

# **Annual Report Fiscal 2021**

## Covering Letter

Dear Members,

### **Invitation to attend 11th Annual General Meeting of the Company to be held on Wednesday, 24<sup>th</sup> November 2021 through Video Conferencing**

In view of the COVID - 19 Pandemic, the Ministry of Corporate Affairs (MCA), has, vide its General Circular No. 14/2020, dated 8<sup>th</sup> April, 2020 and further clarification provided vide General Circular No. 17/2020, dated 13<sup>th</sup> April, 2020 and General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 (collectively "MCA Circulars") permitted Companies to conduct Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) facility, subject to compliance of various conditions mentioned therein.

In compliance with the MCA Circulars and provisions of the Companies Act, 2013, the 11th AGM of the Company is being convened and conducted through VC facility via Microsoft Teams (Web Application).

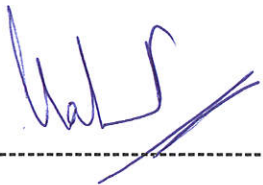
In order to enable ease of participation of the Members, we are providing following details regarding the meeting for your reference:

Sr. No.	Particulars	Details
1.	Link to Join	<a href="https://teams.microsoft.com/dl/launcher/launcher.html?url=%2F_%23%2F%2Fmeetup-join%2F19%3Ameeting_YjjhMjM0ZGEtOTI4Zi00NWZhLTgyOWQtNWlwZTgwODFmYTVh%40thread.v2%2F0%3Fcontext%3D%257b%2522Tid%2522%253a%2522c1ed0984-ca45-42c1-becf-d0ca1c27f91b%2522%252c%25220id%2522%253a%25223cb1b13b-51a7-4d95-b1a8-874c76f970e7%2522%257d%26anon%3Dtrue&amp;type=meetup-join&amp;deeplinkId=a37c2d3c-ff58-4b7f-a4a0-db8fb15eac03&amp;directDl=true&amp;msLaunch=true&amp;enableMobilePage=true&amp;suppressPrompt=true">https://teams.microsoft.com/dl/launcher/launcher.html?url=%2F_%23%2F%2Fmeetup-join%2F19%3Ameeting_YjjhMjM0ZGEtOTI4Zi00NWZhLTgyOWQtNWlwZTgwODFmYTVh%40thread.v2%2F0%3Fcontext%3D%257b%2522Tid%2522%253a%2522c1ed0984-ca45-42c1-becf-d0ca1c27f91b%2522%252c%25220id%2522%253a%25223cb1b13b-51a7-4d95-b1a8-874c76f970e7%2522%257d%26anon%3Dtrue&amp;type=meetup-join&amp;deeplinkId=a37c2d3c-ff58-4b7f-a4a0-db8fb15eac03&amp;directDl=true&amp;msLaunch=true&amp;enableMobilePage=true&amp;suppressPrompt=true</a>

2.	Username and Password	-
3.	Helpline Number for VC Participation	-
4.	Company's Contact Details	Designated email address of the Company is accounts@jnkindia.com Phone No. with name of Designated person Mr. Sandeep Bapat Manager 9820670275

The notice convening the 11th AGM along with all its Annexure is attached herewith. Kindly make it convenient to attend this meeting to transact the following Matters:

**By order of the Board**  
**For JNK India Private Limited**

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**Arvind Kamath**  
**Director**  
**DIN: 00656181**  
**2004 Fiona, Hiranandani Estate**  
**Ghodbunder Road, Thane (W) 400607**

Date: 16.11.2021

Place: Thane

## NOTICE

Notice is hereby given that the 11<sup>th</sup> Annual General Meeting of the Members of **JNK INDIA PRIVATE LIMITED** will be held on **Wednesday 24<sup>th</sup> November, 2021** at the Registered Office of the Company at **11.30am (IST), 3.00pm** to transact following business as:

### **ORDINARY BUSINESS:**

**1. To receive, approve and adopt Audited Financial Statement (Standalone and consolidated) for the financial year ended 31<sup>st</sup> March, 2021:**

To consider and, if thought fit, to pass the following resolution, with or without modifications, as an **Ordinary Resolution:**

**“RESOLVED THAT** the Audited Financial Statements Standalone and consolidated of the Company for the financial year ended 31<sup>st</sup> March, 2021, comprising of Balance Sheet as at 31<sup>st</sup> March, 2021, and the Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date, along with the Notes to Financial Statements and Accounting Policies thereto and the Reports of the Directors and Auditors of the Company, be and are hereby received, considered and adopted.”

**2. To consider declaration of Dividend on equity shares.**

To consider and, if thought fit, to pass the following resolution, with or without modifications, as an **Ordinary Resolution:**

**“RESOLVED THAT** a final dividend of Rs.10 Per equity share on paid up equity share capital of the company aggregating to Rs. 60,00,000/- (Rupees Sixty Lakhs only) as recommended by the Board be and is hereby declared to the equity shareholders of the company whose name is appearing in the register of Members of the company as on the date of the annual general meeting of the members of the company..”

**SPECIAL BUSINESS:**

**3. Increase in Authorised Share Capital of the Company.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 61(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and rules framed thereunder and pursuant to the Articles of Association of the Company, the consent of the shareholders of the company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing Rs. 200,00,000/- (Rupees Two Crores Only) divided into 20,00,000 (Twenty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 100,00,000 (One Crore ) Equity Shares of Rs. 10/- (Rupees Ten) each.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

**4. Alteration of Clause V (a) of Memorandum of Association of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and rules framed thereunder, the consent of the shareholders of the Company be and is hereby accorded for alteration of Memorandum of Association of the Company by replacing the existing Clause V (a) by the following Clause:

**V (a) The Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 100,00,000 (One Crore ) Equity Shares of Rs. 10/- (Rupees Ten) each.**

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as are necessary for the purpose of giving effect to this resolution.”

**5. Issue of Bonus shares**

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

**“RESOLVED THAT** in accordance with Section 63 and other applicable provisions of the Companies Act, 2013, read with Rule 14 of the Companies (Share Capital & Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of the Memorandum and Articles of Association of the Company and the recommendation of the Board of Directors of the Company, and such permissions, sanctions and approvals as may be required in this regard, consent of the Members be and is hereby accorded to the Board for issue of 90,00,000 (Ninety Lakhs) Equity Shares of the face value Rs. 10/- (Rupees Ten Only) each, as Bonus Shares, by capitalizing the Surplus in Profit and Loss Account to the extent of Rs. 9,00,00,000/- (Rupees Nine Crores Only), credited as fully paid-

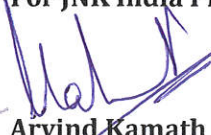


up shares to the holders of the existing equity shares of the Company, whose names appear in the Register of Members as on the date of extra-ordinary general meeting, in the proportion of 15:1 i.e. 15 (Fifteen) equity share for every 1 (One) existing equity share held by the Members.

**RESOLVED FURTHER THAT**, the Bonus Shares so allotted shall rank pari passu in all respects with the fully paid-up equity shares of the Company as existing this date and shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT**, the Board be and is hereby authorized to take all other steps as may be necessary to give effect to the aforesaid resolution and determine all other terms and conditions of the issue of bonus shares as the Board may in its absolute discretion deem fit.”

**By order of the Board  
For JNK India Private Limited**

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**Arvind Kamath  
Director  
DIN: 00656181  
2004 Fiona, Hiranandani Estate  
Ghodbunder Road, Thane (W) 400607**

Date:16-11-2021

Place: Thane

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto and forms part of notice.
2. The Company has enabled the members to participate at the AGM through Video Conferencing (VC) facility. The facility of conducting meeting through VC allows through Microsoft Teams web application for the ease of participation of members.
3. The facility for joining the meeting will be kept open at least 15 minutes before i.e. 11.15 am (the time scheduled to start the meeting) and will not be closed till the expiry of 15 minutes after such scheduled time. Hence, members are requested to join the meeting at a scheduled time.
4. Attendance of members through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. The Members / Participants are allowed to pose questions concurrently during the meeting or sufficient time will be given to submit questions in advance on the above-mentioned e-mail address of the Company.
6. At the meeting, the Chairman may decide to conduct a vote by Show of hands, unless a demand for poll is made by any member.
7. During the meeting, where a poll on any item is required, the Members may cast their vote on the resolutions **only by sending emails through their email addresses** which are registered with the Company. The said emails shall only be sent to the designated email address as mentioned above. Poll Paper in Form MGT-12 is attached herewith as "**Annexure A.**"
8. As per the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf. Since the 11<sup>th</sup> AGM is being held through VC as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 11<sup>th</sup> AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
9. Pursuant to Section 112 and 113 of the Companies Act, 2013, representatives of bodies corporate / corporate members are requested to send a certified true copy of Board resolution

or Power of Attorney authorizing their representative for the purpose of participation and vote on their behalf in meeting held through VC.

10. In line with the MCA Circulars, the notice of the 11th AGM along with the Annual Report 2020-21 are being sent only by electronic mode to Members on their e-mail addresses registered with the Company. Members may please note that this Notice and Annual Report 2020-21 will also be available on the Company's website at <https://www.jnkindia.com>

11. As the 11th AGM is being held through VC, the route map is not annexed to this Notice.

**By order of the Board**  
**For JNK India Private Limited**

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**Arvind Kamath**  
**Director**  
**DIN: 00656181**  
**2004 Fiona, Hiranandani Estate**  
**Ghodbunder Road, Thane (W) 400607**



## **Annexure to Notice Dated 16<sup>th</sup> November, 2021**

### **Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, to the items of special business to be transacted at the Annual General Meeting to be held on 24<sup>th</sup> November, 2021 at 11.30 am IST**

#### **Item Nos. 3 and 4:**

The present authorised capital of the Company is Rs. 200,00,000/- divided into 20,00,000 equity shares of Rs.10/- each. Out of this 600,000 equity shares are already issued by the Company. With the proposed bonus issue of new equity shares as recommended by the Board of Directors at their meeting held on 25<sup>th</sup> October 2021, the exiting authorised Share Capital will not be sufficient. Hence to enable the bonus issue in the ratio of 15:1 aggregating to 90,00,000 (Ninety Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each amounting to Rs. Rs.900,00,000/- (Rupees Nine Crores Only), it is proposed to increase the authorised share capital of the Company to Rs. 10,00,00,000/- divided into 100,00,000 equity shares of Rs. 10 each by further creation of 80,00,000 equity shares of Rs. 10 each.

As per the provisions of Section 61(1) (a) of the Companies Act, 2013, consent of the members of the Company is necessary for the increase in the Authorised Share Capital.

The increase in Authorised Share Capital necessitates amendment to the Capital Clause in the Memorandum of Association which is also subject to the approval of members of the Company in terms of Section 13 of the Act.

Accordingly, your Board recommends passing of the resolution as contained in Item Nos. 3 and 4 as Ordinary Resolutions.

None of the Directors, key managerial personnel and their relatives is interested in the passing of the resolution.

#### **Item No. 5:**

The Company has made good amount of profit in past few years and it is in a growth mode. Considering the profit earn in past few years it was recommended by the board members in their meeting held on 25<sup>th</sup> October, 2021 to issue bonus shares to its existing shareholders as a token of appreciation and this Bonus share shall be considered as fully paid up shares.

The present paid up capital of the company is only Rs. 60,00,000/- .Looking at the future funds requirements of the company, the board of directors of the company have formed a view that the company's capital base should be enhanced so that its ability to raise further funds goes up. In the present circumstances the board of directors have decided to capitalize part of the existing surplus in profit and loss account for the proposed bonus issue. Accordingly board has taken a decision at their meeting held on 25<sup>th</sup> October, 2021, to increase the paid up capital of the company by recommending bonus issue to the persons who are holders of equity shares of the company as on date of Annual General Meeting in the ratio of 15:1 (i.e. 15 equity shares of face value Rs. 10/- each for every one fully paid equity share of Rs. 10/- each held in the company).

The Bonus issue shall be subject to the provisions of AOA and shall rank pari passu with existing equity shares in all respect.

As per Section 63 of The Companies Act, 2013, issue of bonus shares requires the approval of members in general meeting. Accordingly your Board recommends passing of Ordinary resolution for issue of Bonus shares.

None of the Directors, key managerial personnel and their relatives is interested in the passing of the resolution except to the extent of shares which will be allotted to them as shareholders of the company..

**For JNK India Private Limited**

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.....  
**Arvind Kamath**  
**Director**  
**(DIN:00656181)**  
**2004 Fiona, Hiranandani Estate**  
**Off GB Road, Thane (W) 400607**

**Date: 16-11-2021**

**Place: Thane**

## DIRECTORS' REPORT

To,  
The Members of,  
JNK India Private Limited

Your Directors have pleasure in presenting their 11th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2021 and on the state of affairs of the Company.

### **1. FINANCIAL PERFORMANCE:**

The Company's Financial Performance for the financial year ended on 31<sup>st</sup> March, 2021 under review along with previous year's figures are given hereunder:

Particulars	Financial Year 2020-21 (Rs)	Financial Year 2019-20 (Rs)
Total Income	122,10,49,444	103,17,99,143
Profit/ (Loss) before tax	22,77,83,3977	11,74,22,104
Tax Expenses	6,33,31,651	3,02,32,766
Profit/ (Loss) after tax	16,45,02,326	8,71,89,338

### **2. DIVIDEND**

During the year under review, the Company declared and paid Dividend (Rs. 10 per share) of Rs. 60,00,000/- out of the free reserves of the company at the Board Meeting held on 7th September 2020.

Your Directors are pleased to recommend a dividend of Rs.10/- per share, aggregating to Rs.60,00,000/- (Rupees Sixty Lakhs only) for the current financial year. The dividend if approved and declared in the forthcoming Annual General meeting would result a Dividend outflow of Rs.60,00,000/-.

### **3. DEPOSITS**

During the financial year under consideration, your Company has not accepted any public deposits within the meaning of section 73 of the Companies Act, 2013 and the rules made there under.





#### **4. INTERNAL FINANCIAL CONTROLS:**

Pursuant to Rule 8 (5) (viii) of Companies (Accounts) Rules, 2014, the Company has an adequate internal financial control system commensurate with the size of its business operations and with reference to its Financial Statements

#### **5. BOARD OF DIRECTORS AND THEIR MEETINGS:**

The Board of Directors is duly constituted in accordance with the relevant provisions of the Companies Act, 2013. The Board at present consists of Three (3) Directors.

1. Mr. Arvind Kamath
2. Mr. Bang Hee Kim
3. Mr. Goutam K Rampelli

Mrs. Prajwal Kamath (00656070) resigned from the directorship of the Company with effect from 11th February, 2021. The Board appreciates the valuable service rendered by her during her association with the Company.

#### **Details of Board Meetings Held:**

Number of Board Meetings Held: 5

Sr. No	Date of Board Meeting	Name of Director and Attendance details			
		Mr. Arvind Kamath	Mr. Bang Hee Kim	Mr. Goutam Rampelli	Mrs. Prajwal Kamath
1.	20.07.2020	Present	Present	Present	Absent
2.	07.09.2020	Present	Present	Present	Absent
3.	12.10.2020	Present	Present	Present	Absent
4.	27.01.2021	Present	Present	Present	Absent
5.	18.03.2021	Present	Absent	Present	NA


#### **CSR COMMITTEE MEETINGS**

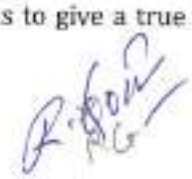
During the financial year 2020-21, the members of the Corporate Social Responsibility (CSR) Committee duly met 2 (Two) time i.e. on 7th September, 2020 and 18th March 2021.

#### **6. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013, your Directors state that:

- a. In the preparation of the financial Statements, 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

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state of affairs of the Company as at 31<sup>st</sup> March, 2021 and of its Profit and loss for the year ended on that date;

c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The directors had prepared the financial Statements on a 'going concern' basis; and

e. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **7. APPOINTMENT OF STATUTORY AUDITORS:**

**M/s. CVK & Associates**, Chartered Accountants, Mumbai (**Firm Registration Number: 101745W**) were appointed as Statutory Auditors of the Company for a period of 5 years at the AGM held on 14<sup>th</sup> August, 2019, to hold office from the conclusion of the said AGM until the conclusion of the AGM of the Company to be held for financial year ending 31st March, 2024.

#### **8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

#### **9. COMPLIANCE OF SECRETARIAL STANDARDS**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

#### **10. RISK MANAGEMENT POLICY:**

A detailed exercise is being carried out to identify, evaluate, manage and monitor both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

#### **11. DETAILS OF LOANS AVAILED FROM DIRECTORS OR THEIR RELATIVES**

The Company has not availed any loans from its Directors or from their relatives during the financial year. Hence, the details required under Clause (viii) of Rule 2 of Companies (Acceptance of Deposits) Rules, 2014, are not given.

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**12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**A. Conservation of Energy:** The Company constantly strives to save power consumption at the office premises through use of power-saving electric equipments.

**B. Technology Absorption:** The Company has not taken any technical know-how from anyone and hence, there is no question of technology absorption as such necessary information has not been given.

**C. Foreign Exchange Earnings and Outgo:**

**Details of earnings in foreign exchange:**

Particulars	FY 2020-21 (Rs)	FY 2019-20 (Rs)
Export of goods calculated on FOB basis	11,63,53,526	6,29,75,382
Professional and Consultancy fees	0	7,96,056
Other Income	59,02,83,095	25,71,20,266
<b>Total Earning in foreign Exchange</b>	<b>70,66,36,621</b>	<b>32,08,91,704</b>

**Details of expenditure in foreign exchange:**

Particulars	FY 2020-21 (Rs)	FY 2019-20 (Rs)
Import of goods calculated on CIF basis		
(i) Raw Material	1,18,71,053	1,86,88,152
(ii) Component and spare parts	-	50,20,425
Professional and Consultancy fees	2,69,48,008	1,28,00,000
Other expenditure	3,23,80,894	5,67,09,665
<b>Total Earning in foreign Exchange</b>	<b>7,11,99,955</b>	<b>9,32,18,242</b>

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**13. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company has duly set up an Internal Complaints Committee (ICC) in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention Prohibition & Redressal) Act, 2013, to redress complaints received regarding sexual harassment.

The following is a summary of sexual harassment complaints received and disposed off during the year 2020-21.

**No of complaints received: Nil**

**No of complaints disposed off: Nil**

**14. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANY**

Following are the Subsidiaries/Associates of the Company.

**A. JNK India Private FZE**

This Company is mainly engaged into erection works of CCR, NHT, MHC and CDU (A, B & C) Heaters for Dangote Oil Refinery and petrochemicals project.

The details of financial performance of Subsidiaries are furnished in **Annexure-A** in prescribed **Form AOC-1**.

**15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES.**

Details of each of the related party transaction entered into by the company during the year, as defined under section 188 of the Companies Act, 2013 are annexed herewith in **Form AOC-2** as "**Annexure B**".


**16. PARTICULARS OF EMPLOYEES:**

The details of employee(s) who are in receipt of remuneration exceeding the limits specified under Rule 5 (2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are attached herewith as "**Annexure-C**".

**16. ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on 31st March, 2021 is available on the Company's website on [www.jnk india.com](http://www.jnkindia.com) at [https://jnkindia.com/\(Link\)](https://jnkindia.com/(Link)).

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## 17. DETAILS OF COMPANY'S CORPORATE SOCIAL RESPONSIBILITY

The provisions of the Corporate Social Responsibility as contained under the Companies Act, 2013 are applicable on the Company.

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure-D** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

## 18. OTHER DISCLOSURES:

- i. The Company has not issued any equity shares with differential voting rights, sweat equity shares or bonus shares. The Company has not bought back any of its shares. [Section 43(a) (ii), 54, 63 & 68 respectively.]
- ii. The Company has not issued & allotted equity shares on rights basis during the financial year 2020-21. [Section 62]
- iii. It is not proposed to transfer any amount to reserves. [Section 134 (3) (j)]
- iv. No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report. [Section 134 (3) (l)]
- v. The provisions regarding receipt of remuneration or commission from holding or subsidiary of the Company are not applicable for the year under review and hence, the disclosure under Section 197 (14) is not required.
- vi. There was no change in the nature of business during the financial year under review. [Sub-rule 5 (ii) of Rule 8 of Companies (Accounts) Rules, 2014].
- vii. The Company was not required to appoint any Key Managerial Personnel during the year under review. [Sub-rule 5 (iii) of Rule 8 of Companies (Accounts) Rules, 2014]
- viii. During the financial year under review, no company has become subsidiary of your Company. [Sub Rule 5(iv) of Rule 8 of Companies (Accounts) Rules, 2014].
- ix. No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future. [Sub-rule 5 (vii) of Rule 8 of Companies (Accounts) Rules, 2014]
- x. The provisions pertaining to the appointment of Independent Directors do not apply to the Company. [Section 149]
- xi. The provisions relating to constitution of Nomination and Remuneration Committee and formulation of Policy relating to Directors' appointment and remuneration, qualifications, positive attributes, independence of Directors and other related matters are not applicable to the Company. [Section 178]

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M. K. S.

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R. G. S.

- xii. There was no qualification, reservation or adverse remark made by the Statutory Auditors in their report.
- xiii. The provisions relating to submission of Secretarial Audit Report are not applicable to the Company. [Section 204 and Section 134 (3) (f) (ii)]
- xiv. The provisions relating to constitution of Corporate Social Responsibility Committee are applicable to the Company. [Section 135]
- xv. The provisions with respect to maintenance of cost records and appointment of Cost Auditor as prescribed under Section 148 of Companies Act, 2013, are not applicable to the Company.
- xvi. The provisions relating to constitution of Audit Committee are not applicable to the Company. [Section 177 (8)]
- xvii. The provisions relating to establishment of Vigil Mechanism are not applicable to the Company. [Section 177 (9)]
- xviii. The Statutory Auditors of the company have not reported any instances of fraud or irregularities in the management of the Company during financial year under review.

#### ACKNOWLEDGEMENTS:


The Directors wish to place on record their appreciation to the wholehearted help and co-operation the Company has received from the business associates, partners, vendors, clients, government authorities, and bankers of the Company.

The relations between the management and the staff were cordial during the year under review. The Company also wishes to put on record the appreciation of the work done by the staff. Your Directors appreciate and value the trust imposed upon them by the members of the Company.

#### For JNK India Private Limited

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Arvind Kamath  
Director (DIN: 00656181)  
2004 Fiona Hiranandani Estate  
Ghodbunder Road, Thane (W)  
400607

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Goutam Rampelli  
Director (DIN: 07262728)  
1204 Yucca Bldg, Nahar Amrit  
Shakti Near Powai, Andheri (E)  
Mumbai 400 072

Place: Thane  
Date: 25.10.2021



Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures As on 31st March, 2021

Part "A": Subsidiaries

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

Sl. No.	Particulars	Subsidiary (1)
1.	Name of the subsidiary	JNK INDIA PVT FZE
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Nigerian Naira. 1 Naira = 0.1802 INR
4.	Share capital	NIL
5.	Reserves & surplus	37,266
6.	Total assets	8,52,20,619
7.	Total Liabilities	8,51,83,353
8.	Investments	NIL
9.	Turnover	19,17,56,007
10.	Profit before taxation	39,064
11.	Translation Loss	1798
12.	Provision for taxation	NIL
13.	Profit after taxation	39,064
14.	Proposed Dividend	NIL
15.	% of shareholding	100

Notes:

1. Names of the subsidiaries which are yet to commence operations: NIL

2. Names of the subsidiaries which have been liquidated or sold during the year: NIL

  
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**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: Not Applicable**


**Notes**

1. Names of associates or joint ventures which are yet to commence operations. **NA**
2. Names of associates or joint ventures which have been liquidated or sold during the year. **NA**

**For JNK India Private Limited**

*AK*  


Arvind Kamath  
Director (DIN: 00656181)  
2004 Fiona Hiranandani Estate  
Ghodbunder Road, Thane (W)  
400607

*GR*  


Goutam Rampelli  
Director (DIN: 07262728)  
1204 Yucca Bldg, Nahar Amrit  
Shakti Near Powal, Andheri (E)  
Mumbai 400 072

Place: Thane  
Date: 25.10.2021

## Form No. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangement or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangement or transactions at arm's length basis:

Name (s) of the related party & nature of relationship:	Nature of contracts/arrangements /transaction s:	Duration of the contracts/ar rangements /transaction s:	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date of approval by the Board, if any:	Amount paid as advances, if any:
Mr. Arvind Kamath (Director)	Reimburse ment of expenses	During FY 2020-21	The value of transaction enter into during the year is Rs.20,058/-	20.07.2020	NIL
Mr. B. H. Kim (Director)	Legal and Professional Fees	FY 2020-21	The Value of the transaction entered into by the company during the year is Rs. 1,48,00,000/-	07.09.2020	NIL
R. Goutam (Director)	Reimburse ment of expenses	During FY 2020-21	The value of transaction enter into during the year Rs.37,429/-	20.07.2020	NIL
Priya Bharuka (Relative of Key person)	Professional Fees	During FY 2020-21	The value of transaction enter into Rs.40,00,000/-	20.07.2020	NIL

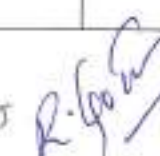
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JNK Heaters Co. Ltd Korea (Body corporate whose Board of Directors is accustomed to act)	Sale of Service	FY 2020-21	The Value of the transaction entered into by the company during the year is Rs. 44,77,67,213/-	NA	NIL
JNK Heaters Co. Ltd Korea (Body corporate whose Board of Directors is accustomed to act)	Sale of Goods	FY 2020-21	The Value of the transaction entered into by the company during the year is Rs. 4,28,56,322/-	NA	Nil
JNK Heaters Co. Ltd Korea (Body corporate whose Board of Directors is accustomed to act)	Advances received in course of business	FY 2020-21	The Value of the transaction entered into by the company during the year is Rs. 8,38,08,408/-	NA	Nil
Mascot Capital & Marketing Pvt Ltd (Holding Company)	Legal and professional Fees	FY 2020-21	The Value of the transaction entered into by the company during the year is Rs. 34,24,534/-	20.07.2020	Nil
Mascot Dynamics Pvt Ltd (Entity with Joint or Common Control)	Sale of duty credit scrips	FY 2020-21	The Value of the transaction entered into by the company during the year is Rs. 89,47,827/-	20.07.2020	Nil
Mascot Dynamics Pvt Ltd (Entity with Joint or Common Control)	Reimbursement of expenses	FY 2020-21	The Value of the transaction entered into by the company during the year is Rs. 7080/-	NA	Nil
Porvair Filtration India Pvt. Ltd (Entity with Joint or Common Control)	Sale of Goods	FY 2020-21	The Value of the transaction entered into by the company during the year is Rs.40,000/-	NA	Nil
JNK Heaters Co. Ltd Korea (POI)	Sale of Service	FY 2020-21	The Value of the transaction entered into by the company during the year is Rs.25,61,49,721/-	NA	Nil
JNK Heaters Co. Ltd (POI)	Advances Recd in course of Business	FY 2020-21	The Value of the transaction entered into by the company during the year is Rs.14,97,41,735/-	NA	Nil

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JNK India Pvt. FZE (Wholly owned Subsidiary)	Receipt of Services	FY 2020-21	The Value of the transaction entered into by the company during the year is Rs.3,00,10,095/-	NA	Nil
JNK India Pvt. FZE (Wholly owned Subsidiary)	Advances given in course of business	During FY 2020-21	The Value of the transaction entered into by the company during the year is Rs.3,35,48,430/-	NA	Nil
JNK India Pvt. FZE (Wholly owned Subsidiary)	Reimburseme nt of expenses	During FY 2020-21	The Value of the transaction entered into by the company during the year is Rs.43,04,541/-	20.07.2020	Nil

By order of the Board,

For JNK India Private Limited

*Arvind Kamath*

Arvind Kamath  
Director (DIN: 00656181)  
2004 Fiona Hiranandani Estate  
Ghodbunder Road, Thane (W)  
400607

*Goutam Rampelli*

Goutam Rampelli  
Director (DIN: 07262728)  
1204 Yucca Bldg, Nahar Amrit  
Shakti Near Powai, Andheri (E)  
Mumbai 400 072

Place: Thane

Date: 25.10.2021

**Annexure "C"**

**Statement pursuant to Rule 5 (2) & (3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014**

Name	Age (Yr)	Designation	Gross Remuneration (Rs.)	Qualification	Total exp. (Year)	Date of commencement of Employment	Last employment held Designation period for which post held
Mr. Arvind Kamath	52	Director	Rs. 8,20,00,000/- Per Annum	BE	24 years	14/06/2010	Sulzer pumps India Ltd 1990-2001 Marketing Sales Manager Customer Relation.
Mr. Goutam Rampelli	66	Director	Rs.5,36,00,000/- Per Annum	MTECH- In chemical engineering	38 years	01/07/2015	L & T General Manager

**NOTES:**

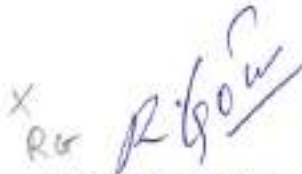
- 1) Gross remuneration comprises salary, allowances and incentives and does not include Company's PF Contribution.
- 2) The nature of employment is contractual or otherwise. - Permanent
- 3) Mr. Arvind Kamath does not hold any share in his own name in the paid up share capital of the company. However, M/s. Mascot Capital & Marketing Pvt. Ltd. which is Company's Holding Company, is owned by Mr. Arvind Kamath & Mr. Girish Kamath together.

**By order of the Board,**

**For JNK India Private Limited**



Arvind Kamath  
Director (DIN: 00656181)  
2004 Fiona Hiranandani Estate  
Ghodbunder Road, Thane (W)  
400607  
Place: Thane  
Date: 25.10.2021



Goutam Rampelli  
Director (DIN: 07262728)  
1204 Yucca Bldg, Nahar Amrit  
Shakti Near Powai, Andheri (E)  
Mumbai 400 072

**“ANNEXURE-D”**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

**1. Brief outline on CSR policy of the Company**

The Company is committed to enrich the quality of life in different segments of the society. The Company aims to affect positively the economic and social conditions of communities in which the Company operates. It is the continuing commitment of the Company to behave ethically and contribute to the economic development of the society at large and building capacity for sustainable development. The details of CSR Policy of the Company are available at the Company's website

**2. Composition of CSR Committee:**

<u>Sl. No.</u>	<u>Name of Director</u>	<u>Designation/ Nature of Directorship</u>	<u>Number of meetings of CSR Committee held during the year</u>	<u>Number of meetings of CSR Committee attended during the year</u>
<u>1.</u>	Arvind Kamath	Chairman	2	2
<u>2.</u>	Goutam Rampelli	Member	2	2
<u>3.</u>	Bang Hee Kim	Member	0	0

**3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

<https://jnkindia.com/wp-content/uploads/2021/03/JNK-CSR-Policy.pdf>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):** NA

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.**

<u>Sl. No.</u>	<u>Financial Year</u>	<u>Amount available for set-off from preceding financial years (in Rs)</u>	<u>Amount required to be set- off for the financial year, if any (in Rs)</u>
1	2019-20	1,69,260	1,69,260
2	2018-19	NA	NA
3	2017-18	NA	NA
	<b>Total</b>	<b>1,69,260</b>	<b>1,69,260</b>

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6. Average Net Profit of the Company as per section 135(5):

Rs. 7,99,55,374/- (Rupees Seven crores Ninety Nine Lakhs Fifty Five Thousand Three Hundred and Seventy Four Only)

7. (a) Two Percent of average net profit of the Company as per section 135(5)

Rs. 15,99,107/- (Rupees Fifteen Lakhs Ninety Nine Thousand One Hundred Seven Only)

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Rs. NIL

(c) Amount required to be set off for the financial year, if any: Rs. 1,69,260/-

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs.14,29,847/-

8. a) Details of CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
Amount.	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
16,05,778	NA	NA	NA	NA	NA

b) Details of CSR amount spent against ongoing projects for the financial year

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	Name	CSR Registration number.
				State.	Distri ct.							
1.												
	<b>Total</b>					<b>0</b>	<b>0</b>					

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(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1 Sr. No.	2 Name of the Project	3 Item from the list of activities in Schedule VII to the Act	4 Local Area (Yes / No)	5 Location of the Project		6 Amount spent for the project (in Rs.).	7 Mode of impleme ntati on - Direct (Yes/No)	11 Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR registration number.
1.	Plantatio n and watering plants	Protection of flora & Fauna, conservation of natural resources	No	Maharashtra	Hingoli	11,100	Yes	NA	NA
2.	Supply of Water Tanker	Protection of flora & Fauna, conservation of natural resources	No	Maharashtra	Hingoli	2,77,678	Yes	NA	NA
3	Vivekan ad Balkashr am	Promoting education, including special education	Yes	Maharashtra	Thane	3,10,000	Yes	NA	NA
4	Water Tanker	Protection of flora & Fauna, conservatio n of natural resource	No	Maharashtra	Hingoli	75,000	Yes	NA	NA

  
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5	Purchase of Tree Gurds	Protection of flora & Fauna, conservation of natural resources	No	Maharashtra	Ahmedabad	87,150	Yes	NA	NA
6	Purchase of Tree Gurds	Protection of flora & Fauna, conservation of natural resources	No	Maharashtra	Ahmedabad	2,44,850	Yes	NA	NA
7	Construction of dining hall for prashna chinna Ashram School	Promoting education, including special education	No	Maharashtra	Amravati	6,00,000	Yes	NA	NA
<b>Total</b>						<b>16,05,778</b>			

(d) Amount spent in Administrative Overheads: NA

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 16, 05,778/-**

(g) Excess amount for set off, if any: Rs. 6671

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	15,99,107/-
(ii)	Total amount spent for the Financial Year	16,05,778/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	6671/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1,75,930/-

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9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**  
 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NIL**
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**). **NA**
- (a) Date of creation or acquisition of the capital asset(s).  
 (b) Amount of CSR spent for creation or acquisition of capital asset.  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.  
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). **NA**

<p>.....          Mr. Dipak Bharuka          (Chief Executive Officer)</p>	<p>          .....          Mr Arvind Kamath          (Chairman CSR Committee).</p>	<p>          .....          Mr Goutam Rampelli          (Member CSR Committee).</p>
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## INDEPENDENT AUDITOR'S REPORT

To the Members of JNK India Private Limited

### Report on the Standalone Financial Statements

#### Opinion

We have audited the accompanying financial statements of JNK India Private Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss, the Statement of Cash Flows, the Statement of Changes in Equity, for the year then ended, a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March, 2021, its Profit and its cash flow for the year ended on that date.

#### Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of

Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

### **Responsibility of Management 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, cash flows, changes in equity ~~and receipts and payments~~ of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The boards of directors are also responsible for overseeing the Company's financial reporting process.



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

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

A further description of the auditor's responsibilities for the audit of the financial statements is included in Annexure A. This description forms part of our auditor's report.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



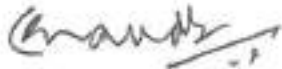
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow / Receipts & Payments Account dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31st, March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st, March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The matters specified in Section 143(3)(i) regarding Internal Financials Control over Financials Reporting have been specifically commented in Annexure C.
- (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 our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company does not have any pending litigations which would impact its financial position.

- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For CVK & Associates**

*Chartered Accountants*

*Firm Regn No.: 101745W*



**CA K. P. Chaudhari**

*Partner*

*Membership No.: 031661*



Place: Mumbai

Date: 25th October, 2021

UDIN: 21031661AAAACG8553

**Annexure A to Independent Auditor's Report**  
**Auditor's Responsibilities For Audit Of Financial Statements**

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial

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

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

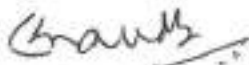
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

**For CVK & Associates**

*Chartered Accountants*

*Firm Regn No.: 101745W*



**CA K. P. Chaudhari**

*Partner*

*Membership No: 031661*

Place: Mumbai

Date: 25th October, 2021

UDIN: 21031661AAAACG8553





**Annexure B to the Independent Auditor's Report**

**Report under Companies Auditor's Report Order, 2016 ( The Order )**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of JNK India Private Limited)

We report that:

(i)

- a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- b) The Property, Plant and Equipment of the Company have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- c) The company does not hold any immovable properties. Thus, paragraph 3(i)(c) of the Order is not applicable.

(ii)

- a) As explained to us, the inventories of Traded Goods, Stores & Consumables were physically verified at regular intervals by the Management.
- b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no

material discrepancies were noticed on physical verification of stocks as compared to book records.

- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In respect of loans, investments, guarantees and security, the provisions of section 185 and 186 of the Companies Act have been complied with.
- (v) The Company has not accepted any deposits from the public, so as to attract the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other provisions of The Companies Act, 2013 and the rules framed there under. Thus, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) Prima facie the company is required to maintain cost records as per section 148(1) of companies act 2013 & as per information and explanations given to us and documents produced before us, reasonable records have been maintained by the company.
- (vii)
  - a) As per the records of the Company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Goods and Service Tax and any other statutory dues with the appropriate

authorities. As per the records of the Company, there were no arrears of outstanding statutory dues.

- b) According to the information and explanations given to us, following are the details of outstanding dues:

Particulars	For the year ended 31st March, 2021 (Rs. in 000's)
Income Tax (A.Y. 2013-14)	1,995
CST (F.Y. 2011-12)	10,531
CST (F.Y. 2013-14)	2,613

- (viii) As per the documents and records produced before us, the company has not defaulted in repayment of loans or borrowing to any financial institution or bank or Government or debenture holders.
- (ix) In our opinion and according to the information and the explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the company by officers or employees has been noticed or reported during the course of our audit.
- (xi) The company is not a public company and section 197 of the Companies Act is not applicable to it. Thus, paragraph 3(xi) of the Order is not applicable.

- (xii) The company is not a Nidhi Company. Thus paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, all the transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the current year. Thus, Paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with the directors or persons connected with them.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For CVK & Associates**

*Chartered Accountants*

*Firm Registration No.: 101745W*

*Chaudhary*

**CA K. P. Chaudhari**

*Partner*

*Membership No.: 031661*



Place: Mumbai

Date: 25th October, 2021

UDIN: 21031661AAAACG8553



**Annexure C to the Independent Auditor's Report**

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

We have audited the internal financial controls over financial reporting of JNK India Private Limited as of 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in

accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system 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 authorisations of management and directors of the company and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

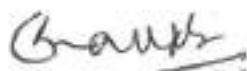
### **Opinion**

In our opinion, 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 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For CVK & Associates**

*Chartered Accountants*

*Firm Registration No.: 101745W*



**CA K. P. Chaudhari**

*Partner*

*Membership No.: 031661*

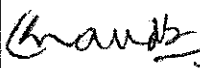

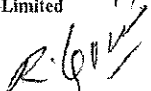

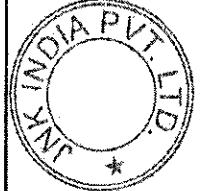


Place: Mumbai

Date: 25th October, 2021

UDIN: 21031661AAAACG8553



<b>JNK India Private Limited</b> CIN: U29268MH2010PTC204223 Standalone Balance Sheet as at 31st March 2021			
Particulars	Notes	As at 31st March 2021 (Rs. 000's)	As at 31st March 2020 (Rs. 000's)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3(a)	7,893	10,334
(b) Right of Use Assets	3(a)	25,658	-
(c) Intangible Assets	3(b)	1,056	2,007
(d) Financial assets			
Other financial assets	4(c)	73,112	56,123
(e) Deferred tax assets (net)	5	-	1,896
(f) Other Non-current assets	6	4,123	6,681
<b>Total Non-Current Assets</b>	<b>a</b>	<b>1,11,842</b>	<b>77,041</b>
<b>Current Assets</b>			
(a) Inventories	7	51,762	3,680
(b) Financial assets			
(i) Trade receivables	4(a)	5,39,569	2,12,183
(ii) Cash and cash equivalents	4(b)	80,011	33,861
(iii) Other Financial Assets	4(c)	37,603	4,002
(c) Other current assets	8	3,47,896	53,807
<b>Total Current Assets</b>	<b>b</b>	<b>10,56,841</b>	<b>3,07,533</b>
<b>Total Assets</b>	<b>c=a+b</b>	<b>11,68,683</b>	<b>3,84,574</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	9(a)	6,000	6,000
(b) Other Equity	9(b)	3,61,930	2,04,347
<b>Total equity</b>	<b>d</b>	<b>3,67,930</b>	<b>2,10,347</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
Borrowings	10(a)	2,531	3,883
Lease Liabilities	10(b)	17,802	-
(b) Deferred Tax Liabilities (Net)	5	2,029	-
<b>Total Non-Current Liabilities</b>	<b>e</b>	<b>22,362</b>	<b>3,883</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
Borrowings	10(a)	85,121	-
Trade Payables	10(c)		
Total outstanding dues of Micro enterprises and Small enterprises		16,485	8,735
Total outstanding dues of Creditors other than micro enterprises and small enterprises		2,27,128	57,647
(b) Provisions	11	10,309	7,707
(c) Current Tax Liabilities	12	22,218	12,465
(d) Other Current Liabilities	13	4,17,130	83,790
<b>Total Current Liabilities</b>	<b>f</b>	<b>7,78,391</b>	<b>1,70,344</b>
<b>Total Equity and Liabilities</b>	<b>g=d+e+f</b>	<b>11,68,683</b>	<b>3,84,574</b>
Summary of Significant accounting policies 2			
The accompanying notes are an integral part of the standalone financial statements			
For CVK & Associates			
Chartered Accountants		For and on behalf of the Board of Directors of	
Firm Registration No: 101745W		JNK India Private Limited	
			
CA K P Chaudhari Partner Membership No. 031661	Arvind Kamath Director DIN 00656181	Goutam Rampelli Director DIN 07262728	
			
Place: Mumbai Date: 25.10.2021	Place: Thane Date: 25.10.2021	Place: Thane Date: 25.10.2021	

**JNK India Private Limited**

CIN: U29268MH2010PTC204223

**Standalone Statement of Profit and Loss for the year ended 31st March, 2021**

Particulars	Note No.	For the year ended 31st March, 2021 (Rs. 000's Except EPS)	For the year ended 31st March, 2020 (Rs. 000's Except EPS)
Revenue from Operations	14	12,15,033	10,20,590
Other Income	15	6,017	11,210
<b>Total Income</b>	<b>a</b>	<b>12,21,050</b>	<b>10,31,800</b>
<b>Expenses</b>			
Purchase of Stock in Trade		3,02,679	2,55,520
Changes in inventories of Stock in trade	16	(48,082)	39,340
Employee Benefit Expenses	17	3,26,260	1,88,990
Finance Costs	18	13,481	2,816
Depreciation and amortization expenses	19	14,173	5,289
Other Expenses	20	3,84,755	4,22,365
<b>Total Expenses</b>	<b>b</b>	<b>9,93,266</b>	<b>9,14,320</b>
<b>Profit before Exceptional Items and Tax</b>	<b>c=a-b</b>	<b>2,27,784</b>	<b>1,17,480</b>
Exceptional Items	d	50	(56)
<b>Profit Before Tax</b>	<b>e=c+d</b>	<b>2,27,834</b>	<b>1,17,424</b>
<b>Tax Expense</b>			
Current Tax	21	59,407	31,492
Deferred Tax	22	3,925	(1,259)
<b>Total Tax Expense</b>	<b>f</b>	<b>63,332</b>	<b>30,233</b>
<b>Profit (Loss) After Tax</b>	<b>g=e-f</b>	<b>1,64,502</b>	<b>87,191</b>
<b>Other Comprehensive Income</b>	<b>h</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income</b>	<b>i=g+h</b>	<b>1,64,502</b>	<b>87,191</b>
<b>Earnings per Equity Share (in Rs.)</b>			
Basic		274.17	145.32
Diluted		274.17	145.32

Summary of Significant accounting policies 2

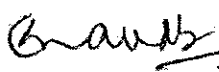
The accompanying notes are an integral part of the standalone financial statements

**For CVK & Associates**

Chartered Accountants

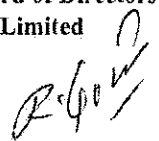
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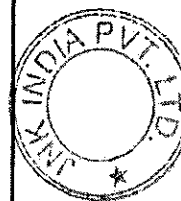
**For and on behalf of the Board of Directors of  
JNK India Private Limited**

  
**CA K P Chaudhari**  
Partner  
Membership No. 031661



  
**Arvind Kamath**  
Director  
DIN 00656181

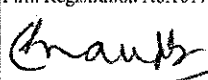

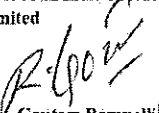
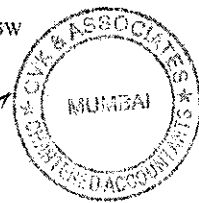
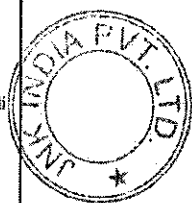
  
**Goutam Rampelli**  
Director  
DIN 07262728



Place: Mumbai  
Date: 25.10.2021

Place: Thane  
Date: 25.10.2021

Place: Thane  
Date: 25.10.2021

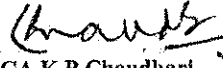
<b>JNK India Private Limited</b> CIN: U29268MH2010PTC204223 Statement of Standalone Cash Flow for the year ended 31st March, 2021		
Particulars	For the year ended 31st March, 2021 (Rs. in 000's)	For the year ended 31st March, 2020 (Rs. in 000's)
<b>Cash flows from operating activities</b>		
Profit before income tax	2,27,784	1,17,480
<i>Adjustments for Non Cash Items:</i>		
Add: Depreciation and amortization expense	14,173	5,289
Less: Write Back of Trade Payables	(916)	(3,635)
Add: Bad Debts Written Off	28,732	539
Add: Bad Debts provision	2,214	2,915
Less: Notional Interest	(190)	(237)
Add: Notional expenses	212	274
Add: Tax Refund W/off	50	-
<i>Adjustments for Non Operating Items:</i>		
Add: Finance Charges incurred	13,481	2,816
Less: Interest Income	(4,684)	(1,383)
Less: Foreign Exchange Rate Fluctuation (Gain)/Loss	6,642	(2,636)
<i>Changes in Working Capital:</i>		
Decrease/(Increase) in Trade receivables	(3,64,973)	1,96,701
Decrease/(Increase) in Inventories	(48,082)	39,340
(Decrease)/ Increase in Current Tax Liabilities	338	4,031
(Increase)/Decrease in Other Non-Current assets	2,536	(4,427)
(Increase)/Decrease in Other Current assets	(2,95,007)	(8,505)
(Decrease)/ Increase in Trade Payables	1,78,147	(1,03,231)
(Decrease)/Increase in Other current liabilities	3,33,340	(1,58,604)
(Decrease)/Increase in Short Term Provisions	2,601	4,630
(Decrease)/Increase in Short Term Borrowings	85,121	-
<b>Cash generated from operations:</b>	<b>1,81,519</b>	<b>91,358</b>
Income taxes paid	(49,992)	(18,414)
<b>Net cash from operating activities</b>	<b>1,31,527</b>	<b>72,944</b>
<b>Cash flows from investing activities</b>		
Purchase of Property Plant and Equipment	(36,375)	(5,974)
Purchase of Intangible Assets	(64)	(1,712)
Interest on Term Deposits	4,684	1,383
Fixed Deposits added	(50,591)	(34,083)
<b>Net cash used in investing activities</b>	<b>(82,346)</b>	<b>(40,386)</b>
<b>Cash flows from financing activities</b>		
Repayment of long term loan	(1,352)	(2,902)
Finance Charges incurred	(13,481)	(2,816)
Increase in lease liabilities	17,802	-
Dividend Paid	(6,000)	-
<b>Net cash from financing activities</b>	<b>(3,031)</b>	<b>(5,718)</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>46,150</b>	<b>26,840</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>33,861</b>	<b>7,021</b>
<b>Cash and cash equivalents at end of period</b>	<b>80,011</b>	<b>33,861</b>
<b>For CVK &amp; Associates</b> Chartered Accountants Firm Registration No:101745W	<b>For and on behalf of JNK India Private Limited</b>	
 <b>CA K P Chaudhari</b> Partner Membership no. 031661	 <b>Arvind Kamath</b> Director DIN 00656181	 <b>Goutam Rampelli</b> Director DIN 07262728
		
Place: Mumbai Date: 25.10.2021	Place: Thane Date: 25.10.2021	Place: Thane Date: 25.10.2021

**JNK India Private Limited**  
**CIN: U29268MH2010PTC204223**  
**Statement of Changes in Equity for the year ended 31st March, 2021**

(Rs. in 000's)

Particulars	Equity Share Capital	Other Equity	Total Equity Attributable to Equity Holders of the company
		Reserves and Surplus (Retained Earnings)	
Balance as on 1st April, 2019	6,000	1,17,156	1,23,156
Profit for the year	-	87,189	87,189
<b>Balance as on 31st March, 2020</b>	<b>6,000</b>	<b>2,04,346</b>	<b>2,10,346</b>
Balance as on 1st April, 2020	6,000	2,04,346	2,10,346
Less Deposit Amount Written off		(25)	(25)
Less Short Provision of earlier year written off		(338)	(338)
Less Dividend Paid FY 2020-21		(6,000)	(6,000)
Less Lease Liabilities of Earlier year written off		(554)	(554)
Profit for the year	-	1,64,502	1,64,502
<b>Balance as on 31st March, 2021</b>	<b>6,000</b>	<b>3,61,930</b>	<b>3,67,930</b>


For CVK & Associates  
Chartered Accountants  
Firm Registration No:101745W

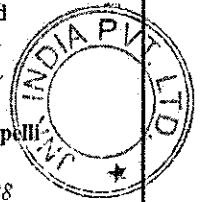
  
**CA K P Chaudhari**  
Partner  
Membership no. 031661



For and on behalf of JNK India Private Limited

  
**Arvind Kamath**  
Director  
DIN 00656181

  
**Goutam Rampelli**  
Director  
DIN 07262728



Place: Mumbai  
Date: 26.10.2021

Place: Mumbai  
Date: 26.10.2021

Place: Mumbai  
Date: 26.10.2021



## JNK INDIA PRIVATE LIMITED

CIN: U29268MH2010PTC204223

### NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

#### NOTE 1: CORPORATE INFORMATION

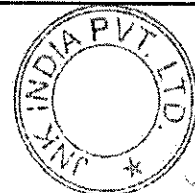
##### **Background:**

JNK India Private Limited was incorporated on 14th June, 2010. The Company's activity consists of Manufacturing, Trading, Marketing, Import, Export, Consultancy, Design, Installation, Erection, and Supervision for fired heaters and related products. JNK Heaters Co. Ltd., which is one of the leading EPC contractors in Korea, holds 26% of the shareholding in the Company. To support Indian and Middle Eastern market, JNK Heaters Co. Ltd., has incorporated JNK India Pvt Ltd. The Company's registered office is at Gangotri Glacier Annex, Kavesar, Opp. Vijay Nagari, Off. Ghodbunder Road, Thane (West)- 400607, Maharashtra, India.

##### **Impact of Covid 19 Pandemic:**

The company management is live to the worldwide unprecedented economic disruption caused by the pandemic Covid 19 and its effect on different business activities. Accordingly, the company has assessed the impact of the said pandemic on the economic environment in general as also on the viability, uncertainties and operational as well as financial risks that different businesses are facing and are likely to face in the times to come. It is observed that the risks arise mainly due to possible constraints on the delivery of goods and services under the changed circumstances, wide fluctuation in commodity prices, customers cancelling or postponing their discretionary spend and credit losses spiraling from the financial difficulties faced by their customers.

In this background, the management has made initial assessment of likely adverse impact on company's business, and believes that the impact is likely to be only



short term in nature. The management does not perceive any medium to long term risks in ensuing operations, capacity utilization or meeting other operational parameters, financial liquidity and availability of capital resources. None of the asset balances require any adjustment to their carrying values and the company has neither received nor served any 'force majeure' notice.

None the less, the Company acknowledges that the Company's business is also likely to be affected because of the pandemic, to some extent or the other. Due to the lock down on account of Covid 19 pandemic, the Company did suffer temporary stoppage of operations and resultant loss of revenue. However, as the impact of suddenness of the event eroded, the company quickly gained its ground and resumed operations without much damage. Expansion plans have been kept on hold and cost cutting measures have been implemented on all fronts. The Company is also closely monitoring the circumstances as they evolve.

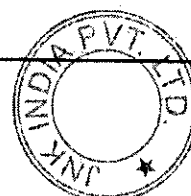
## **NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

### **i. Basis of Preparation**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ('the Act'), other provisions of the The Act (to the extent notified) read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on the accrual basis under the historical cost convention except for certain financial instruments and defined benefit plans for employees, which are measured at fair values,

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.



The financial statements are presented in Indian Rupees, the national currency of India which the Company has selected as its functional currency.

**ii. Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period and actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are separately disclosed in the notes to the financial statements.

In particular, information about major areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is given in the following notes:

**a. Taxes**

The major tax jurisdiction for the Company is India. Significant judgments are involved in determining the tax liabilities including judgment on whether tax positions adopted by the company are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods through a lengthy litigation process, at the end of which even if the company wins, huge expenditure gets incurred in litigation which has an impact on the financial results.

**b. Impairment**

Testing for impairment, of assets in general and intangible assets in particular is a very difficult task because there is no objective way of doing the same. It involves use of significant estimates and assumptions regarding economic conditions,



growth rates and market conditions. Slight error or inaccuracy in such estimates or assumptions can have a material impact on the financial results of the company.

**iii. Cash Flow Statement**

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method as set out in Indian Accounting Standard (IND AS) -7 "Statement of Cash Flows".

Under the indirect method, the net profit is adjusted for the effects of:

- a. transactions of a non-cash nature
- b. any deferrals or accruals of past or future operating cash receipts or payments and
- c. items of income or expense associated with investing or financing cash flows.

Cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks and are reflected as such in the cash flow statement. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**iv. Property, Plant & Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant equipment are ready for use, as intended by the Management. The Company depreciates property, plant and equipment over their estimated useful lives using the written down value method. The useful lives of material assets are estimated as follows:-

Particulars	Years
Plant and Equipment	10
Furniture and Fixtures	10



Office Equipment	5
<b>Others</b>	
Temporary Office	5
Temporary Construction	5
Computer software	3
Computers	3

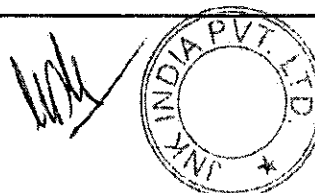
Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date are classified as capital advances under other non-current assets and the costs of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Repairs and maintenance costs are recognized while computing net profit, in the Statement of Profit and Loss, when incurred. The cost and its corresponding accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell.

Gains or losses arising from de-recognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**v. Intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets having finite lives are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and





other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

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 recognized in the profit and loss when the asset is derecognized.

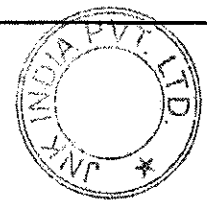
**vi. Impairment**

The carrying amounts of Property, Plant and Equipment as well as Intangible Assets having indefinite life are reviewed for impairment at the end of each financial year and also whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

**vii. Current / Non Current Classification**

Any asset or liability is classified as current if it satisfies any of the following conditions:

- a. it is expected to be realized or settled or is intended for sale or consumption in the Company's normal operating cycle;
- b. it is expected to be realized or settled within twelve months from the reporting date;
- c. in the case of an asset,
  - it is held primarily for the purpose of providing services; or
  - it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- d. in the case of a liability, the company does not have an unconditional right to defer settlement of liability for at least twelve months from the reporting date.



All other assets and liabilities are classified as non-current.

**viii. Financial Assets**

Financial assets include investments in equity and debt securities, cash and cash equivalents, trade receivables, employee and other advances and eligible current and non-current assets.

All financial assets are recognized initially at fair value.

Subsequent to initial recognition, financial assets are measured as described below:

**a. Investments:**

i. Financial instruments measured at amortised cost:

Debt instruments that meet the following criteria are measured at amortized cost (except for debt instruments that are designated at fair value through Profit or Loss (FVTPL) on initial recognition):

1. The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. The contractual terms of the instrument give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

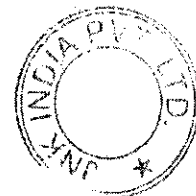
ii. Financial instruments measured at fair value through other comprehensive income (FVTOCI):

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated at fair value through Profit or Loss (FVTPL) on initial recognition)

1. The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial asset; and

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2. The contractual terms of the instrument give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Interest income is recognized in statement of profit and loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognized in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in reserves is transferred to statement of profit and loss.

iii. Financial instruments measured at fair value through profit or loss (FVTPL):

Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in statement of profit and loss. The gain or loss on disposal is recognized in statement of profit and loss.

Interest income is recognized in statement of profit and loss for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognized when the Company's right to receive dividend is established.

**b. Other Financial Assets**

Other financial assets comprise of trade receivables, cash and cash equivalents and other assets. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses. For most of these assets the carrying amounts approximate fair value due to their short term maturity.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and



the transfer qualifies for de-recognition. If the Company retains substantially all the risks and rewards of a transferred financial asset, the Company continues to recognise the financial asset and also recognizes a borrowing for the proceeds received.

**ix. Financial Liabilities**

Financial liabilities include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

All financial liabilities are recognized initially at fair value.

Subsequent to initial recognition financial liabilities are measured as described below:

**a. Trade and other Payables**

Trade and other payables, which consist of Trade Creditors and Borrowings are subsequently carried at amortized cost using the effective interest method. For Trade and other payables, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

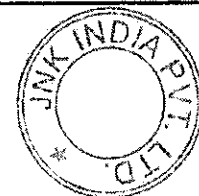
A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

**x. Cash & Cash Equivalents**

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**xi. Inventories**

Inventories are assets held for sale in the ordinary course of business or in the form of materials or supplies to be consumed in the production process or in the rendering of services



Inventories held as on the reporting date are valued at the lower of cost and estimated net realizable value. In some cases, manufacturing work-in-progress is valued at lower of specifically identifiable cost or net realisable value. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is assigned by using the first-in, first-out (FIFO) formula. When inventories are sold or consumed in rendering services, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

**xii. Borrowing Costs**

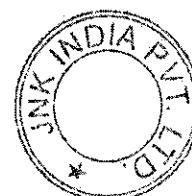
Borrowing costs include Interest and other incidental costs.

General and specific 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 capitalisation.

In case of general borrowings, the borrowing costs are capitalised as per the Indian Accounting Standard 23.

Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted and is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Borrowing costs which are not directly attributable to the acquisition, construction production or development of a qualifying asset are recognised as an expense in the period in which they are incurred.





**xiii. Government Grants**

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

A government grant may take the form of a transfer of a non-monetary asset, such as land or other resources, for the use of the entity. In these circumstances the fair value of the non-monetary asset is assessed and both grant and asset are accounted for at that fair value.

**xiv. Employee Benefits**

**A. Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service.

**B. Post-employment benefits:**

**a. Provident Fund scheme and Employee State Insurance Scheme:**

Eligible employees receive benefits of a state run provident fund and insurance scheme. These are defined contribution plans. Both the eligible employee and the Company make monthly contributions to provident fund plan and the insurance scheme equal to a specified percentage of the covered employees' salary. There are no other obligations other than the contribution payable to the relevant fund/ scheme.

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b. Gratuity scheme

The Company provides for gratuity, a defined contribution retirement plan covering eligible employees. The Gratuity plan provides a lump sum payment to the vested employees at retirement, death, incapacitation or termination of employment of an amount based on the respective employees' salary and tenure with the Company. Liabilities with regard to Gratuity are determined in accordance with the actuarial valuation done by LIC which runs a scheme and a fund to meet the gratuity liability as and when it arises. The Company pays the necessary contribution as determined by LIC. There are no other obligations other than to contribute to the fund managed by LIC.

xv. **Revenue Recognition**

As per Ind AS 115, revenue should be recognized when the performance obligation is satisfied.

Performance obligation is a promise in a contract with customer to transfer to customer either:

- A good or service (or a bundle of goods or services) which is distinct or
- A series of goods or services that are substantially the same and that have same pattern of transfer to the customer.

The company needs to identify the transaction price. Transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods and services to a customer, excluding amounts collected on behalf of third parties.

Such a transaction price needs to be allocated to performance obligations in a contract.

An entity transfers control of a good or service over time and therefore satisfies a performance obligation and recognizes revenue over time if any of the following criteria is met:

- (a) The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs, or

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- (b) The entity creates and enhances an asset which is controlled by customer as it is created or enhanced, or
- (c) The entity's performance does not create an asset with alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

In any other case, revenue is recognized at a point of time.

**xvi. Expenditure**

Expenses are accounted on accrual basis.

**xvii. Taxes on Income**

Tax expense for the year comprises current tax and deferred tax.

Current Tax is determined as the amount of tax payable in respect of the taxable income for the period in accordance with Income Tax Act, 1961.

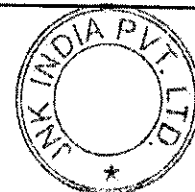
Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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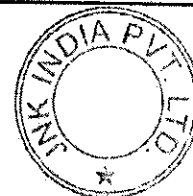
Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

**xviii. Provision**

Provision involving substantial degree of reliable estimation in measurement is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**xix. 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 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 the obligation or a reliable estimate of the amount cannot be made.



**xx. Foreign Currency Transactions**

Since functional currency of the Company is Indian Rupee (INR) which is also the presentation currency, all other currencies are accounted for as foreign currency.

Transactions denominated in foreign currencies entered into by the Company are initially recorded at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies at the year-end are restated at the closing rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Any income or expenditure, either on settlement or on translation, on account of difference in exchange rate as on the reporting date and the exchange rate as on the date of recognition of the item, is recognised in the statement of profit and loss.

**xxi. Earnings per share**

Basic earnings per equity share are computed by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares is adjusted for events such as bonus issue, bonus element in a right issue, share split and reserve share splits (consolidation of shares) that have changed the number of equity shares.

Diluted earnings per equity share are computed by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year adjusted for the effects of all dilutive potential equity shares.

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**xxii. Derivative Financial Instruments**

Derivative financial instruments are those which create rights and obligations that have the effect of transferring between the parties to the instrument one or more of the financial risks inherent in an underlying primary financial instrument.

Derivative financial instruments are recognized and measured at fair value. Attributable transaction costs are recognized in the statement of profit and loss as cost.

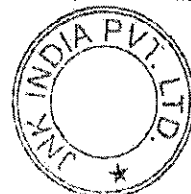
Subsequent to initial recognition, derivative financial instruments are measured as described below:

**a. Cash flow hedges**

Changes in the fair value of the derivative hedging instruments designated as a cash flow hedge are recognized in other comprehensive income and held in cash flow hedging reserve, net of taxes, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss and reported within foreign exchange gains/(losses), net within results from operating activities. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, such cumulative balance is recognized in the statement of profit and loss.

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**b. Other Derivative Instruments**

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges are recognized in the statement of profit and loss and reported within foreign exchange gains, net within results from operating activities.

Changes in fair value and gains/(losses) on settlement of foreign currency derivative instruments relating to borrowings, which have not been designated as hedges are recorded in finance expense.

**xxiii. Leases**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

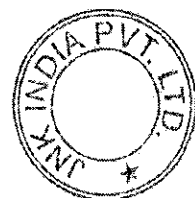
**xxiv. Valuation of interest in subsidiary**

As per Ind AS 27 "Separate financial statements", separate financial statements are prepared in accordance with all applicable Ind AS, except that investment in subsidiary are accounted either:

- (a) At cost
- (b) At fair value through profit & loss as per Ind AS 109

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**JNK India Private Limited**  
CIN: U29268MH2010PTC204223  
Notes Forming Part of Financial Statements for The Year Ended 31st March, 2021

**NOTE 3(a): PROPERTY, PLANT AND EQUIPMENT**

The changes in the carrying value of the property, plant and equipment for the year ended 31st March, 2021  
(Rs. in 000's)

Particulars	Plant and Equipment	Office Equipment	Furniture and Fixtures	Right of Use	Others		Total
					Computers	Temporary Construction	
Gross Carrying Value as on 1st April, 2020	13,240	973	1,315	-	6,306	205	22,041
Additions during the year	-	262	113	34,182	1,818	-	36,376
Deductions during the year	-	-	-	-	-	-	-
Gross Carrying Value as on 31st March, 2021	13,240	1,236	1,429	34,182	8,125	205	58,417
Accumulated Depreciation as on 1st April, 2020	4,954	721	942	-	4,898	192	11,707
Depreciation for the current year	2,287	314	303	8,524	1,728	2	13,158
Accumulated Depreciation on Deletions	-	-	-	-	-	-	-
Gross Carrying Value as on 31st March, 2021	7,241	1,035	1,245	8,524	6,625	195	24,866
Carrying Value as of 31st March, 2021	5,999	200	184	25,658	1,499	10	33,551
Carrying Value as of 31st March, 2020	8,286	252	374	-	1,408	13	10,334

**NOTE 3(b): INTANGIBLE ASSETS**

Particulars	Software
<b>Gross Carrying Amount</b>	
Deemed Cost as at 1st April, 2020	8,121
Additions	64
Deductions during the year	-
Closing Gross Carrying amount	8,185
<b>Accumulated Amortization</b>	
Opening accumulated amortization	6,114
Amortization charged during the year	1,015
Closing accumulated amortization	7,129
Carrying Value as of 31st March, 2021	1,056
Carrying Value as of 31st March, 2020	2,007



**JNK India Private Limited**

CIN: U29268MH2010PTC204223

Notes Forming Part of Financial Statements for The Year Ended 31st March, 2021

<b>NOTE 4: FINANCIAL ASSETS</b>		
	<b>As at 31st Mar, 2021 (Rs. in 000's)</b>	<b>As at 31st Mar, 2020 (Rs. in 000's)</b>
<b>NOTE 4(a): TRADE RECEIVABLES</b>		
<u>Trade Receivables - Unsecured and Considered Good</u>		
Trade Receivables outstanding for more than 6 Months	34,297	43,161
Others	5,13,050	1,74,586
	<b>5,47,347</b>	<b>2,17,747</b>
Less: Allowance for Bad & Doubtful	(7,778)	(5,564)
	<b>5,39,569</b>	<b>2,12,183</b>
<b>NOTE 4(b): CASH &amp; CASH EQUIVALENTS</b>		
	<b>As at 31st Mar, 2021 (Rs. in 000's)</b>	<b>As at 31st Mar, 2020 (Rs. in 000's)</b>
<u>Balances with Banks</u>		
CC A/c with Kotak Mahindra Bank (Secured against Book Debts & Inventories)	586	253
	-	-
Other Bank Balances	78,714	33,043
Cash in Hand	710	565
	<b>80,011</b>	<b>33,861</b>
<b>NOTE 4(c): OTHER FINANCIAL ASSETS</b>		
	<b>As at 31st Mar, 2021 (Rs. in 000's)</b>	<b>As at 31st Mar, 2020 (Rs. in 000's)</b>
<u>Non-Current</u>		
Term Deposits with Bank *	73,112	56,123
<u>Current</u>		
Term Deposits with Bank*	37,603	4,002
	<b>1,10,715</b>	<b>60,124</b>
* Refer Note 25 for details		
<b>NOTE 5: DEFERED TAX ASSET/ LIABILITY</b>		
	<b>As at 31st Mar, 2021 (Rs. in 000's)</b>	<b>As at 31st Mar, 2020 (Rs. in 000's)</b>
Property, Plant and Equipment	-	713
Expected Credit Loss	-	1,350
Gratuity	99	47
ROU Assets - Deduction of lease rental	2,408	-
Total Deferred Tax Assets	<b>2,506</b>	<b>2,110</b>
Deferred Tax Liabilities	(4,535)	(214)
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>(2,029)</b>	<b>1,896</b>

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**JNK India Private Limited**

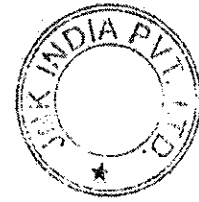
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Notes Forming Part of Financial Statements for The Year Ended 31st March, 2021

	As at 31st Mar, 2021 (Rs. in 000's)	As at 31st Mar, 2020 (Rs. in 000's)
<b>NOTE 6: OTHER NON-CURRENT ASSETS</b>		
Guest House Deposit- Surat	-	120
Guest House Deposit- Thane	-	15
Electricity Deposit	-	88
Security Deposit-Nitco	383	566
Deposit- New office-Interiors	1,290	2,523
Deposit- New office-Centrum	480	1,374
VAT Refund Receivable	1,261	1,261
Deposits with Sales Tax Department	708	733
	<b>4,123</b>	<b>6,681</b>
<b>NOTE 7: INVENTORIES</b>		
Stock in Trade	51,762	3,680
	<b>51,762</b>	<b>3,680</b>
<b>NOTE 8: OTHER CURRENT ASSETS</b>		
<u>Deposits</u>		
Guest House Deposit	532	742
Interest Free Refundable Deposit- Adani Ports	15,182	-
Earnest Money Deposit to Client	2,392	1,919
<u>Advances other than capital advances</u>		
Advances to Suppliers	1,65,193	3,230
Advances to Consultant	-	3
Advances to Staff	-	2,480
<u>Others</u>		
Prepayments	9,512	6,475
GST Input Credit (Normal)	58,833	6,973
GST Input Credit (RCM)	432	299
GST Input (Eligible out of previous reversal)	1,523	13,706
GST Unrealised	7,546	-
GST TDS input	899	1,642
TCS Receivable FY 2020-21	183	-
Retention- Debtors	84,968	15,608
Loan to Employees	692	470
Accrued Interest	10	260
	<b>3,47,896</b>	<b>53,807</b>

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**JNK India Private Limited**

CIN: U29268MH2010PTC204223

Notes Forming Part of Financial Statements for The Year Ended 31st March, 2021

<b>NOTE 9: EQUITY</b>				
<b>NOTE 9(a): EQUITY SHARE CAPITAL</b>	<b>As at 31st Mar, 2021 (Rs. in 000's)</b>		<b>As at 31st Mar, 2020 (Rs. in 000's)</b>	
<b>AUTHORISED</b>				
20,00,000 Equity Shares of Rs.10/- each	20,000		20,000	
	<b>20,000</b>		<b>20,000</b>	
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>				
6,00,000 Equity Shares of Rs.10/- each fully paid	6,000		6,000	
	<b>6,000</b>		<b>6,000</b>	
<b>a. Reconciliation of Shares outstanding as at the beginning and at the end of the reporting period.</b>				
	<b>As at 31st March, 2021 (000's)</b>		<b>As at 31st March, 2020 (000's)</b>	
	<b>Number</b>	<b>Rs.</b>	<b>Number</b>	<b>Rs.</b>
At the beginning of the Period	600	6,000	600	6,000
Issued during the year	NIL	NIL	NIL	NIL
<b>Outstanding at the end of the period</b>	<b>600</b>	<b>6,000</b>	<b>600</b>	<b>6,000</b>
<p>The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets on winding up. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture. On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after meeting all liabilities, in proportion to the number of equity shares held.</p>				
<b>b. Details of Shareholders holding more than 5 % of Ordinary Shares</b>				
	<b>As at 31st March, 2021 (000's)</b>		<b>As at 31st March, 2020 (000's)</b>	
<b>Name of the Shareholders</b>	<b>Number</b>	<b>% Holding</b>	<b>Number</b>	<b>% Holding</b>
Mascot Capital & Marketing Pvt Ltd	312	52%	312	52%
JNK Heaters Co. Ltd	156	26%	156	26%
R.Goutam	72	12%	72	12%
Dipak Bharuka	60	10%	60	10%
	<b>600</b>	<b>100%</b>	<b>600</b>	<b>100%</b>
<b>NOTE 9(b): OTHER EQUITY</b>				
	<b>As at 31st Mar, 2021 (Rs. in 000's)</b>		<b>As at 31st Mar, 2020 (Rs. in 000's)</b>	
<b>Retained Earnings</b>				
At the Beginning of the Accounting Period		2,04,346		1,17,156
Additions During the Year		1,64,502		87,191
Less Deposit Amount Written off		(25)		-
Less Short Provision of earlier year written off		(338)		-
Less Dividend Paid FY 2020-21		(6,000)		-
Less Lease Liabilities of Earlier year written off		(554)		-
		<b>3,61,930</b>		<b>2,04,347</b>

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**JNK India Private Limited**

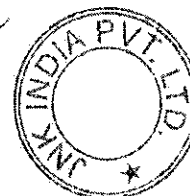
CIN: U29268MH2010PTC204223

Notes Forming Part of Financial Statements for The Year Ended 31st March, 2021

	As at 31st Mar, 2021 (Rs. in 000's)	As at 31st Mar, 2020 (Rs. in 000's)
<b>NOTE 10(a) : BORROWINGS**</b>		
<b>Non-Current</b>		
<u>Secured</u>		
Car Loans	2,531	3,883
<u>Unsecured</u>		
Loans from Directors	-	-
	<b>2,531</b>	<b>3,883</b>
<b>Current</b>		
<u>Secured</u>		
Balance in CC Account - SBI	85,121	-
	<b>85,121</b>	<b>-</b>
<b>** Refer Note 26 for details</b>		
<b>NOTE 10(b): LEASE LIABILITIES</b>	<b>As at 31st Mar, 2021 (Rs. in 000's)</b>	<b>As at 31st Mar, 2020 (Rs. in 000's)</b>
office & Interior Leases	17,802	-
	<b>17,802</b>	<b>-</b>
<b>NOTE 10(c): TRADE PAYABLES</b>	<b>As at 31st Mar, 2021 (Rs. in 000's)</b>	<b>As at 31st Mar, 2020 (Rs. in 000's)</b>
<u>Trade Payables- Other than MSME</u>		
Creditor for Expenses	1,36,895	45,996
Creditor for Goods	90,233	11,650
<u>Trade Payables - Covered under MSME</u>		
Creditor for Expenses	16,485	8,735
	<b>2,43,613</b>	<b>66,382</b>
<b>NOTE 11: PROVISIONS</b>	<b>As at 31st Mar, 2021 (Rs. in 000's)</b>	<b>As at 31st Mar, 2020 (Rs. in 000's)</b>
<b>Current</b>		
Provision for Car Hiring Charges	902	1,042
Provision for Warranty	5,775	5,775
Provision for Professional fees	52	148
Provision for Statutory Audit fees	694	450
Provision for GST Audit fees	786	-
Provision for transportation Charges	1,500	-
<u>Provision for Employee Benefits</u>		
Group Gratuity	600	292
	<b>10,309</b>	<b>7,707</b>

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**JNK India Private Limited**

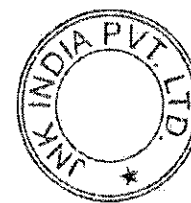
CIN: U29268MH2010PTC204223

Notes Forming Part of Financial Statements for The Year Ended 31st March, 2021

	As at 31st Mar, 2021 (Rs. in 000's)	As at 31st Mar, 2020 (Rs. in 000's)
<b>NOTE 12: CURRENT TAX LIABILITIES</b>		
Provision for Tax Payable FY 2020-21 ( Net of TDS and Advance Tax)	22,218	-
Provision for Tax Payable FY 2019-20 ( Net of TDS and Advance Tax)	-	12,465
	<b>22,218</b>	<b>12,465</b>
<b>NOTE 13: OTHER CURRENT LIABILITIES</b>		
	As at 31st Mar, 2021 (Rs. in 000's)	As at 31st Mar, 2020 (Rs. in 000's)
Lease Liabilities	9,566	-
Advance from Clients	1,88,403	40,338
Reimbursement Staff	525	586
<u>Duties and Taxes Payable</u>		
TDS Payable	62,837	10,459
GST Payable	51,041	2,251
TCS Payable	227	-
Retention Money of Suppliers	13,111	9,984
Salary Payable	4,697	6,912
Incentive Payable- Employees	38,400	9,351
Incentive Payable- Directors	44,989	-
Bonus Payable	995	994
Profession Tax Payable- Labour	13	15
ESIC Employee Contribution	1	2
P.F.Employee Contribution	254	218
P.F.Labour Employee Contribution	172	304
Profession Tax Payable-Employees	20	18
Deposits from Labour( Refundable)	25	-
Car Loans (Current Liability Portion)	1,852	2,358
	<b>4,17,130</b>	<b>83,790</b>

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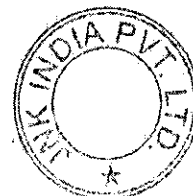
**JNK India Private Limited**

CIN: U29268MH2010PTC204223

Notes Forming Part of Financial Statements for The Year Ended 31st March, 2021

NOTE 14: REVENUE FROM OPERATIONS	For the year ended 31st March, 21 (Rs. in 000's)	For the year ended 31st March, 20 (Rs. in 000's)
<b>A. Revenue from Contracts</b>		
<b>Sale of Goods(Traded Goods)</b>		
Domestic Goods	4,21,728	2,17,406
Export	1,16,354	62,975
<b>Sale of Services</b>		
Domestic Supply	77,455	4,78,295
Export	5,90,283	2,57,916
	<b>12,05,820</b>	<b>10,16,593</b>
<b>Disaggregate revenue information</b>		
Supply of goods	5,38,082	2,80,381
Engineering service	1,84,611	22,182
Erection & Commissioning Charges	4,54,314	3,93,083
Works contract charges	28,813	3,20,947
<b>Total</b>	<b>12,05,820</b>	<b>10,16,593</b>
<b>B. Other Revenue</b>		
Duty Drawback Received	266	2,186
Duty credit scrip sold	8,948	1,811
<b>Total (B)</b>	<b>9,213</b>	<b>3,997</b>
<b>Total (A+B)</b>	<b>12,15,033</b>	<b>10,20,590</b>

NOTE 15: OTHER INCOME	For the year ended 31st March, 21 (Rs. in 000's)	For the year ended 31st March, 20 (Rs. in 000's)
Interest on Fixed Deposits	4,684	1,383
Interest on Loan Recd	72	-
Write-back of Trade payables	916	3,635
Gain on foreign exchange fluctuations	-	2,636
Bad debts Recovered	-	2,135
Expenses Provision Write Back	72	-
Notional Interest - Ind AS 109	190	237
Sale of Scrap	-	1,020
Notice Pay Recovery	79	94
Misc Income	3	70
	<b>6,017</b>	<b>11,210</b>



**JNK India Private Limited**

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Notes Forming Part of Financial Statements for The Year Ended 31st March, 2021

NOTE 16: CHANGES OF STOCK IN TRADE	For the year ended 31st March, 21 (Rs. in 000's)	For the year ended 31st March, 20 (Rs. in 000's)
Opening Stock	3,680	43,020
Less: Closing Stock	(51,762)	(3,680)
<b>(Increase)/ Decrease in Inventories</b>	<b>(48,082)</b>	<b>39,340</b>
<b>NOTE 17: EMPLOYEE BENEFIT EXPENSES</b>		
	For the year ended 31st March, 21 (Rs. in 000's)	For the year ended 31st March, 20 (Rs. in 000's)
<b>Salaries and Wages:</b>		
a) Salaries	1,79,182	1,18,206
b) Director's Remuneration	1,35,600	62,900
<b>Contribution to Provident Fund and Other Funds:</b>		
a) Provident Fund	4,681	3,011
b) Gratuity Scheme	921	392
c) Employees State Insurance Fund	78	77
d) Maharashtra Labour welfare Fund	11	7
<b>Welfare Expenses</b>		
a) Ex Gratia	1,617	1,605
b) Staff Welfare	2,418	2,153
c) Staff Insurance	1,750	639
	<b>3,26,260</b>	<b>1,88,990</b>



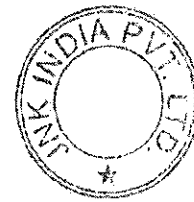


**JNK India Private Limited**

CIN: U29268MH2010PTC204223

Notes Forming Part of Financial Statements for The Year Ended 31st March, 2021

<b>NOTE 18: FINANCE COSTS</b>	<b>For the year ended 31st March, 21 (Rs. in 000's)</b>	<b>For the year ended 31st March, 20 (Rs. in 000's)</b>
<b>a) Interest</b>		
Interest on Overdraft/ Cash Credit Facility	121	112
Interest on Car Loan	501	626
Interest on Office Lease	1,724	-
Interest on Interior & Furniture Lease	474	-
<b>b) Other Borrowing Costs</b>		
LC Amendment & Stamp Duty Charges	14	77
Bank Guarantee charges	623	1,449
LC issuance charges	18	-
Exchange Fluctuation Loss	6,642	-
Facility fees	983	-
Loan Processing fees	2,037	-
Bank charges	187	105
CC Renewal Charges	156	446
	<b>13,481</b>	<b>2,816</b>
<b>NOTE 19: DEPRECIATION &amp; AMORTIZATION EXPENSES</b>	<b>For the year ended 31st March, 21 (Rs. in 000's)</b>	<b>For the year ended 31st March, 20 (Rs. in 000's)</b>
Depreciation of Tangible Assets	4,634	3,848
Amortization of Intangible Assets	1,015	1,441
Amortization of Leases	8,524	-
	<b>14,173</b>	<b>5,289</b>



**JNK India Private Limited**

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Notes Forming Part of Financial Statements for The Year Ended 31st March, 2021

NOTE 20: OTHER EXPENSES	For the year ended 31st March, 21 (Rs. in 000's)	For the year ended 31st March, 20 (Rs. in 000's)
<b><u>Project Expenses</u></b>		
Detailed Engineering Charges	2,028	144
Fabrication Charges	-	3,245
Insurance	10,684	-
Air Shipment Charges	331	380
Technical Service charges	4,488	4,191
Catalyst Loading & Unloading	3,020	11,809
Truck & Trailer Hiring	-	160
Civil Work	190	1,743
DORC Nigeria Project Expenditure	29,579	55,796
Erection & Commissioning Charges	47,361	74,057
Site Rent	17	-
Site Power & Water	1,273	-
Electrical & Instrumentation charges	562	2,137
Incentive to Supplier	12	-
Inspection Testing Charges	3,439	5,273
Site Expenses	1,056	2,393
Refractory Application Works	9,577	6,086
Crane Hire	1,400	8,319
Manpower Cost	8,522	13,704
Data Entry Charges	3,178	-
Design & Drafting Work	1,708	1,486
Insulation work charges	6,350	760
Rolling & Bending work	-	784
Packing & Forwarding Charges	559	240
Misc debits/credits	(0)	-
Supervision charges	189	-
Consultancy Charges paid	-	298
Rent on Machinery	415	-
Torquing charges	150	-
Pickling and Passivation Expenses	-	321
Freight & Transportation Charges	9,328	47,806
Clearing & Forwarding Charges	2,011	3,072
LD Charges	557	15,864
<b>Total (a)</b>	<b>1,47,984</b>	<b>2,60,067</b>



**JNK India Private Limited**  
CIN: U29268MH2010PTC204223

Notes Forming Part of Financial Statements for The Year Ended 31st March, 2021

NOTE 20: OTHER EXPENSES	For the year ended 31st March, 21 (Rs. in 000's)	For the year ended 31st March, 20 (Rs. in 000's)
<b>Other Expenses</b>		
Legal, Professional & Consultancy Charges	1,40,190	88,039
Traveling & Conveyance	11,226	23,291
Office/Guest house Rent	1,752	9,617
Hotel Expenses	381	4,279
Food Expenses	402	1,956
Lunch & Dinner Expenses	363	803
Tea & Refreshments	283	200
Office Maintenance	13	1,323
Office Expenses	278	2,444
House keeping Charges	170	73
Commission Charges	31,248	-
Guest House Expenses	1,323	1,561
Tender Charges	56	-
Statutory Audit Fees	750	500
GST Audit fees	850	-
ROC filing Fees	6	42
Bad debts	28,732	539
Software Expenses	203	545
Miscellaneous Expenses	28	392
Printing & Stationery	1,234	1,643
Telephone & Internet Charges	646	668
Rates & Taxes	2,947	4,116
Provision for bad debts	2,214	2,915
Repairs & Maintenance	1,537	1,540
Handling Charges	288	65
AMC Charges	515	612
Training & Recruitment Charges	259	118
Sponsorship Fees	-	122
Insurance	197	1,278
Business Promotion Expenses	711	1,654
Interest on Statutory Payments	1,872	1,426
Penalty on statutory payments	34	-
Donation	11	-
CSR Expenses	1,606	-
Late Payment Charges	-	0
ISO certification charges	16	-
Registration fees	-	62
Rent- Vending Machine	12	-
Rent- Machinery	-	102
Legal Expenses	-	75
Seminar fees	25	8
Penalty for Safety Violation	-	10
Petrol & Fuel	1,235	709

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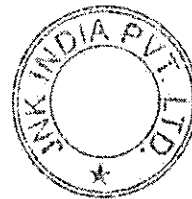
**JNK India Private Limited**  
CIN: U29268MH2010PTC204223

**Notes Forming Part of Financial Statements for The Year Ended 31st March, 2021**

Postage & Courier	449	428
Electricity Exp	993	413
Warranty Provision	-	4,195
Notional Expenses	212	274
Container Hiring Charges	18	128
Car Hiring Charges	1,480	4,131
Water Charges	7	2
<b>Total</b> (b)	<b>2,36,771</b>	<b>1,62,298</b>
<b>Total</b> (a+b)	<b>3,84,755</b>	<b>4,22,365</b>

<b>NOTE 21: CURRENT TAX</b>	<b>For the year ended 31st March, 21 (Rs. in 000's)</b>	<b>For the year ended 31st March, 20 (Rs. in 000's)</b>
Current Tax for the profits of current period	59,407	30,879
Short Provision of Previous year	-	614
<b>Total</b>	<b>59,407</b>	<b>31,492</b>

<b>NOTE 22: DEFFERED TAX</b>	<b>For the year ended 31st March, 21 (Rs. in 000's)</b>	<b>For the year ended 31st March, 20 (Rs. in 000's)</b>
Deferred tax Expenses/(Income)	3,925	(1,259)
<b>Total</b>	<b>3,925</b>	<b>(1,259)</b>

**JNK India Private Limited**

CIN: U29268MH2010PTC204223

Notes Forming Part of Financial Statements for The Year Ended 31st March, 2021

Reconciliation of Tax Expense and Accounting profit multiplied by Tax Rate		
Particulars	For the year ended 31st March, 21 (Rs. in 000's)	For the year ended 31st March, 20 (Rs. in 000's)
Accounting Profit before Tax	2,27,834	1,17,424
Enacted Income Tax Rate	25.17%	25.17%
Computed expected tax expense	57,341	29,553
<b><u>ADD: Effect of expenses disallowed</u></b>		
Depreciation as per Companies Act, 2013	3,567	1,331
Expenses inadmissible	1,421	298
Provision for Bad and Doubtful Debts	557	734
Provision for Gratuity	(99)	25
<b><u>LESS: Effect of expenses allowed</u></b>		
Depreciation as per Income Tax Act, 1961	973	1,002
Notional interest not having any tax implication	-	60
Actual Rent Expense Allowed (for Leases)	2,408	-
Add: Short Provision in previous year	-	614
<b>Provision made as per accounts</b>	<b>59,407</b>	<b>31,493</b>
<b>Effective tax rate</b>	<b>26.07%</b>	<b>26.82%</b>

NOTE 23: CONTINGENT LIABILITIES	For the year ended 31st March, 21 (Rs. in 000's)	For the year ended 31st March, 20 (Rs. in 000's)
Bank guarantees Pending at the end of the year	94,173	84,602
<b>Pending Statutory Demands at the end of the year:</b>		
Income Tax (A.Y. 2013-14)	1,995	1,995
CST (F.Y. 2011-12)	10,532	10,532
CST (F.Y. 2013-14)	2,613	2,613
<p>The Income Tax Demands for AY 2013-14 relate to disallowance of TDS Credit pertaining to income booked in the relevant Assessment Years but appearing in Form 26AS of the subsequent Assessment Years. The company has submitted online responses disagreeing with the Demands.</p> <p>The CST Demand for FY 2011-12 is due to disallowance of Sales u/s 6(2) of the CST Act, 1956 by the Department during Assessment for which the company has filed an appeal. The Final Hearing has been done with Deputy Commissioner of Sales Tax on 07.03.2017. The outcome of this matter is expected to come in a positive manner and these probable liability may get waive off in future.</p> <p>The CST Demand for FY 2013-14 pertains to CST liability due to non-Submission of C Forms. The Company has filed Appeal with Deputy Commissioner of Sales Tax (Appeals) against the order of Assistant Commissioner of Sales Tax. The Hearing was concluded and the Order is pending.</p>		





**JNK INDIA PRIVATE LIMITED**

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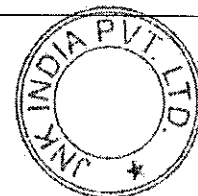
Notes Forming Part of Financial Statements for The Year Ended 31st March,  
2021**NOTE 24: EARNINGS PER SHARE**

Particulars	For the period ended 31st March, 2021 (Rs. in 000's except EPS and Per Share Data)	For the period ended 31st March, 2020 (Rs. in 000's except EPS and Per Share Data)
Profit attributable to equity Shareholders	1,64,502	87,191
Weighted Average number of Equity Shares Outstanding during the year	600	600
Basic EPS (in Rs.)	274.17	145.32
Diluted EPS (in Rs.)	274.17	145.32
Nominal value per share (Rs.)	10	10

**NOTE 25: DISCLOSURES WITH RESPECT TO TERM DEPOSITS (REFER  
NOTE 4(c))**

Particulars		2020-21 (Rs. in 000's)	2019-20 (Rs. in 000's)
Maturity	Type		
3-12 Months	Earmarked Balances**	31,386	4,002
	Others	6,217	-
More than 12 Months	Earmarked Balances**	73,112	56,123
	Others	-	-
Total		1,10,715	60,125

\*\* Earmarked Balances are Bank Balances specifically maintained for providing Bank Guarantees for the Projects

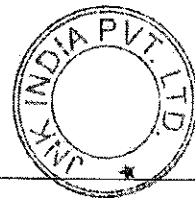


**NOTE 26: DISCLOSURES WITH RESPECT TO BORROWINGS (REFER NOTE 10a)**

Particulars	Borrowings (Rs. in 000's)				
	<u>Car Loan from Kotak Mahindra</u>	<u>Car Loan from Yes Bank</u>	<u>Car Loan from Yes Bank</u>	<u>Car Loan from Kotak Mahindra</u>	<u>State Bank of India - CC Account</u>
Instalment per Month (Rs.)	28	77	63	28	NA
EMI (Nos.) Outstanding as on 31/3/20	44	49	16	48	NA
EMI (Nos.) Outstanding as on 31/3/21	32	37	4	36	NA
Rate of Interest	9.48%	8.60%	9.40%	9.48%	
Amount outstanding as on 31.03.2021	796	2,478	246	864	85,121
Amount outstanding as on 31.03.2020	1,046	3,139	944	1,111	-
Total Instalments	60	60	60	60	NA
First Instalment	December-18	May-19	July-18	March-19	NA
Secured Against	Hyundai Car	BMW Car	MG Hector	Hyundai Car	Book Debts, Inventories

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## NOTE 27: RELATED PARTY DISCLOSURES

### A. Related Parties:

**Holding Company** - Mascot Capital & Marketing Pvt. Ltd.

**Investor Company** - JNK Heaters Co. Ltd, Korea

**Wholly Owned Subsidiary**- JNK India Pvt. FZE

**Directors** –

Mr. Arvind Kamath

Mr. R. Goutam

Mr. B H Kim

**Relative of Director**- Ms. Prajwal Kamath

**Key Management Personnel (KMP)** – Mr. Dipak Bharuka, CEO

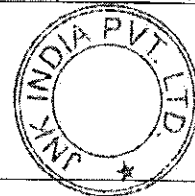
**Relative of KMP** – Ms. Priya Bharuka

**Entity with Joint/ Common Control** -  
JNK Heaters Co. Ltd. (Project Office India),  
Mascot Dynamics Pvt Ltd,  
Mascot Business Solutions Pvt. Ltd,  
Porvair Filtration India Pvt. Ltd.

### B. Related Party Transactions:

Transactions with the related parties as defined in the Accounting Standard are given below:

Name of related party	Relationship	Nature of transaction	For the year ended 31 <sup>st</sup> March, 2021 (Rs. in 000's)	For the year ended 31 <sup>st</sup> March, 2020 (Rs. in 000's)
Arvind Kamath	Director	Director's Remuneration	82,000	38,800
Arvind Kamath	Director	Reimbursement of expenditure	20	144
Prajwal Kamath	Relative of Director	Rent Paid	NIL	180
B.H.Kim	Director	Legal and Professional Fees	14,800	12,800

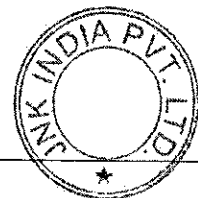


Name of related party	Relationship	Nature of transaction	For the year ended 31 <sup>st</sup> March, 2021 (Rs. in 000's)	For the year ended 31 <sup>st</sup> March, 2020 (Rs. in 000's)
R. Goutam	Director	Director's Remuneration	53,600	24,100
R. Goutam	Director	Reimbursement of expenditure	37	280
Dipak Bharuka	CEO	Remuneration (Including Bonus and Arrears)	47,296	33138
Dipak Bharuka	CEO	Reimbursement of Expenses	319	903
Priya Bharuka	Relative of Key Person	Professional Fees	4,000	1,125
Mascot Business Solutions Pvt Ltd	Entity with Joint or Common Control	Professional Services	NIL	14,003
JNK Heaters Co. Ltd, Korea	Investor company	Sale of Service	4,47,767	2,57,916
JNK Heaters Co. Ltd, Korea	Investor Company	Expenses for services & reimbursement given	NIL	764
JNK Heaters Co. Ltd, Korea	Investor Company	Sale of Goods	42,856	63,504
JNK Heaters Co. Ltd, Korea	Investor company	Reimbursement of expenditure(Recd )	NIL	390
JNK Heaters Co. Ltd, Korea	Investor company	Advances Recd in course of business	83,808	1,08,037

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Name of related party	Relationship	Nature of transaction	For the year ended 31 <sup>st</sup> March, 2021 (Rs. in 000's)	For the year ended 31 <sup>st</sup> March, 2020 (Rs. in 000's)
Mascot Capital & Marketing Pvt. Ltd.	Holding Company	Legal & Professional Fees- Engineering & Consultancy Services	3,425	577
Mascot Dynamics Pvt. Ltd	Entity with Joint or Common Control	Sale of duty credit scrips	8,948	1,811
Mascot Dynamics Pvt. Ltd	Entity with Joint or Common Control	Reimbursement of Expenses	7	NIL
Mascot Dynamics Pvt. Ltd	Entity with Joint or Common Control	Loan Given	30,000	NIL
Porvair Filtration India Pvt Ltd	Entity with Joint or Common Control	Sale of goods	40	66,550
Porvair Filtration India Pvt Ltd	Entity with Joint control	Sale of Service	NIL	150
Porvair Filtration India Pvt Ltd	Entity with Joint or Common Control	Advances Recd in course of business	NIL	47
JNK Heaters Co. Ltd (POI)	Entity with Joint or Common Control	Sale of Engineering, Erection & Works contract Services	2,56,150	3,67,326
JNK Heaters Co. Ltd (POI)	Entity with Joint or Common Control	Reimbursement of expenditure (Recd )	NIL	5



Name of related party	Relationship	Nature of transaction	For the year ended 31 <sup>st</sup> March, 2021 (Rs. in 000's)	For the year ended 31 <sup>st</sup> March, 2020 (Rs. in 000's)
JNK Heaters Co. Ltd (POI)	Entity with Joint or Common Control	Advances Recd in course of business	1,49,742	NIL
JNK India Pvt. FZE	Wholly Owned Subsidiary	Erection Service Charges – Expenses	30,010	56,710
JNK India Pvt. FZE	Wholly Owned Subsidiary	Advances given in course of business	33,548	17,697
JNK India Pvt. FZE	Wholly Owned Subsidiary	Reimbursement of expenses	4,305	1,315

**C. Related Party Balances:**

Following are the related party outstanding balances:

Name of the Related Party	Relationship	Nature of Balance	As on 31 <sup>st</sup> March, 2021 (Rs. in 000's)	As on 31 <sup>st</sup> March, 2020 (Rs. in 000's)
JNK Heater Co. Ltd, Korea	Investor Company	Trade Payable	1,357	1,357
B.H.Kim	Director	Professional Fees Payable	2,817	9,144
JNK Heaters Co. Ltd – POI	Entity with Joint/Common Control	Trade Receivable	2,07,967	87,334

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Name of the Related Party	Relationship	Nature of Balance	As on 31 <sup>st</sup> March, 2021 (Rs. in 000's)	As on 31 <sup>st</sup> March, 2020 (Rs. in 000's)
JNK Heaters Co. Ltd – POI	Entity with Joint/Common Control	Advance Recd in course of business	97,627	<i>NIL</i>
JNK Heaters Co. Ltd, Korea	Investor Company	Trade Receivable	72,198	69,753
JNK Heaters Co. Ltd, Korea	Investor Company	Advance Recd in course of business	88,585	40,291
Mascot Capital & Marketing Pvt. Ltd.	Holding Company	Engineering & Consultancy Services	54	<i>Nil</i>
Mascot Dynamics Pvt Ltd	Entity with Joint/common control	Trade Receivable	Nil	1,811
Porvair Filtration India Pvt. Ltd	Entity with Joint/common control	Trade Receivable	Nil	39,286
Porvair Filtration India Pvt. Ltd	Entity with Joint/common control	Advance Recd in course of business	Nil	47
Mascot Business Solutions Pvt. Ltd	Entity with Joint/common control	Professional Services	Nil	15,123
JNK India Pvt. FZE	Wholly Owned Subsidiary	Erection Service Charges – Expenses	Nil	173



Name of the Related Party	Relationship	Nature of Balance	As on 31 <sup>st</sup> March, 2021 (Rs. in 000's)	As on 31 <sup>st</sup> March, 2020 (Rs. in 000's)
JNK India Pvt. FZE	Wholly Owned Subsidiary	Reimbursement of expenses-Given	2,673	1,315
Priya Bharuka	Relative of Key Person	Professional Services	2,428	450
Arvind Kamath	Director	Director's Remuneration	27,508	(386)
R Goutam	Director	Director's Remuneration	17,481	468
R Goutam	Director	Reimbursement of expenditure	158	188
Dipak Bharuka	CEO	Remuneration	15,765	2,440
Dipak Bharuka	CEO	Reimbursement of expenditure	176	115

*[Handwritten Signature]*



**NOTE 28(A): NET GAIN OR LOSS ON FOREIGN CURRENCY TRANSLATION**

Particulars	FY 2020-21 (Rs. In 000's)	FY 2019-20 (Rs. In 000's)
Net Loss/(gain) on Foreign Exchange Fluctuations	6,642	(2,636)

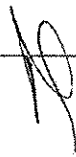

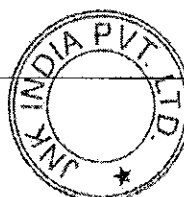
**NOTE 28(B): FOREIGN CURRENCY TRANSACTIONS**

Particulars	FY 2020-21			FY 2019-20		
	Amt in USD (In 000's)	Amount in Euro (In 000's)	Amt in INR(In 000's)	Amt in USD (In 000's)	Amt in Euro (In 000's)	Amount in INR (In 000's)
Expenditure in foreign currency	965	NIL	71,200	1,145	128	93,218
Earnings in foreign currency	9,368	168	7,06,637	4,505	NIL	3,20,892

**NOTE 28(C): FOREIGN EXCHANGE EARNINGS AND OUTGO**

Details of earnings in foreign exchange:

Particulars	FY 2020-21 (Rs. In 000's)	FY 2019-20 (Rs. In 000's)
Export of goods calculated on FOB basis	1,16,354	62,975
Professional and Consultancy fees	-	796
Other Income	5,90,283	257,120
<b>Total Earning in foreign Exchange</b>	<b>7,06,637</b>	<b>3,20,892</b>

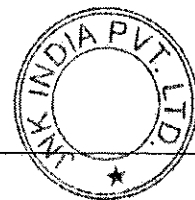
**Details of expenditure in foreign exchange:**

<b>Particulars</b>	<b>FY 2020-21 (Rs. In 000's)</b>	<b>FY 2019-20 (Rs. In 000's)</b>
Import of goods calculated on CIF basis		
(i) Raw Material		
(ii) Component and spare parts	11,871	18,688
	-	5,020
Professional and Consultancy fees	26,948	12,800
Other expenditure	32,381	56,710
<b>Total Expenditure in Foreign Exchange</b>	<b>71,200</b>	<b>93,218</b>

**NOTE 29: PAYMENTS MADE TO THE AUDITOR**

<b>Particulars</b>	<b>FY 2020-21 (Rs. In 000's)</b>	<b>FY 2019-20 (Rs. In 000's)</b>
As Auditors	750	500
<b>Total</b>	<b>750</b>	<b>500</b>

*AP* *Wob*



**NOTE 30: FAIR VALUE MEASUREMENT**

**A. Financial Instruments by Category (As on 31<sup>st</sup> March, 2021)**

The fair value of cash and cash equivalents, trade receivables, unbilled revenues, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's long-term debt has been contracted at market rates of interest. Accordingly, the carrying value of such long-term debt approximates fair value. Investments in liquid and short-term mutual funds, which are classified as FVTPL are measured using net asset values at the reporting date multiplied by the quantity held. Fair value of investments in equity instruments classified as FVTOCI is determined using market and income approaches.

The bifurcation of financial instruments by category is as follows: (Rs. In 000's)

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
<b>Assets – Non Current</b>	-	-	-	-
Other financial Assets	-	73,112	-	56,123
<b>Assets- Current</b>	-	-	-	-
Trade Receivables	-	5,39,569	-	2,12,183
Cash and Cash Equivalents	-	80,008	-	33,861
Loans	-	-	-	-
Other financial Assets	-	37,603	-	4,002
<b>TOTAL</b>	-	<b>7,30,292</b>	-	<b>3,06,169</b>
<b>Liabilities</b>				
Borrowings		4,384		6,241
Lease Liability	-	27,368	-	-
Trade Payables	-	2,43,613	-	66,382
<b>TOTAL</b>	-	<b>2,75,365</b>	-	<b>72,623</b>





## B. Fair Value Hierarchy

The fair values of the financial assets and liabilities are the amounts that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and

(b) Measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Indian Accounting Standards. An explanation for each level is given below.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Instruments in the level 2 category for the Company include foreign exchange forward contracts.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in this level.

## C. Financial Assets (other than investment in subsidiaries) and liabilities measured at fair value through profit or loss at each reporting date

(Rs. In 000's)

Particulars	As at 31 <sup>st</sup> March, 2021 Level 3	As at 31 <sup>st</sup> March, 2020 Level 3
Other non-current Financial assets (Fixed Deposits)	NIL	NIL





**Non-current financial assets (other than investment in subsidiaries) and liabilities measured at amortised cost at each reporting date**

(Rs. In 000's)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
	Level 3	Level 3
Loans	-	-
Borrowings	4,384	6,241
Lease Liability	27,368	-

- a. The Company's borrowings have been contracted at market rates of interest. Accordingly, the carrying value of such borrowings (including interest accrued but not due) is approximately equal to the fair value.

The carrying amounts of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, current loans, other current financial assets, current borrowings, trade payables and other financial liabilities are approximately equal to their fair values due to the short-term maturities of these financial assets / liabilities.

- b. There have been no transfers between level 1, level 2 and level 3 for the years ended 31st March, 2021.

**D. Fair value of assets measured at amortized cost**

(Rs. In 000's)

Particulars	31st March 2021		31st March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
<b>Other non-current assets</b>				
Guest House Deposit	NIL	NIL	135	135
Office Deposit	1,770	1,770		
<b>Total financial assets</b>	<b>1,770</b>	<b>1,770</b>	<b>135</b>	<b>135</b>
<b>Financial Liabilities</b>				
Borrowings	4,384	4,384	6,241	6,241
Lease Liability	27,368	27,368	-	-
<b>Total financial liabilities</b>	<b>31,752</b>	<b>31,752</b>	<b>6,241</b>	<b>6,241</b>

*[Handwritten signatures]*



## NOTE 31: FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments: -

### A. Credit risk

i. Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and other financial instruments. Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed upon. Details of the same have been discussed below.

### ii. Exposure to Risk

#### a. Trade receivables

The Company extends credit to customers in the normal course of business. The Company considers factors such as financial conditions / market practices, credit track record in the market, analysis of historical bad debts and past dealings for extension of credit to customers. Individual credit limits are set accordingly. The Company monitors the payment track record of the customers and ageing of receivables. Outstanding customer receivables are regularly monitored. The Company considers the concentration of risk with respect to trade receivables as low.

#### b. Ageing Analysis of debtors as on:

Particulars	As on 31 <sup>st</sup> March, 2021 (Rs. In 000's)	As on 31 <sup>st</sup> March, 2020 (Rs. In 000's)
Up to 60 days	4,53,849	51,441
60 days to 90 days	28,783	91,878
91 days to 180 days	30,418	31,267
181 days to 1 year	8,406	31,187
1 year to 3 years	22,600	8,954
More than 3 years	3,291	3,020
	<b>5,47,347</b>	<b>2,17,747</b>



c. Change in allowance for Bad and Doubtful Debts

Particulars	As on 31 <sup>st</sup> March, 2021 (Rs. In 000's)	As on 31 <sup>st</sup> March, 2020 (Rs. In 000's)
As at the beginning of the Year	5,564	2,648
Provisions during the year	4,159	5,072
Utilised during the year	1,945	2,157
As at the end of the year	7,778	5,564

d. Other financial instruments

The Company considers factors such as track record, size of the institution, market reputation, financial strength/rating and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions from which the Company has also availed borrowings.

**B. Liquidity Risk**

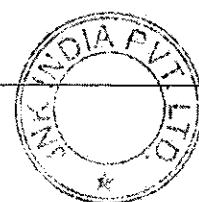
- i. Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade payables and other financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. It maintains adequate sources of financing including loans, debt and other borrowings,

ii. Exposure to Risk:

The company has sufficient Bank balance to discharge it's immediate cash flows.

Particulars	(Rs. 000's)		
	Less than 1 year	Between 1 to 5 years	Exceeding 5 years
Borrowings (Including current liability)	86,973 (2,358)	2,531 (3,883)	- (-)
Lease Liability (Including current liability)	9,566 (-)	17,802 (-)	- (-)
Trade Payables	2,43,613 (66,382)	- (-)	- (-)

*[Handwritten signature]*



Particulars	Less than 1 year	Between 1 to 5 years	Exceeding 5 years
Other Current Liabilities	4,05,712 (81,432)	- (-)	- (-)

*Figures in bracket pertain to Previous Year.*

### C. Market Risk

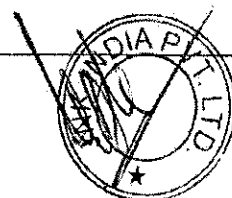
i. Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

#### ii. Exposure to Risk

The Company has entered into Construction contracts wherein the revenue is receivable in foreign currency. These are not hedged.

Following are the receivables and payables, value of which will be affected by fluctuations in foreign exchange rates.

Particulars	Amount in USD 000's	Amount in Euro 000's
<b><u>Receivables</u></b>		
JNK Heaters Co. Ltd., Korea	786 (926)	168 (-)
Dangote Petroleum Refinery	1,792 (-)	- (-)
Advance to Stainalloy Netherlands BV	569 (-)	- (-)
Advance to Yangzhou Lontrin Steel	13 (-)	- (-)
<b><u>Payables</u></b>		
JNK India Pvt. FZE	36 (20)	- (-)
JNK Heaters Co. Ltd., Korea	18 (-)	- (-)
K Tech Co Ltd	367 (-)	- (-)



Particulars	Amount in USD 000's	Amount in Euro 000's
Advance from JNK Heaters Co. Ltd. Korea	1,205 (534)	(-)

*Figures in bracket pertain to Previous Year.*

**NOTE 32: DISCLOSURE ON LEASES (Rs. in 000's)**

- Right to Use Asset amounting – Rs. 25,658 (Previous Year – NIL)
- Lease Liabilities amounting Rs. 27,368 (Previous Year – NIL)
- Interest on Lease Liability amounting Rs. 2,198 (Previous Year – NIL)
- Amortization of Lease amounting Rs. 8,525 (Previous Year – NIL)

***Previous Year – Exemption to apply Ind AS 116 has been opted for:***

- *Short Term Leases – Rs. 7,931*
- *Leases with low value totaling – Rs. 1,686*

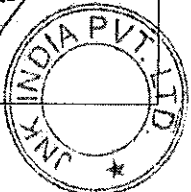
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**NOTE 33: DISCLOSURE ASSOCIATED WITH GRATUITY****For FY 2020-21:**



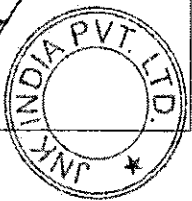
Particulars	As on 31 <sup>st</sup> March, 2021 (Rs. In 000's)
<b>1 <u>Actuarial assumptions ( for old 6 employees)</u></b>	
Mortality rate - LIC 2006-08 Ultimate	N.A
Withdrawal rate	1% to 3% depending on age
Discount rate	7.00% p.a
Salary escalation	4%
<b>2 <u>Results of valuation</u></b>	
a) PV of past service benefit	700
b) Current service cost	74
c) Total service gratuity	3,494
d) Accrued gratuity	1,098
e) LCSA	2,396
f) LC Premium	6
g) GST @ 18%	1
h) Interest & GST	1
<b>3 <u>Recommended contribution rate</u></b>	
a) Fund value as on renewal date	727
b) Additional contribution for existing fund	-
c) Current service cost	47

*AP* *WSP*





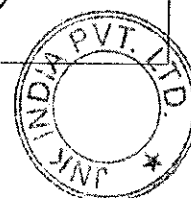
Particulars	As on 31 <sup>st</sup> March, 2021 (Rs. In 000's)
1 <u>Actuarial assumptions( For New 69 Employees)</u>	
Mortality rate - LIC 2006-08 Ultimate	N.A
Withdrawal rate	1% to 3% depending on age
Discount rate	7.00% p.a
Salary escalation	4%
2 <u>Results of valuation</u>	
a) PV of past service benefit	1,501
b) Current service cost	445
c) Total service gratuity	17,029
d) Accrued gratuity	2,354
e) LCSA	14,675
f) LC Premium	29
g) GST @ 18%	5
3 <u>Recommended contribution rate</u>	
a) Fund value as on renewal date	1,527
b) Additional contribution for existing fund	-
c) Current service cost	419
4 Total amount recognized in balance sheet	600
5 Total amount recognized in profit & loss( for all employees)	921

For FY 2019-20

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount (Rs. In 000's)</b>
1)	<u>Membership data</u>	
	Number of members	6.00
	Average age	34.50
	Average monthly salary (Rs.)	* 33,663.16
	Average past service	7.67
2)	Valuation method - Project unit credit method	N.A
3)	<u>Actuarial assumptions</u>	
	Mortality rate - LIC 2006-08 Ultimate	N.A
	Withdrawal rate	1% to 3% depending on age
	Discount rate	7.25% p.a
	Salary escalation	4%
4)	<u>Results of valuation</u>	
	a) PV of past service benefit	573
	b) Current service cost	68
	c) Total service gratuity	3,355
	d) Accrued gratuity	9,45
	e) LCSA	2,411
	f) LC Premium	6
	g) GST @ 18%	1
	h) Interest & GST	* 0.01
5)	<u>Recommended contribution rate</u>	
	a) Fund value as on renewal date	548
	b) Additional contribution for existing fund	24
	c) Current service cost	68
6)	Total amount recognized in balance sheet	99
7)	Total amount recognized in profit & loss	99

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As per Ind AS 19, contribution to LIC for funded gratuity is classified as Defined Contribution Plan, since there is no separate liability borne by JNK India for gratuity to be paid to any eligible employee over and above gratuity to be paid by the LIC.

Due to lockdown, valuation report was obtained for 75 employees only (Previous Year – 6). For the remaining 27 employees, provision has been made as per best estimates of the management.

**NOTE 34:**

**DISCLOSURE ON SEGMENT REPORTING AS PER IND AS 108**

Since company operates in a single segment (business activity) of Fired Heaters and related products, disclosure regarding operating segments is not given.

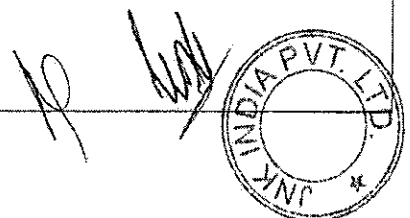
**Disclosure regarding Geographical Areas is as follows:**

(Rs. In 000's)

<b>INFORMATION ON REVENUE</b>		
<b>PARTICULARS</b>	<b>2020-21</b>	<b>2019-20</b>
<b>REVENUE FROM COUNTRY OF DOMICILE - INDIA</b>		
From Sale of Goods (a)	4,21,728	2,17,406
From Sale of Services (b)	77,455	4,78,295
<b>REVENUE FROM FOREIGN COUNTRIES</b>		
<b>From Sale of Goods in Following Countries (c)</b>		
	<b>1,16,354</b>	<b>62,975</b>
<i>South Korea</i>	42,856	62,975
<i>Nigeria</i>	73,497	-
<b>Sale of Services in Following Countries (d)</b>		
	<b>5,90,283</b>	<b>2,57,916</b>
<i>South Korea</i>	4,47,767	2,57,916
<i>Nigeria</i>	1,42,516	-
<b>Total Revenue from Operations (a+b+c+d)</b>	<b>12,05,820</b>	<b>10,16,593</b>

<b>INFORMATION ON NON-CURRENT ASSETS</b>		
<b>PARTICULARS</b>	<b>2020-21</b>	<b>2019-20</b>
<b>NON-CURRENT ASSETS IN COUNTRY OF DOMICILE**</b>		
	1,11,842	75,143
<b>NON-CURRENT ASSETS IN FOREIGN COUNTRIES**</b>		
	-	-

\*\* Excluding Deferred Tax Assets



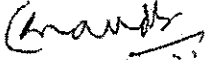
**NOTE 35: PRIOR PERIOD COMPARATIVE**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classifications / disclosures.

**Signatures to notes 1 to 35**

As per Our Audit Report of even date

**For CVK & Associates**  
*Chartered Accountants*  
*Firm Registration No:101745W*


  
**K P Chaudhari**  
*Partner*  
*Membership No:031661*

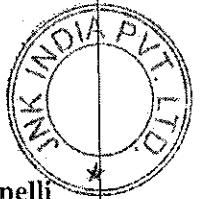


**For and on behalf of the Board of  
Directors of JNK India Private Limited**

  
**Arvind Kamath**  
*Director*  
*DIN: 00656181*

Place: Thane  
Date: 25.10.2021

  
**Goutam Rampelli**  
*Director*  
*DIN :0726272*



Place: Thane  
Date: 25.10.2021