.1 Defined Contribution Plan**

The Holding Company has recognized ₹ 1,63,32,477/- & ₹ 1,94,05,418/- in the Statement of Profit & Loss for the year ended March 31, 2020 & March 31, 2019 respectively under Defined Contribution Plan.

**36.2 Defined Benefit Plan**

The following table summaries the component of Net Benefit Expenses recognized in the Statement of Profit & Loss and amounts recognized in the Balance Sheet as per Actuarial Valuation Report.

Particulars	(Amount in ₹)			
	As At 31 <sup>st</sup> March, 2020		As At 31 <sup>st</sup> March, 2019	
	Gratuity	Compensated Expenses	Gratuity	Compensated Expenses
<b>Net Asset / ( Liability ) Recognized in Balance Sheet</b>				
Present Value of Funded Defined Benefit Obligations	87,893,657	-	73,632,614	-
Fair Value of Plan Assets	12,895,153	-	11,973,215	-
Present Value of Unfunded Obligation	74,998,504	33,817,746	61,659,399	34,505,930
Unrecognized Past Service Cost	-	-	-	-
Unrecognized Actuarial Loss	-	-	-	-
<b>Net Asset / ( Liability ) Recognized in the Balance Sheet</b>	<b>(74,998,504)</b>	<b>(33,817,746)</b>	<b>(61,659,399)</b>	<b>(34,505,930)</b>
<b>Components of Employer Expenses</b>				
Current Service Cost	10,384,852	4,438,211	9,775,010	4,533,561
Adjustment to the Opening Fund	-	-	-	-
Interest Cost on Defined Benefit Obligation	5,321,276	2,495,994	4,442,553	2,208,184
Expected Return on Plan Assets	(982,866)	-	(884,111)	-
Past Service Cost	-	-	-	-
Net Actuarial Loss / ( Gain ) Recognized in year	-	(5,325,024)	-	(669,779)
<b>Expense Recognized in The Statement of Profit &amp; Loss</b>	<b>14,723,262</b>	<b>1,609,181</b>	<b>13,333,452</b>	<b>6,071,966</b>
<b>Change in Defined Benefit Obligations - DBO during the year ended</b>				
Opening Defined Benefit Obligation	73,632,614	34,505,930	62,649,582	31,238,031
Current Service Cost	10,384,852	4,438,211	9,775,010	4,533,561
Interest Cost On Defined Benefit Obligation	5,321,276	2,495,994	4,442,553	2,208,184
Actuarial Loss / ( Gain )	992,207	(5,325,024)	630,426	(669,779)
Past Service Cost	-	-	-	-
Benefits Paid	(2,437,292)	(2,297,365)	(3,864,957)	(2,804,067)
<b>Closing Defined Benefit Obligation</b>	<b>87,893,657</b>	<b>33,817,746</b>	<b>73,632,614</b>	<b>34,505,930</b>
<b>Change in Fair Value of Plan Assets during the year ended</b>				
Opening Fair Value of Plan Assets	11,973,215	-	10,940,478	-
Interest Income	982,866	-	884,111	-
Expected Return on Plan Assets	(60,928)	-	148,626	-
Actuarial Gain / ( Loss )	-	-	-	-
Employer Contribution	-	-	-	-
<b>Closing Fair Value of Plan Assets</b>	<b>12,895,153</b>	<b>-</b>	<b>11,973,215</b>	<b>-</b>
<b>Other Comprehensive Income for the Period</b>				
Components of actuarial gain/losses on obligations:				
Due to Change in financial assumptions	7,404,716	-	(711,062)	-
Due to change in demographic assumption	(59,570)	-	-	-
Due to experience adjustments	(6,352,939)	-	1,341,488	-
Return on plan assets excluding amounts included in interest income	60,928	-	(148,626)	-
<b>Amounts recognized in Other Comprehensive Income</b>	<b>1,053,135</b>	<b>-</b>	<b>481,800</b>	<b>-</b>
<b>Investment Details</b>				
Government of India Securities	-	-	-	-
Corporate Bonds	-	-	-	-
Special Deposit Scheme	-	-	-	-
Insurer Managed Funds	-	-	-	-
Others	-	-	-	-
<b>Principal Actuarial Assumptions</b>				
Discount Rate	6.85%	6.85%	7.70%	7.70%
Expected Rate Of Return	-	-	-	-
Interest Rate	-	-	-	-
Salary Escalation	6.00%	6.00%	6.00%	6.00%
Retirement Age	-	-	-	-
Proportion of Employees opting for Early Retirement	0.00%	0.00%	0.00%	0.00%
Attrition - Withdrawal Rates	1% to 15%	1% to 15%	1% to 15%	1% to 15%
Current Liability	11,490,003	4,455,866	10,632,836	5,039,564
Non - Current Liability	63,508,501	29,361,880	51,026,563	29,466,366
<b>Net Liability as at 31<sup>st</sup> March, 2020 &amp; 31<sup>st</sup> March, 2019</b>	<b>74,998,504</b>	<b>33,817,746</b>	<b>61,659,399</b>	<b>34,505,930</b>

The estimates of rate of escalation in future salary considered in Actuarial Valuation, take into account inflation, seniority, promotion and other relevant factors including supply & demand in the Employment Market. The above information is certified by The Actuary.



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**37 Fair Value Measurements**

**Financial instruments by category**

Particulars	As at March 31, 2020			As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>									
Investments									
Bonds	2,089,650	-	-	1,580,050	-	-	1,520,500	-	-
Mutual Fund	-	-	-	11,400,005	-	-	-	-	-
Equity shares	-	-	200,000	-	-	-	-	-	-
Other Non-Current Financial Assets	-	-	33,866,502	-	-	98,964,720	-	-	99,767,350
Trade receivables	-	-	1,975,885,256	-	-	1,750,577,289	-	-	2,105,133,556
Cash & Cash Equivalents	-	-	31,547,510	-	-	159,041,250	-	-	82,634,096
Other Balances with banks	-	-	176,980,058	-	-	77,083,379	-	-	63,201,025
Loans	-	-	43,861,140	-	-	41,823,301	-	-	30,146,661
Other Current Financial Assets	-	-	62,997,274	-	-	102,480,326	-	-	108,773,494
<b>Total Financial Assets</b>	<b>2,089,650</b>	<b>-</b>	<b>2,325,337,739</b>	<b>12,980,055</b>	<b>-</b>	<b>2,229,970,265</b>	<b>1,520,500</b>	<b>-</b>	<b>2,489,656,183</b>
<b>Financial Liabilities</b>									
Borrowings									
(including current maturities and interest due)	-	-	6,527,143,848	-	-	5,838,191,891	-	-	7,025,152,341
Trade Payables	-	-	2,714,189,266	-	-	2,526,572,403	-	-	2,570,165,769
Other Financial Liabilities	-	-	604,697,871	-	-	352,230,223	-	-	295,331,108
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>9,846,030,984</b>	<b>-</b>	<b>-</b>	<b>8,716,994,517</b>	<b>-</b>	<b>-</b>	<b>9,890,649,218</b>



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**37 Fair Value Measurements**

**I. Fair value hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes the Company's investments in Gold Funds; prices of which have been derived from MCX.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level includes investment in unquoted equity shares.





**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Fair Value Measurements (Contd.)**

Particulars	As at March 31, 2020		
	Level 1	Level 2	Level 3
( Amount in ₹ )			
<b>Financial Assets</b>			<b>Total</b>
Investments in Gold Bonds	-	2,089,650	2,089,650
Investments in Mutual Funds	-	-	-
Investments in Equity shares	-	200,000	200,000
	-	<b>2,089,650</b>	<b>2,289,650</b>
<b>Financial Liabilities</b>	-	-	-
	-	-	-
<hr/>			
Particulars	As at March 31, 2019		
	Level 1	Level 2	Level 3
<b>Financial Assets</b>			<b>Total</b>
Investments in Gold Bonds	-	1,580,050	1,580,050
Investments in Mutual Funds	11,400,005	-	11,400,005
	<b>11,400,005</b>	<b>1,580,050</b>	<b>12,980,055</b>
<b>Financial Liabilities</b>	-	-	-
	-	-	-



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Fair Value Measurements (Contd.)**

> **Financial Assets:**

The Carrying amounts of trade receivables, loans and advances to related parties and other financial assets, cash and cash equivalents are considered to be the approximately equal to the fair values.

> **Financial Liabilities**

Fair values of Loans from banks, other financial liabilities and trade payables are considered to be approximately equal to the carrying values.

> Investments carried at fair value are generally based on market price quotations. The investments included in the level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value. Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

> Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.



# JYOTI CNC AUTOMATION LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 38. Capital Management

The Group's capital management is intended to create value for shareholders by facilitating the achievement of long term and short term goals of the Group.

The Group determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity; cash generated from operations, long term and short term bank borrowings.

The Group monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

Net debt includes interest bearing borrowings less cash and cash equivalents and other bank balances (including non-current and earmarked balances).

The table below summarizes the capital, net debt and net debt to equity ratio of the Group.

( Amount in ₹ )		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>Total Equity(A)*</b>	<b>1,896,916,295</b>	<b>2,45,47,71,628</b>
<b>Gross Debt(B)</b>	<b>6,527,143,848</b>	<b>5,83,81,91,891</b>
<b>Gross Debt as above</b>	<b>6,527,143,848</b>	<b>5,83,81,91,891</b>
Less : Cash & Cash Equivalents	-31,547,510	(15,90,41,211)
Less : Other balances with banks (including non-current & earmarked balances)	-210,846,560	(17,60,48,009)
<b>Net Debt (C)</b>	<b>6,284,749,778</b>	<b>5,50,31,02,542</b>
<b>Net Debt to Equity (C/A)*</b>	<b>3.31</b>	<b>2.24</b>

\* Net Debt to Equity ratio as at March 31, 2020 and March 31, 2019 has been computed based on Equity as at year end



# JYOTI CNC AUTOMATION LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 39. Risk Management:

The Group's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the group is exposed to and how it manages the risk and the related impact in the financial statements.

The Group's risk management is done in close co-ordination with its board of directors and focuses on actively securing the Group's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

The most significant financial risks to which the Group is exposed are described below:

#### a) Credit risk:

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Group is exposed to credit risk from loans and advances to related parties, trade receivables, bank deposits and other financial assets. The Group periodically assesses the financial reliability of the counter party taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual customer limits are set accordingly.

Bank deposits: The Group maintains its Cash and cash equivalents and Bank deposits with reputed and highly rated banks. Hence, there is no significant credit risk on such deposits.

Loans to related parties: They are given for business purposes. The Group reassesses the recoverability of loans periodically.

Trade Receivable: The Group trades with recognized and credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

There are no significant credit risks with related parties of the Group. The Group is exposed to credit risk in the event of non-payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the Group's large customer base. Adequate expected credit losses are recognized as per the assessments. The history of the trade receivables shows nil and nil allowance for bad and doubtful debts as at March 31, 2020 and March 31, 2019 respectively.



# JYOTI CNC AUTOMATION LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### b) Liquidity risk:

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which it operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

### Maturities of financial liabilities:

The tables below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Amount in ₹ )

Non-derivative Financial Liabilities:	As at March 31, 2020			
	< 1 year	1-2 year	>2 year	Total
Borrowings [including current maturities and interest]	5,149,537,816	221,560,144	1,156,045,888	6,527,143,848
Other Current financial liabilities	604,697,871	-	-	604,697,871
Trade Payable	2,714,189,266	-	-	2,714,189,266

(Amount in ₹ )

Non-derivative Financial Liabilities:	As at March 31, 2019			
	< 1 year	1-2 year	>2 year	Total
Borrowings [including current maturities and interest]	4,39,72,43,364	13,95,13,098	1,30,14,35,428	5,83,81,91,891
Other Current financial liabilities	35,22,30,223	-	-	35,22,30,223
Trade Payable	2,52,65,72,403	-	-	2,52,65,72,403



# JYOTI CNC AUTOMATION LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### c) Foreign currency risk:

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not the Group's functional currency. The Group's operations in foreign currency creates natural foreign currency hedge. This results in insignificant net open foreign currency exposures considering the volumes and operations of the Group.

### d) Interest Rate risk

#### Liabilities:

The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing. As at March 31, 2020, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in Fixed Deposits are at fixed interest rates.

#### Sensitivity \*:

Below is the sensitivity of profit or loss (PAT) in interest rates:

Particulars	Movement in Rate	March 31, 2020	March 31, 2019
Interest Rates	+1.00%	(40,212,072)	(4,18,31,595)
Interest Rates	-1.00%	40,212,072	4,18,31,595

\* Holding all other variables constant



**JYOTI CNC AUTOMATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**40 Exceptional Items**

Exceptional items in the Consolidated Statement of Profit and Loss are those which are considered for separate disclosure in the Consolidated Financial Statements considering their size, nature or incidence. The amount disclosed under the Exceptional Items relates to the write off of the loan by Jyoti SAS, France of Euro 4.04m equivalent to ₹ 31.83 crore taken from Ascending Wealth Offshore Inc. (Out of the loan for a total of Euro 8.5m). The said write off of loan was accompanied by a "return to profitability" clause conditioned by the achievement by the step down subsidiary, Huron Graffenstaden SAS France of a net income from operations (before tax) of at least Euro 5,00,000 with no time limit.

**41** The outstanding balances as at March 31, 2020, in respect of Trade Payables, Trade Receivables, Loans & Advances and deposits are subject to confirmation from respective parties and consequential reconciliation and/or adjustments arising there from, if any. The Management, however, does not expect any material variation.

**42** According to the opinion of the Management, the value of realization of current assets, loans and advances and other receivables in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

As per my report of even date


For Arun M. Kothari,  
Chartered Accountant



Arun M. Kothari  
Proprietor  
Membership No: 108669



Parakramsinh G. Jadeja  
Managing Director




Maulik B. Gandhi  
Company Secretary

For & on behalf of the Board,



Vikramsinh R. Rana  
Whole - Time Director



Kamlesh S. Solanki  
Chief Financial Officer

Place : Ahmedabad  
Date : 13/08/2021

Place : Ahmedabad  
Date : 13/08/2021