



Jost's Engineering Company Limited

Annual Report 2016-17

Board of Directors

Mr. Jai Prakash Agarwal, Chairman

Mr. Shailesh Sheth

Mr. Marco Wadia

Mr. F. K. Banatwalla

Mr. Vishal Jain

Mrs. Shikha Jain (w.e.f. 12/8/2016)

Vice President and Company Secretary

Mr. C. B. Sagvekar

Bankers

HDFC Bank Ltd.

The Zoroastrian Co-operative Bank Ltd.

Bank of Maharashtra

The South Indian Bank Ltd.

Solicitors

M/s. Crawford Bayley and Company

Auditors

M/s. Sorab S. Engineer & Co.

Chartered Accountants

Registrar and Share Transfer Agents

M/s. Computech Sharecap Limited

Unit: Jost's Engineering Company Limited

147, Mahatma Gandhi Road,
3rd Floor, Opp. Jehangir Art Gallery,
Fort, Mumbai - 400 001.

Tel. : 91-22-2263 5000 / 01 / 02

Fax : 91-22-2263 5005

Annual General Meeting

Day and Date : Thursday, the 20th July, 2017

Venue : Great Social Building,
60, Sir Phirozeshah Mehta Road,
Mumbai - 400 001.

Time : 4.30 P.M.

Registered Office

Great Social Building,
60, Sir Phirozeshah Mehta Road,
Mumbai - 400 001.

Tel. : 91-22-6237 8200

Fax : 91-22-6237 8201

CIN : L28100MH1907PLC000252

Thane Factory

C-7, Wagle Industrial Estate,
Road No. 12,

Thane - 400 604.

Tel. : 91-22-6117 4000

Fax : 91-22-6117 4020

Alandi Factory

Gat No. 226, Alandi Markal Road,
Dhanore, Khed, Pune - 412 105.

Tel. : 91-02135-679160

Branches (Sales Offices)

Bengaluru

Baroda

Chandigarh

Chennai

Kolkata

New Delhi

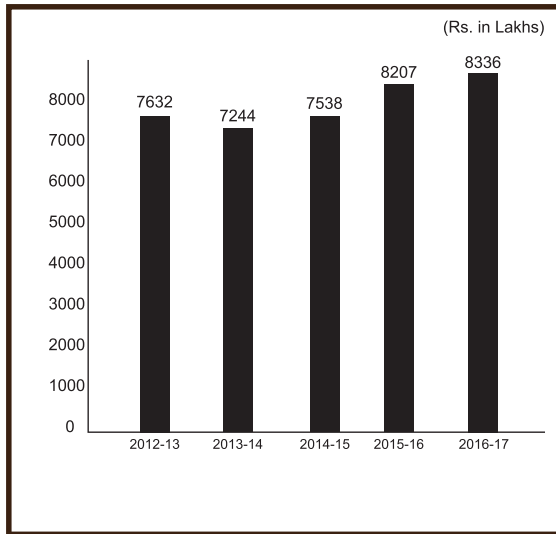
Pune

Secunderabad

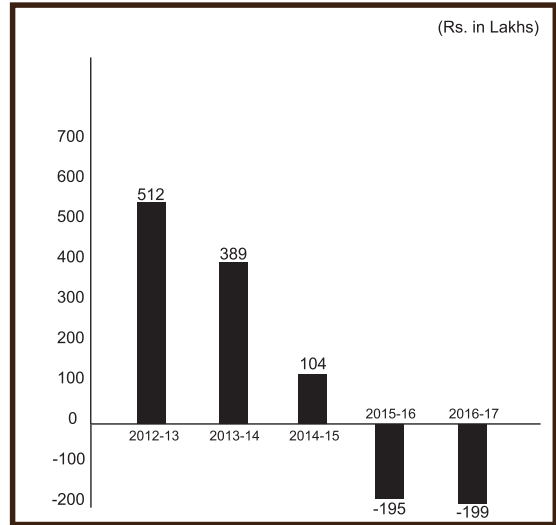
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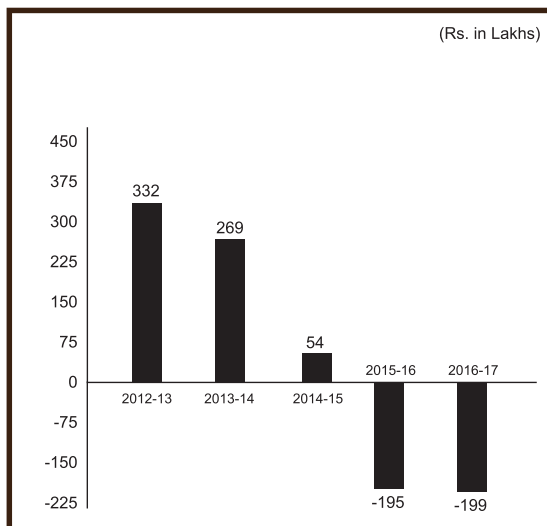
Financial Highlights



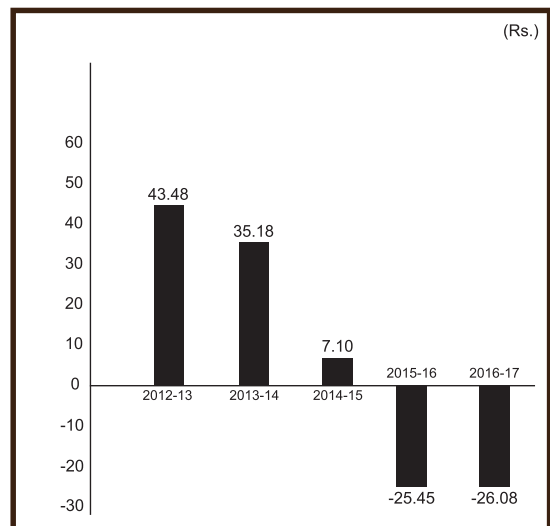
Income



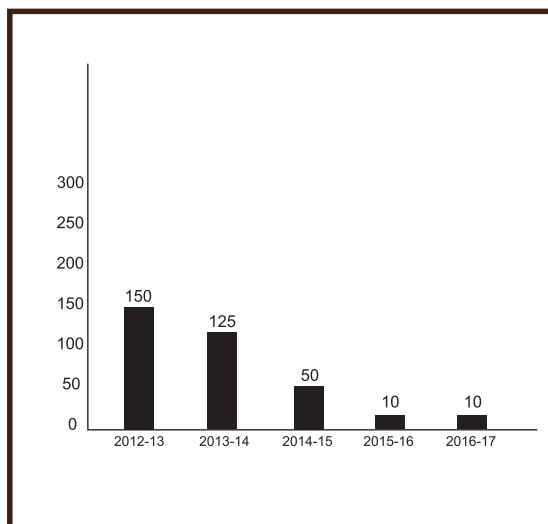
Profit Before Tax



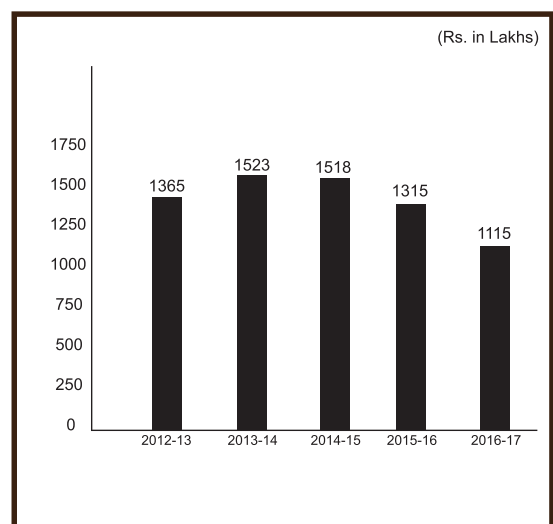
Profit After Tax



Earnings Per Share



Dividend (%)



Net Worth

Notice

Notice is hereby given that the hundred and tenth Annual General Meeting of the members of Jost's Engineering Company Limited will be held at Great Social Building, 60 Sir Phirozeshah Mehta Road, Mumbai - 400 001 on Thursday, the 20th July, 2017 at 4.30 p.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Statement for the year ended 31st March, 2017 and the Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Jai Prakash Agarwal (DIN 00242232), who retires by rotation and being eligible offers himself for reappointment.
4. 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 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), be appointed as statutory auditors of the Company, in place of retiring auditors, M/s. Sorab S. Engineer & Co., Chartered Accountants (Firm Registration No.110417W), to hold office from the conclusion of this hundred and tenth Annual General Meeting until the conclusion of the hundred and fifteenth Annual General Meeting, subject to ratification by members every year, as applicable, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company on the recommendation of the Audit Committee."

SPECIAL BUSINESS

5. 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 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Article 109 of the Articles of Association of the Company, Mrs. Shikha Jain (DIN 06778623), who was appointed as an Additional Director of the Company with effect from 12th August, 2016 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

By Order of the Board

C. B. Sagvekar

Vice President and Company Secretary

Mumbai, 15th May, 2017.

Registered Office:

Great Social Building,
60, Sir Phirozeshah Mehta Road,
Mumbai - 400 001.

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The Instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies, etc. must be supported by an appropriate resolution / authority, as applicable.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 4 and 5 of the Notice set out above, is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 17th July, 2017 to 20th July, 2017 (both days inclusive) for the purpose of payment of dividend, if declared at the Meeting.
4. (i) The Dividend, after declaration, will be paid to those shareholders whose names appear on the Register of Members on 20th July, 2017. The dividend in respect of shares held in the electronic form will be paid to the beneficial owners of shares whose names appear in the list furnished by the Depositories as at the end of business hours on 16th July, 2017.
(ii) The payment of dividend will be made through National Electronic Clearing System (NECS). Members holding shares in demat/electronic form are hereby informed that bank particulars registered with their respective depository accounts will be used by the Company for payment of dividend through NECS. The Company or its Registrars cannot act on any request received directly from the Members holding shares in demat / electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

The members holding shares in physical form and desirous of receiving dividend through NECS, are requested to provide their bank account number, name and address of the bank quoting their folio number directly to the Company's Registrar and Share Transfer Agent, namely, M/s. Computech Sharecap Limited, latest by 10th July, 2017, failing which dividend will be paid by DD / Cheque.

5. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the dividends which remain unpaid/unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, the Company has transferred to IEPF all unclaimed / unpaid dividends in respect of the financial years upto 31st March, 2009. Shareholders who have not encashed their dividend warrant(s) so far, for the financial years ended 31st March, 2010 to 31st March, 2016 are requested to make their claim to the Company immediately quoting their folio numbers. It may also be noted that according to the provisions of Section 205C of the Companies Act, 1956, once the unclaimed dividend is transferred to IEPF, as above, no claim shall lie in respect thereof against the Fund or the Company.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has

uploaded the details of unpaid and unclaimed amounts lying with the Company as on 15th July, 2016 (date of the last Annual General Meeting) on the website of the Company (www.josts.com) as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

6. The Company has appointed M/s. Computech Sharecap Limited, Tampilbar Building, 147 Mahatma Gandhi Road, 3rd Floor, Opp. Jehangir Art Gallery, Fort, Mumbai 400 001 as Registrar and Share Transfer Agents for share registry work both for physical and electronic mode. The Members are therefore, requested to address the correspondence relating to the share registry both in physical and electronic mode to the said Registrar and Share Transfer Agents. Members may also please note that the Company's shares are available for demat with both the depositories, namely, Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL).
7. Electronic copy of the Annual Report 2016-17 is being sent to the members whose E-mail Ids are registered with the Company's Registrars and Share Transfer Agents / Depository Participants for receiving documents electronically. For members who have not registered their E-mail Ids, the physical copy of the Annual Report 2016-17 is being sent in the permitted mode. Such members are requested to register their E-mail Ids with the Company's Registrars and Share Transfer Agents, M/s. Computech Sharecap Limited or Depository Participant by submitting the consent form attached at the end of the Annual Report. The members who register their E-mail Ids for receiving documents electronically will be entitled to receive such documents in the physical form, upon request.

8. **Voting Options :**

(I) Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 110th Annual General Meeting (AGM) by remote e-voting (i.e. voting electronically from a place other than the venue of general meeting).

The Company has engaged the services of Central Depository Services (India) Limited (CDSL) for facilitating voting by electronic means.

The instructions for shareholders voting electronically are as under :

- (i) The voting period begins on Monday, 17th July, 2017, (10 a.m.) and ends on Wednesday, 19th July, 2017, (5 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. 13th July, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below :

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company / Depository Participant are requested to enter the Password provided on the Attendance Slip.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(II) Voting Through Ballot :

The Company is also providing the facility for voting through Ballot process at the AGM and the members attending the Meeting who have not cast their vote by remote e-voting will be able to exercise their right to vote at the AGM. The Ballot Forms will be available at the AGM.

(III) Other Instructions

- (i) A Member can opt for only one mode of voting i.e. either through e-voting or ballot. If a Member casts his/ her vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.
 - (ii) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date i.e. 13th July, 2017. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting through ballot at the meeting.
 - (iii) Any person, who acquires shares of the Company and becomes a member of the company after dispatch of the Notice and holding shares as on the cut-off date, i.e. 13th July, 2017, may obtain the login ID and password by sending a request at helpdesk@computechsharecap.in.
 - (iv) The Board of Directors of the Company have appointed M/s. Sandeep Dar & Co., Company Secretaries, Navi Mumbai, to act as the Scrutinizer. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the Meeting, thereafter unblock the votes cast through e-voting in the presence of atleast two witnesses (not in the employment of the Company) and make, not later than three days of the conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman.
 - (v) The Results of the e-voting / ballot will be declared not later than three days of conclusion of the Annual General Meeting. The declared results along with the Scrutinizer's Report will be available on the Company's website www.josts.com and on the website of CDSL and will also be forwarded to the Stock Exchange where the Company's shares are listed. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the Annual General Meeting.
9. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents, M/s. Computech Sharecap Limited, Unit : Jost's Engineering Company Limited, quoting their folio numbers.
 10. The Members who continue to hold shares in physical form are requested to intimate any change in their address immediately to the Company's Registrar and Share Transfer Agents, M/s. Computech Sharecap Limited, Unit : Jost's Engineering Company Limited, quoting their folio numbers. The Members holding shares in dematerialised form are requested to get their change of address recorded with the concerned depository participants.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business.

Item No. 4

The Explanatory Statement for this item is being provided voluntarily though strictly not required as per Section 102 of the Companies Act, 2013, (the "Act").

M/s. Sorab S. Engineer & Co., Chartered Accountants (Firm Registration No.110417W), the statutory Auditors of the Company are retiring at the conclusion of this 110th Annual General Meeting. They have completed consecutive tenure of ten years (including transition period) as provided under sub-section (2) of Section 139 of the Act.

M/s. Singhi & Co., Chartered Accountants (Firm Registration No.302049E), are proposed to be appointed as statutory Auditors of the Company for a period of 5 years, commencing from the conclusion of 110th Annual General Meeting till the conclusion of 115th Annual General Meeting, subject to ratification by members every year, as may be applicable.

M/s. Singhi & Co., Chartered Accountants, have confirmed that their appointment, if made, would be in accordance with Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014. They have further confirmed that they satisfy criteria prescribed under Section 141 of the Act.

None of the Directors / Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 4 of the notice.

The Board of Directors, based on the recommendation of the Audit Committee, recommends the resolution set forth in Item No. 4 of the notice for approval of the members.

Item No. 5

The Board of Directors of the Company have appointed Mrs. Shikha Jain as an Additional Director of the Company with effect from 12th August, 2016. Mrs. Shikha Jain holds the office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and Article 109 of the Articles of Association of the Company.

Mrs. Shikha Jain, aged 43 and holds a degree in commerce.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013, alongwith requisite deposit from a member signifying his intention to propose Mrs. Shikha Jain as the Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.

The Board of Directors of the Company believes that Mrs. Shikha Jain's knowledge and experience would benefit the Company and recommends the Resolution set out at Item No.5 of the Notice for approval by the members.

Mrs. Shikha Jain, may be deemed to be concerned or interested to the extent of her shareholding and her relatives' shareholding and remuneration as a Director.

None of the other Directors or Key Managerial Personnel and their relatives, except Mr. Vishal Jain, are concerned or interested in the resolution set out in Item No.5 of the Notice.

By Order of the Board

C. B. Sagvekar

Vice President and Company Secretary

Mumbai, 15th May, 2017.

Registered Office:

Great Social Building,
60, Sir Phirozeshah Mehta Road,
Mumbai - 400 001.

Directors' Report

The Directors present herewith Annual Report together with the Audited Financial Statements for the year ended 31st March, 2017.

	Year ended 31-3-2017 Rs. Lakhs	Previous Year ended 31-3-2016 Rs. Lakhs
1. Financial Results		
Profit / (Loss) before tax	(199.41)	(194.60)
Less: Provision for Income-tax	—	—
Profit / (Loss) after tax	(199.41)	(194.60)
Balance brought forward from previous year	892.50	1096.30
Amount available for appropriation	693.09	901.70
Less: Appropriations		
Proposed dividend	*	7.65
Tax on proposed dividend	*	1.55
General Reserve	—	—
Balance carried forward	693.09	892.50

*According to Companies (Accounting Standards) Amendment Rules, 2016, the Company has not appropriated proposed dividend of Rs. 7.65 lakhs and tax thereon of Rs. 1.60 lakhs from the statement of profit and loss for the year ended 31st March, 2017. Accordingly, the proposed dividend and tax thereon are not recognized as liability at the year end.

2. Dividend

The Directors are pleased to recommend a dividend of Re.1/- (10%) per share for the financial year ended 31st March, 2017.

3. Operations

Income for the year under review was Rs. 8335.75 Lakhs as against Rs. 8207.18 Lakhs in the previous year. The loss before tax was Rs. 199.41 Lakhs as against loss Rs. 194.60 Lakhs in the previous year. Generally business should continue to progress. Barring unforeseen circumstances, there should be improved results in the current year.

4. The Company has incorporated in the previous year, an entity in Ajman Free Trade Zone, UAE. This entity has not commenced any business activities, to date. The Directors are evaluating the possibility of winding up the said entity.

5. Subsidiary Company

Subsequent to the end of Financial Year 2016-17, the Company has acquired 60% (6000 equity shares of Rs. 10/- each) of MHE Rentals Private Limited (MHE Rentals). As a result, MHE Rentals has become a subsidiary Company. MHE Rentals is engaged in material handling rental business.

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

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as Annexure "A" to the Directors' Report.

7. Directors' Responsibility Statement

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge, state and confirm :

- (i) that in the preparation of the Annual Accounts for the year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any ;
- (ii) and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the loss of the Company for the year ended on that date ;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- (iv) the annual accounts have been prepared on a going concern basis ;
- (v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively ; and
- (vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. Particulars of employees

The information pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not given as no employee, employed throughout the financial year 2016-17 was in receipt of the remuneration of Rs.60 lakhs or more and no employee, employed for the part of the financial year 2016-17 was in receipt of remuneration of Rs.5 lakhs or more per month.

9. Extract of Annual Return

The extract of the Annual Return in Form MGT-9 as provided under sub-section (3) of Section 92 of the Companies Act, 2013 is annexed as Annexure "B" to the Directors' Report.

10. Deposits

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

11. Particulars of Loans, Guarantees or Investments

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.

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

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

13. Vigil Mechanism / Whistle Blower Policy

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

14. Risk Management Policy

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

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

The Policy provides for constitution of Risk Management Core Group (RMCG) consisting of Functional / Departmental / Productline heads and headed by Chief Executive Officer (CEO) of the Company.

The RMCG shall be collectively responsible for developing the Company's Risk Management principles and Risk Management expectations, in addition to those specific responsibilities as outlined in the Policy. The RMCG will provide updates to the Audit Committee and Board of Directors of the Company on key risks faced by the Company, if any, and the relevant mitigant actions.

The major risks such as Operational Risk, Financial Risk, External Environment and Strategic Risk have been identified and the Risk Management process has been formulated.

The Risk Management Policy has been posted on the website of the Company (www.josts.com)

15. Nomination and Remuneration Policy

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

The Nomination and Remuneration Policy has been posted on the website of the Company (www.josts.com)

16. Prevention of Sexual Harassment

The Company has constituted an "Internal Complaints Committee" in compliance with the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, no complaints of Sexual Harassment were reported to the Board.

17. In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has approved, the following policies, namely, Policy on Preservation of Documents (Regulation 9), Policy on Determination of Materiality of Events (Regulation 30 (4) (ii)) and Archival Policy on Disclosure hosted on website of the Company (Regulation 30 (8)) duly reviewed by the Audit Committee.

All the aforesaid policies have been posted on the website of the Company (www.josts.com).

18. Committees of the Board

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

(i) Audit Committee	Mr. F. K. Banatwalla	- Chairman
	Mr. Marco Wadia	- Member
	Mr. Shailesh Sheth	- Member
	Mr. Jai Prakash Agarwal	- Member
(ii) Nomination and Remuneration Committee	Mr. Shailesh Sheth	- Chairman
	Mr. Marco Wadia	- Member
	Mr. F. K. Banatwalla	- Member
(iii) Share Transfer and Stakeholders Relationship Committee	Mr. Shailesh Sheth	- Chairman
	Mr. F. K. Banatwalla	- Member
	Mr. Jai Prakash Agarwal	- Member

19. Key Managerial Personnel

In compliance with the provisions of Section 203 of the Companies Act, 2013, the Board of Directors of the Company have appointed the following Key Managerial Personnel :

Mr. R. P. Pargaonkar	-	Chief Executive Officer
Mr. C. B. Sagvekar	-	Vice President and Company Secretary
Mr. M. G. Naik	-	Chief Financial Officer

20. Independent Directors' Meeting

During the year under review, the Independent Directors in their separate Meeting held on 13th February, 2017 have, inter-alia, reviewed the performance of non-independent directors and the Board as a whole, the performance of the Chairperson of the Company, and assessed the quality, quantity and timeliness of flow of information between the management and the Board so as to enable the Board to effectively and reasonably perform their duties.

21. Meetings of the Board

During the year, 6 Board Meetings and 7 Committee Meetings were convened and held.

22. Performance Evaluation

As per the Performance Evaluation Policy of the Company, read with the provisions of the Companies Act, 2013, the Board of Directors shall evaluate the performance of the following :

- i) its own performance as a body;
- ii) each Independent Director and Non-Independent Director ; and
- iii) Committees of the Board.

As per the performance evaluation process, the Board evaluated its own performance as well as that of individual directors and the following Committees of the Board :

- i) Audit Committee
- ii) Nomination and Remuneration Committee ; and
- iii) Share Transfer and Stakeholders Relationship Committee

and found the same to be satisfactory.

23. Related Party Transactions

All related party transactions that were entered into during the financial year 2016-17, were on arm's length basis and in the ordinary course of business. Further, during the Financial Year 2016-17, no material related party transactions were entered into by the Company. Accordingly, the disclosure in Form AOC-2 is not applicable. The related party transactions have been disclosed under Note 38 to the Financial Statements.

All related party transactions were placed periodically, before the Audit Committee as also the Board for their Approval.

24. Auditors

(i) Statutory Auditors

M/s. Sorab S. Engineer & Co., Chartered Accountants (Firm Registration No.110417W), the statutory Auditors of the Company are retiring at the conclusion of this 110th Annual General Meeting. They have completed consecutive tenure of ten years (including transition period) as provided under sub-section (2) of Section 139 of the Companies Act, 2013 (the "Act").

In view of the above and on the recommendation of the Audit Committee, the Board of Directors have proposed the appointment of M/s. Singhi & Co., Chartered Accountants (Firm Registration No.302049E), as statutory Auditors of the Company for a period of 5 years, commencing from the conclusion of 110th Annual General Meeting till the conclusion of 115th Annual General Meeting, subject to ratification by members every year, as may be applicable.

M/s. Singhi & Co., Chartered Accountants, have confirmed that their appointment, if made, would be in accordance with Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014. They have further confirmed that they satisfy criteria prescribed under Section 141 of the Act.

(ii) Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Sandeep Dar & Co., Company Secretaries, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure "C" to the Directors' Report.

The observations made by the Secretarial Auditor in his report are self-explanatory and therefore do not call for any further comments.

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

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

26. Internal Control System and Adequacy

The Company has an adequate internal control system commensurate with its size and nature of its business. The Internal Audit is entrusted to Internal Auditors, namely, M/s. Uday & Uday, Chartered Accountants, who submit their report periodically to the Audit Committee. Significant audit observations and corrective actions taken by the Management are presented to the Audit Committee,

27. Significant and Material Orders passed by the Regulators / Courts / Tribunals

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

28. Proposed Right Issue

The Board of Directors of the Company at their meeting held on 13th February, 2017, have approved raising funds upto Rs. 10 crores, by way of issue of Equity Shares on right basis. The Committee of Directors has been appointed to determine the terms and conditions of Right Issue including the Rights entitlement ratio, the issue price, issue size, timing of the issue and other matters in consultation with Lead Managers to the Right Issue. The letter of offer will be issued after obtaining necessary approvals of the concerned authorities.

29. Directors

- (i) Mrs. Shikha Jain (DIN 06778623) was appointed as an Additional Director of the Company with effect from 12th August, 2016 who holds office upto the date of ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and Article 109 of the Articles of Association of the Company. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 alongwith requisite deposit from a member signifying his intention to propose the appointment of Mrs. Shikha Jain as Director of the Company.
- (ii) In accordance with Article 122 of the Articles of Association of the Company, Mr. Jai Prakash Agarwal (DIN 00242232) retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.
- (iii) All the Independent Directors have given declaration that they meet the criteria of Independence as laid down under Section 149 (6) of the Companies Act, 2013.
- (iv) Mr. B. H. Reporter, ex-Chairman of the Company, passed away on 28th February, 2017. The Board has placed on the record its appreciation of the services rendered by Mr. B. H. Reporter as Director / Chairman of the Company during the period 1953-2017.

30. Indian Accounting Standards (IND-AS)

The Ministry of Corporate affairs (MCA) vide its notification published in the official gazette dated 16th February, 2015, has notified the Company's (Indian Accounting Standards) Rules, 2015 (IND-AS). In pursuance of this notification, the Company is required to adopt IND-AS for the accounting period beginning from 1st April, 2017.

On behalf of the Board of Directors

Jai Prakash Agarwal
Chairman

Mumbai, 15th May, 2017.

Annexure “A” to the Directors’ Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo Pursuant to Provisions of Section 134 of the Companies Act, 2013 read with Rule 8 (3) of Companies (Accounts) Rules, 2014

(A) Conservation of Energy

- (i) The steps taken or impact on conservation of energy - Regular monitoring of all equipments and devices which consume electricity continues to be in place in the factory. Water consumption is also monitored as regular function of maintenance Dept., though our type of business does not consume much water.
- (ii) The steps taken by the company for utilizing alternate sources of energy - All lighting fixtures have been changed to LED on shop floor as well as offices.
- (iii) The capital investment on energy conservation equipments - As reported earlier, generator, air conditioners, lighting devices have all been replaced by more energy efficient ones.

(B) Technology Absorption

- (i) The efforts made towards technology absorption - This is on going process for all our manufactured products.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution - Product quality improvements is at the heart of Technology upgrades.
- (iii) In the case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable.
 - (a) The details of technology imported - Not Applicable
 - (b) The year of import - Not Applicable
 - (c) Whether the technology been fully absorbed - Not Applicable
 - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - Not Applicable
- (iv) The expenditure incurred on Research and Development - We spend around one percent of revenues on R&D.

(C) Foreign Exchange Earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

This information is provided in Notes to the Financial statements under Note No. 35 and 36.

On behalf of the Board of Directors

Jai Prakash Agarwal
Chairman

Mumbai, 15th May, 2017.

Annexure “B” to the Directors’ Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : **L28100MH1907PLC000252**
- ii) Registration Date : 9th May, 1907
- iii) Name of the Company : **Jost’s Engineering Company Limited**
- iv) Category/Sub-Category of the Company : Company Limited by shares /
Indian Non-Government Company
- v) Address of the Registered office and contact details : Great Social Building,
60 Sir Phirozeshah Mehta Road,
Mumbai - 400 001.
Tel. No. 022-62378200
Fax No. 022-62378201
- vi) Whether listed company Yes / No : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : **M/s. Computech Sharecap Limited**
147, Mahatma Gandhi Road,
3rd Floor, Opp. Jehangir Art Gallery,
Fort, Mumbai - 400 001.
Tel. No. 022-22635000 / 01 / 02
Fax No. 022-22635005

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated :-

Sr. No.	Name and Description of main products / services	NIC Code of the products / services	% to total turnover of the Company
1	Sale of Material Handling Equipments (Manufactured 69.61%, Traded Goods 2.26%)	4353000	71.87
2	Sale of Traded Goods - Engineered Products	–	15.63

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Jostsengg Global - F. Z. E.	–	Subsidiary	NIL	2 (87)

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

1) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	370890	0	370890	48.50	370890	0	370890	48.50	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	0	0	0	0	0	0
e) Financial Institutions/Banks	0	0	0	0	0	0	0	0	0
f) Any Other(specify)	0	0	0	0	0	0	0	0	0
Subtotal (A)(1):	370890	0	370890	48.50	370890	0	370890	48.50	0
(2) Foreign									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Subtotal (A)(2):	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	370890	0	370890	48.50	370890	0	370890	48.50	0
B. Public Shareholding									
1) Institutions									
a) Mutual Funds/UTI	0	0	0	0	0	0	0	0	0
b) Banks/FI	5	590	595	0.08	5	590	595	0.08	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):	5	590	595	0.08	5	590	595	0.08	0
2) Non-Institutions									
a) Bodies Corp									
i) Indian	6997	430	7427	0.97	6483	430	6913	0.90	-0.07
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	177740	36114	213854	27.97	179837	35259	215096	28.13	0.16
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	165097	0	165097	21.59	165097	0	165097	21.59	0
c) Others (Specify)									
i. Non Resident Indians (Repat)	0	0	0	0	0	0	0	0	0
ii. Non Resident Indians (Non Repat)	3747	3040	6787	0.89	3019	3040	6059	0.79	-0.10
Sub-total (B)(2):	353581	39584	393165	51.42	354436	38729	393165	51.42	0
Total Public Shareholding (B)= (B)(1)+(B)(2)	353586	40174	393760	51.50	354441	39319	393760	51.50	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A)+(B)+(C)	724476	40174	764650	100.00	725331	39319	764650	100.00	0

II) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of Total Shares of the company	% of shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the company	% of shares Pledged/encumbered to total shares	
1	Mr. Jai Prakash Agarwal	105550	13.80	–	105550	13.80	–	–
2	Mrs. Krishna Agarwal	40000	5.23	–	40000	5.23	–	–
3	Mr. Vishal Jain	92908	12.15	–	92908	12.15	–	–
4	Mrs. Shikha Jain	92477	12.09	–	92477	12.09	–	–
5	Mr. Rajendra Kumar Agarwal	17000	2.22	–	17000	2.22	–	–
6	Mrs. Anita Agarwal	17000	2.22	–	17000	2.22	–	–
7	M/s. J. P. Agarwal & Sons HUF	5955	0.78	–	5955	0.78	–	–

III) Change in Promoters' Shareholding - There was no change in the Shareholding of the Promoters during the year.

IV) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company
1	Mr. Sharad Kanayalal Shah	0	0.00	56425	7.38
2	Mr. Akshay Raheja	38200	5.00	38200	5.00
3	Mr. Viren Raheja	38200	5.00	38200	5.00
4	Mrs. Varsha Sharad Shah	0	0.0	21595	2.82
5	Mr. Saraiya Bhavin Ramakant	10677	1.40	10677	1.40
6	Ms. Jigna Kanayalal Shah	0	0.00	9119	1.19
7	Mr. Hardik Indramal Jain	9646	1.26	9111	1.19
8	Mr. Mustaali Mohsin Roowala	0	0.00	7283	0.95
9	Mr. Roowala Sulemanji Mohsin	0	0.00	6487	0.85
10	Mrs. Sudhaben Shah Kanayalal	0	0.00	4375	0.57

V) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company
1.	Mr. Jai Prakash Agarwal - Director				
	At the beginning of the year	105550	13.80	-	-
	Date wise Increase / decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	105550	13.80
2.	Mr. Vishal Jain - Director				
	At the beginning of the year	92908	12.15	-	-
	Date wise Increase / decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	92908	12.15
3.	Mr. Marco Wadia - Director				
	At the beginning of the year	50	0.01	-	-
	Date wise Increase / decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	50	0.01
4.	Mr. Shailesh Sheth - Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-
5.	Mr. F. K. Banatwalla - Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-
6.	Mrs. Shikha Jain - Director				
	At the beginning of the year	92477	12.09	-	-
	Date wise Increase / decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	92477	12.09

Sr. No.	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company
7.	Mr. R. P. Pargaonkar - CEO				
	At the beginning of the year	-	-	-	-
	Date wise Increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-
8.	Mr. C. B. Sagvekar - Company Secretary				
	At the beginning of the year	-	-	-	-
	Date wise Increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-
9.	Mr. M. G. Naik - CFO				
	At the beginning of the year	-	-	-	-
	Date wise Increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment (Rs. in Lakhs)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	715.42	0	0	715.42
II) Interest due but not paid	0.00	0.00	0.00	0.00
III) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (I+II+III)	715.42	0	0	715.42
Change in Indebtedness during the financial year				
• Addition	621.86	0	0	621.86
• Reduction	0.00	0.00	0.00	0.00
Net Change	621.86	0	0	621.86
Indebtedness at the end of the financial year				
I) Principal Amount	1337.28	0	0	1337.28
II) Interest due but not paid	0.00	0.00	0.00	0.00
III) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (I+II+III)	1337.28	0	0	1337.28

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of Managing Director, Whole-time Director and / or Manager (Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD / WTD /Manager	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of Perquisites u/s 17 (2) of the Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		
2.	Stock Option	NOT APPLICABLE	
3.	Sweat Equity		
4.	Commission		
	• As % of profit		
	• Others, specify		
5.	Others, please specify Total (A)		
	Ceiling as per the Act		

B. Remuneration to other Directors

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. F. K. Banatwalla	Mr. Marco Wadia	Mr. Shailesh Sheth	
1.	Independent Directors				
	Fee for attending board / committee meetings	2.05	2.30	2.30	6.65
	Commission	–	–	–	–
	Others, please specify	–	–	–	–
	Total (1)	2.05	2.30	2.30	6.65

2.	Other Non-Executive Directors	Mr. Jai Prakash Agarwal	Mr. Vishal Jain	Mrs. Shikha Jain (w.e.f. 12/08/2016)	Total Amount
	Fee for attending board / committee meetings	2.20	1.20	0.65	4.05
	Commission	–	–	–	–
	Others, please specify	–	–	–	–
	Total (2)	2.20	1.20	0.65	4.05
	Total (B) = (1+2)				10.70
	Total Managerial Remuneration				10.70
	Overall Ceiling as per the Act (3% of the net profit calculated under Section 198 of the Companies Act, 2013)				

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

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO Mr. R. P. Pargaonkar	Company Secretary Mr. C. B. Sagvekar	CFO Mr. M. G. Naik	Total Amount
1.	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	26.72	20.02	–	46.74
	b) Value of Perquisites u/s 17 (2) of the Income-tax Act, 1961	0.39	–	–	0.39
	c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	–	–	–	–
2.	Stock Option	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission	–	–	–	–
	• as % of profit	–	–	–	–
	• others, specify	–	–	–	–
5.	Others, please specify (Retainership fees)	–	–	5.28	5.28
	Total	27.11	20.02	5.28	52.41

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty	}		NONE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty	}		NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	}		NONE		
Punishment					
Compounding					

On behalf of the Board of Directors

Jai Prakash Agarwal
 Chairman

Mumbai, 15th May, 2017.

Annexure “C” to the Directors’ Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

To,
The Members,
Jost’s Engineering Company Limited
Great Social Building, 60, Sir Phirozeshah Mehta Road,
Mumbai - 400001.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Jost’s Engineering Company Limited CIN: L28100MH1907PLC000252 (hereinafter called “the company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 (hereinafter referred to as “Audit Period”) complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) The following other laws specifically applicable to the industry to which the Company belongs and compliances of which is relied upon the representation by the management.

- (a) The Factories Act, 1948;
- (b) Micro, Small and Medium Enterprises Development Act, 2006;
- (c) Trade Unions Act, 1926;
- (d) Industrial Disputes Act, 1947;
- (e) The Payment of Wages Act, 1936;
- (f) The Minimum Wages Act, 1948;
- (g) Employees' State Insurance Act, 1948;
- (h) The Employees' Provident Funds and Misc. Provisions Act, 1952;
- (i) The Payment of Bonus Act, 1965;
- (j) The Payment of Gratuity Act, 1972;
- (k) The Environment (Protection) Act, 1986;
- (l) The Contract Labour (Regulation and Abolition) Act, 1970;
- (m) The Apprentices Act, 1961.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement entered into by the Company with Bombay Stock Exchange Limited.

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

1. The Company has not filed with The Bombay Stock Exchange, within the stipulated time, a statement of Investor complaints pursuant to Regulation 13 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the quarter ended 31st December, 2016. However, the Company has filed the same subsequently. Further, we are informed that there were no complaints pending at the beginning of the quarter, no complaints were received during the quarter and no complaints were pending at the end of the quarter.
2. The Company has submitted to the Bombay Stock Exchange, within stipulated time, the shareholding pattern for the quarter ended 30th June, 2016, in physical mode. However, on receipt of reminder notice from the Bombay Stock Exchange, requesting the Company to submit the shareholding pattern in XBRL format, the Company has submitted the same in XBRL format.

We further report that

The Board of directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

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

We further report that there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **Sandeep Dar & Co.**

Proprietor

FCS: 3159

C. P. No.: 1571

Navi Mumbai: 15th May, 2017.

Annexure “D” to the Directors’ Report

Disclosure pursuant to Section 197 (12) of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided below :

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year 2016-17 :

Name of the Directors	Nature of Directorship	Ratio
Mr. Jai Prakash Agarwal	Non-Executive Director	0.54:1
Mr. Marco Wadia	Non-Executive Independent Director	0.57:1
Mr. Shailesh Sheth	Non-Executive Independent Director	0.57:1
Mr. F. K. Banatwalla	Non-Executive Independent Director	0.50:1
Mr. Vishal Jain	Non-Executive Director	0.29:1
Mrs. Shikha Jain * (Appointment w.e.f. 12/08/2016)	Non-Executive Director	–

Notes :

- Directors’ Remuneration includes sitting fees for attending board / committee meetings.
- * Since this information is for part of the year, the same is not comparable.
- Employees for the purpose above, includes all employees excluding employees governed under collective bargaining.
- For computing median remuneration, the employees who have worked for the complete financial year 2016-17 have been considered.

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

Name	Designation	Percentage Increase in remuneration
Mr. Jai Prakash Agarwal	Non-Executive Director	131.58
Mr. Marco Wadia	Non-Executive Independent Director	130.00
Mr. Shailesh Sheth	Non-Executive Independent Director	206.67
Mr. F. K. Banatwalla	Non-Executive Independent Director	78.26
Mr. Vishal Jain	Non-Executive Director	100.00
Mrs. Shikha Jain *	Non-Executive Director	–
Mr. R. P. Pargaonkar	Chief Executive Officer	7.96
Mr. C. B. Sagvekar	Company Secretary	18.04
Mr. M. G. Naik	Chief Financial Officer	–

Notes : 1. The increase in remuneration of the directors, is mainly due to increase in sitting fees paid during the financial year 2016-17.

- * Since Mrs. Shikha Jain was appointed as a Director w.e.f. 12/08/2016 and the remuneration paid to her was for part of the year, the percentage increase in her remuneration is not applicable.

(iii) The percentage increase in the median remuneration of employees in the financial year :

7.72 %

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

184 as on 31st March, 2017.

(v) The explanation on the relationship between average increase in remuneration and Company performance :

The average increase in remuneration of the employees including managerial personnel was 11.06%. There is no direct relationship between average increase in the remuneration of the employees with year to year financial performance of the Company. However, the increase in remuneration is considered taking into account, the individual performance vis a vis Company's annual plans, retention and motivation of the best talent that suits the requirement of the Company, criticality of the roles and responsibility of the individual concerned and the current compensation trends in the market.

(vi) Comparison of the remuneration of the key managerial personnel against the performance of the Company :

There is no direct relationship of remuneration of the Key Managerial Personnel with year to year financial performance of the Company.

(vii) (a) Variation in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year :

Particulars	31st March, 2017	31st March, 2016	% Change
Closing Market price per share (BSE)	(Rs.) 620.00	(Rs.) 514.00	20.62
Market Capitalisation	(Rs. Crores) 47.41	(Rs. Crores) 39.30	20.64
Price Earnings Ratio	-26.08	-25.45	-2.47

(b) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer :

Particulars	31st March, 2017	Rights Issue on 1st March, 1993	% Change
Market Price per share (BSE)	Rs. 620.00	Rs. 40.00 *	1450.00

* The Company made a Right Issue on 1-3-1993 at a price of Rs. 40/- (including premium of Rs. 30/- per share).

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

The average percentage increase in the financial year 2016-17, in the salaries of employees other than Managerial Personnel was 11.33%. The percentage increase in the managerial remuneration in the last year was 10.69%, which was due to annual increments. For computing average percentage increase in the salaries of the employees, the employees who have worked for the complete financial year 2015-16 and 2016-17 have been considered to make the figures comparable.

(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company :

There is no direct relationship between the remuneration of the Key Managerial Personnel and year to year financial performance of the Company.

(x) The key parameters for any variable component of remuneration availed by the Directors :

All the Directors of the Company are Non-Executive Directors and the variable component of their remuneration includes profit related commission, if any.

(xi) The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year :

All the Directors are non-executive Directors who are paid remuneration by way of sitting fees. During the financial year 2016-17, the remuneration of most of the employees is in excess of the remuneration of the highest paid Director.

(xii) Affirmation that the remuneration is as per the Remuneration Policy of the Company :

The remuneration is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

Jai Prakash Agarwal
Chairman

Mumbai, 15th May, 2017.

General Information to Shareholders

Attendance of Directors at Board Meetings, Committee Meetings and last Annual General Meeting

Name of the Director	Attendance at Meetings during 2016-17		
	Board Meetings	Committee Meetings	Last AGM
Mr. Jai Prakash Agarwal	6	6	Yes
Mr. Marco Wadia	6	7	Yes
Mr. Shailesh Sheth	6	7	Yes
Mr. F. K. Banatwalla	5	6	Yes
Mr. Vishal Jain	6	–	Yes
Mrs. Shikha Jain	3	–	No

Sitting Fees to Directors :

The following directors have been paid sitting fee during the year 2016-17.

Name of the Director	Sitting fees paid (Rs.)
Mr. Jai Prakash Agarwal	2,20,000
Mr. Marco Wadia	2,30,000
Mr. Shailesh Sheth	2,30,000
Mr. F. K. Banatwalla	2,05,000
Mr. Vishal Jain	1,20,000
Mrs. Shikha Jain	65,000

Listing :

The Company's Equity shares have been listed on Bombay Stock Exchange.

Shareholding Pattern as on 31st March, 2017.

	No. of Shares	%
A. Shareholding of Promoter and Promoter group		
(i) Indian	3,70,890	48.50
(ii) Foreign (NRI)	–	–
Sub-Total	3,70,890	48.50
B. Public Shareholding		
(i) Financial Institutions / Banks	595	0.08
(ii) Bodies Corporate	6,913	0.90
(iii) Individuals	3,80,193	49.73
(iv) Individuals (NRI)	6,059	0.79
Sub-Total	3,93,760	51.50
GRAND TOTAL	7,64,650	100.00

Shares held in physical / demat mode as on 31st March, 2017.

	Demat	Physical	Total
No. of Shares	7,25,331	39,319	7,64,650
%	94.86	5.14	100.00
No. of Folios	1,375	291	1,666

Dear Shareholders,

It is my privilege to present the Annual Report 2016-17 of your company. Year bygone continued to be subdued especially for Engineering and Capital Goods Industry. Investments in Private sector is still sluggish, however, in Public sector, investments are improving.

The results of the year 2016-17 showed marginal rise in Revenues as compared to the previous year. Income for the year is Rs.8336 Lakhs as against Rs.8207 Lakhs in the previous year. More importantly, the year ended up in small profit of Rs. 17 Lakhs (before exceptional Items) as against Loss of Rs.195 lakhs in the previous year. The Board of Directors has recommended a dividend of (10%) Re. 1/- per share.

The FY 2016-2017 opened with optimism but domestic investments did not pick up as expected. But with high hopes of expected growth in coming years, your company continued investing in shop capacity and human resources.

As of now, Indian economy seems to be poised for growth which will be consumption led as well as investment led. Infrastructure plan of the Government of India should lead to overall pick up in the economy. GST, apart from adding in growth percentage, will see rise in investments. There could be some short terms hiccups as GST gets rolled out but in coming years supply-chain investments including ware-housing and material movement will open up new vistas for Material Handling business.

In **Engineered Products Division**, where we serve segments like Defense, Education, R&D Labs and Private Segments like Auto, Engineering, FMCG etc, new investments are happening more selectively. We continue to focus on Technical services business and in years to come, your company's focus will be sharper. We do believe growth in investments in segments like space and defense, modernization plans and product developments in private sector will give good boost in coming year. We are selectively adding business partners here to widen our product basket in the sectors we operate.

The **Material Handling** market continues to be served by domestic as well as imports. Toughened competition - global & local -continues to put price pressure and market share. We have continued to invest in Sales personnel, on shop floor for Quality and capacity, which alongwith support through SAP/ CRM/Training helped the Division to post 20% revenue growth which was instrumental in improving bottom line. One of the future trends will be customers outsourcing their material handling needs and your company plans to be significant corporate player in this space as well.

Subsidiary Company

Subsequent to the end of Financial Year 2016-17, the Company has acquired 60% (6000 equity shares of Rs. 10/- each) of MHE Rentals Private Limited (MHE Rentals). As a result, MHE Rentals has become a subsidiary Company. MHE Rentals is engaged in material handling rental business.

Proposed Right Issue

The Board of Directors of the Company at their meeting held on 13th February, 2017, have approved raising funds upto Rs. 10 crores, by way of issue of Equity shares on right basis. The Committee of Directors has been appointed to determine the terms and conditions of Right Issue including the Rights entitlement ratio, the issue price, issue size, timing of the issue and other matters in consultation with Lead Managers to the Right Issue. The letter of offer will be issued after obtaining necessary approvals of the concerned authorities.

Human Resources and Talent Management continues to be focus areas through Training - Technical and soft training, identifying high potential team members and providing them with an appropriate growth path.

I would like to thank all our employees, customers, vendors, business associates, Members of our Board, Shareholders and all the people associated with the company for their support and faith in Josts.

With Best Wishes

Jai Prakash Agarwal
Chairman

Mumbai, 15th May, 2017.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JOST'S ENGINEERING COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **JOST'S ENGINEERING COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by 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 31st March, 2017, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2017 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, 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 appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, Read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II".
 - (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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as regards its holdings and dealings in Specified Bank Notes as defined in the Notification S.O. 3407 (E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on the management representation, we report that such disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management - Refer Note 48 to the financial statements.

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Registration No. 110417W

CA. N. D. Anklesaria
Partner

Mumbai: 15th May, 2017.

Membership No. 10250

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

Re: JOST'S ENGINEERING COMPANY LIMITED

Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Independent Auditor's Report of even date,

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties as disclosed in fixed assets to the financial statements, are held in the name of the Company.
- (ii) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the Company, and the same have been properly dealt with in the books of account.
- (iii) The Company has not granted secured / unsecured loans to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirements of clause (iii) of paragraph 3 of the Order are not applicable.
- (iv) The Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under Sections 185 and 186 of the Act. Consequently, requirements of clause (iv) of paragraph 3 of the Order are not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. No Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) According to the information and explanations given to us, the Company is required to maintain cost records for certain products manufactured by the Company under Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014. We are of the opinion that prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of these records.

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT (contd.)

Referred to in paragraph 1 of our Report of even date.

- (vii) a. The Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no outstanding statutory dues as at the last day of the financial year which were outstanding for a period of more than six months from the date they became payable.
- b. According to the records of the Company as at 31st March 2017, the following are the particulars of disputed dues on account of Income Tax, Sales Tax, Service Tax, Custom Duty and Excise Duty matters which have not been deposited.

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which matter relates	Forum where dispute is pending
The Central Sales Tax Act, 1956 and Bombay Sales Tax Act, 1956	Sales Tax	0.33	A.Y. 2005-06	Deputy Commissioner of Sales Tax, Mazgaon, Mumbai.
MVAT Act, 2002	Sales Tax	3.05	A.Y. 2008-09	Asst. Commissioner of Sales Tax Business Audit I Mumbai.
MVAT Act, 2002 / The Central Sales Tax Act, 1956	Sales Tax	930.46	A.Y. 2009-10	Deputy Commissioner of Sales Tax, Mazgaon Mumbai.
The Central Sales Tax Act, 1956	Sales Tax	324.86	A.Y. 2010-11	Joint Commissioner of Sales Tax, Mumbai.
The Central Sales Tax Act, 1956	Sales Tax	3.08	A.Y. 2010-11	Assistant Commissioner of Sales Tax, Mumbai.
The Central Sales Tax Act, 1956	Sales Tax	1.26	A.Y. 2012-13	Sales Tax Officer, Mumbai.
Central Excise Act	Central Excise	42.00	1.4.2008 to 26.2.2010	CESTAT, Mumbai.
Central Excise Act	Central Excise	60.44	29.4.2008 to 31.7.2008	CESTAT, Mumbai.
Central Excise Act	Central Excise	101.09	1.11.2012 to 31.10.2013	CESTAT, Mumbai.
Central Excise Act	Central Excise	289.86	27.2.2010 to 31.10.2012	CESTAT, Mumbai.
Central Excise Act	Central Excise	660.29	1.5.2008 to 31.3.2013	CESTAT, Mumbai.
Central Excise Act	Central Excise	137.69	1.10.2011 to 31.3.2013	CESTAT, Mumbai.
Central Excise Act	Central Excise	37.46	1.12.2011 to 31.3.2013	Additional Commissioner of Central Excise, Pune III Commissionerate.
Central Excise Act	Central Excise	50.81	1.11.2013 to 31.3.2014	Additional Commissioner of Central Excise, Mumbai III Commissionerate.
Central Excise Act	Central Excise	48.94	1.4.2013 to 31.10.2014	CESTAT, Mumbai.
Central Excise Act	Central Excise	11.00	1.11.2014 to 31.7.2015	CESTAT, Mumbai.
Finance Act	Service Tax	4.27	1.1.1999 to 31.3.2002	Assistant Commissioner of Service Tax, Mulund Division, Mumbai – III.
Finance Act	Service Tax	0.39	1.4.2002 to 31.3.2003	Assistant Commissioner of Service Tax, Mulund Division, Mumbai – III.
Finance Act	Service Tax	0.78	1.4.2005 to 30.9.2005	Assistant Commissioner of Service Tax Division VI, Mumbai.
Finance Act	Service Tax	5.09	1.7.2000 to 31.3.2003	CESTAT, Mumbai.

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT (contd.)

Referred to in paragraph 1 of our Report of even date.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks.
- (ix) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments). The term loan received by the Company from a Bank was applied for the purpose for which it was received.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, no managerial remuneration except fees paid to Directors for attending Board meetings and Committee meetings has been paid/provided during the year. Consequently, requirements of clause (xi) of paragraph 3 of the Order are not applicable.
- (xii) The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the Order are not applicable.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the Order are not applicable.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the nature of the business, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Registration No. 110417W

CA. N. D. Anklesaria
Partner

Mumbai: 15th May, 2017.

Membership No. 10250

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF JOST'S ENGINEERING COMPANY LIMITED

Report on the Internal Financial Controls 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 JOST'S ENGINEERING COMPANY Limited ("the Company") as of March 31, 2017 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 Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the Orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 March 31, 2017, 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 **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Registration No. 110417W

CA. N. D. Anklesaria
Partner

Mumbai: 15th May, 2017.

Membership No. 10250

Balance Sheet as at 31st March, 2017

Particulars	Note No.	As at 31st March 2017 Rs. Lakhs	As at 31st March 2016 Rs. Lakhs
I. EQUITY AND LIABILITIES			
1) Shareholders' funds:			
(a) Share Capital	2	76.46	76.46
(b) Reserves and Surplus	3	1,038.67	1,238.08
2) Non-current liabilities:			
(a) Long-term borrowings	4	20.29	–
(b) Other Long term liabilities	5	29.56	21.96
(c) Long-term provisions	6	352.05	362.39
3) Current liabilities:			
(a) Short-term borrowings	7	1,316.99	715.42
(b) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		–	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	8	1,660.90	1,917.54
(c) Other current liabilities	9	519.64	542.42
(d) Short-term provisions	10	49.19	69.91
	Total	<u>5,063.75</u>	<u>4,944.18</u>
II. ASSETS			
Non-current assets			
1 (a) Property, Plant and Equipment	11		
(i) Tangible assets		299.12	249.25
(ii) Intangible assets		20.26	6.30
(iii) Capital work-in-progress		–	–
		<u>319.38</u>	<u>255.55</u>
(b) Non-current investments	12	1.00	1.00
(c) Long-term loans and advances	13	55.64	44.44
2 Current assets			
(a) Current investments	14	10.97	10.41
(b) Inventories	15	941.66	1,086.76
(c) Trade receivables	16	3,040.48	2,767.64
(d) Cash and Bank Balances	17	212.53	211.98
(e) Short-term loans and advances	18	475.59	560.47
(f) Other current assets	19	6.50	5.93
	Total	<u>5,063.75</u>	<u>4,944.18</u>

Summary of Significant Accounting Policies

1

Notes referred to above form an integral part of the Balance Sheet and should be read in conjunction therewith

As per our report of even date attached

For **SORAB S. ENGINEER & CO.**

Chartered Accountants

Firm Registration No. 110417W

CA N. D. ANKLESARIA

Partner

Membership No. 10250

Mumbai, 15th May, 2017

For and on behalf of the Board

Jai Prakash Agarwal Chairman

Vishal Jain Director

Shailesh Sheth Director

C. B. Sagvekar Vice President and Company Secretary

M. G. Naik Chief Financial Officer

Mumbai, 15th May, 2017

Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Note No.	For the year ended	For the year ended
		31st March 2017	31st March 2016
		Rs. Lakhs	Rs. Lakhs
I. Revenue from operations	20	8,324.33	8,168.51
II. Other income	21	11.42	38.67
III. Total Revenue (I + II)		8,335.75	8,207.18
IV. Expenses:			
Cost of Materials Consumed	31	3,990.19	3,470.38
Purchases of Traded Goods	33	1,081.80	1,850.21
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in -Trade	22	53.22	-4.86
Employee benefits expenses	23	1,607.88	1,496.46
Other expenses	24	1,376.95	1,387.13
Finance costs	25	123.32	134.87
Depreciation and amortization expenses	11	85.08	67.59
Total expenses		8,318.44	8,401.78
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		17.31	-194.60
VI. Exceptional items (Refer Note No. 46)		216.72	-
VII. Profit/(Loss) before extraordinary items and tax (V-VI)		-199.41	-194.60
VIII. Extraordinary Items		-	-
IX. Profit/(Loss) before tax (VII-VIII)		-199.41	-194.60
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Short / (excess) provision for previous years		-	-
XI. Profit/(Loss) for the year (IX-X)		-199.41	-194.60
XII. Earnings per equity share: (in Rs.)	41		
(1) Basic		-26.08	-25.45
(2) Diluted		-26.08	-25.45

Summary of Significant Accounting Policies 1

Notes referred to above form an integral part of the statement of Profit and Loss and should be read in conjunction therewith

As per our report of even date attached

For **SORAB S. ENGINEER & CO.**

Chartered Accountants

Firm Registration No. 110417W

CA N. D. ANKLESARIA

Partner

Membership No. 10250

Mumbai, 15th May, 2017

For and on behalf of the Board

Jai Prakash Agarwal Chairman

Vishal Jain Director

Shailesh Sheth Director

C. B. Sagvekar Vice President and
Company Secretary

M. G. Naik Chief Financial Officer

Mumbai, 15th May, 2017

Cash Flow Statement for the year ended 31st March, 2017

	31st March, 2017 Rs. Lakhs	31st March, 2016 Rs. Lakhs
A) CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT/ (LOSS) BEFORE TAX	-199.41	-194.60
ADJUSTMENTS FOR:		
DEPRECIATION	85.08	67.59
DIVIDEND INCOME	-0.70	-0.70
INTEREST EXPENSES	112.28	91.32
INTEREST INCOMES	-9.63	-10.92
(PROFIT)/LOSS ON SALE OF PROPERTY, PLANT AND EQUIPMENT	-1.09	-8.39
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	-13.47	-55.70
ADJUSTMENTS FOR:		
TRADE AND OTHER RECEIVABLES	-199.73	-412.26
INVENTORIES	145.10	-40.10
TRADE AND OTHER PAYABLES	-302.88	190.70
CASH GENERATED FROM OPERATIONS	-370.98	-317.36
DIRECT TAXES (FBT, Adv Tax & Tax Provisions)	-	-
CASH FLOW BEFORE EXTRAORDINARY ITEMS	-370.98	-317.36
EXTRAORDINARY ITEMS	-	-
NET CASH FROM OPERATING ACTIVITIES	A -370.98	-317.36
B) CASH FLOW FROM INVESTING ACTIVITIES:		
PURCHASE/ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT	-150.18	-118.40
SALE OF PROPERTY, PLANT AND EQUIPMENT	2.35	8.82
PURCHASE OF INVESTMENTS	-0.56	-0.54
INTEREST RECEIVED	9.63	10.92
DIVIDEND RECEIVED	0.70	0.70
NET CASH USED IN INVESTING ACTIVITIES	B -138.06	-98.50
C) CASH FLOW FROM FINANCING ACTIVITIES:		
PROCEEDS FROM (REPAYMENT OF) BORROWINGS	621.86	478.87
RECEIPT OF PARTLY PAID UP SHARES	0.01	-
DIVIDENDS PAID - ON EQUITY SHARES INCLUDING TAX	-	-
DIVIDENDS PAID - PREFERENCE SHARES INCLUDING TAX	-	-
INTEREST PAID	-112.28	-91.32
NET CASH USED IN FINANCING ACTIVITIES	C 509.59	387.55
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	A+B+C 0.55	-28.31
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	211.98	240.29
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	212.53	211.98

Notes : 1. Figures in brackets represent deductions/outflows.
2. The figures for the previous year have been regrouped wherever necessary.

As per our report of even date attached
For **SORAB S. ENGINEER & CO.**
Chartered Accountants
Firm Registration No. 110417W
CA N. D. ANKLESARIA
Partner
Membership No. 10250
Mumbai, 15th May, 2017

For and on behalf of the Board
Jai Prakash Agarwal Chairman
Vishal Jain Director
Shailesh Sheth Director
C. B. Sagvekar Vice President and
 Company Secretary
M. G. Naik Chief Financial Officer
Mumbai, 15th May, 2017

Notes to the Financial Statements for the year ended 31st March, 2017

Note 1.

Significant Accounting Policies:

a. Basis of accounting:

The Financial statements are prepared under the historical cost convention on an accrual basis and are in accordance with the requirements of the Companies Act, 2013 ("the Act") and comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

The preparation of financial statements requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including current liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

b. Property, Plant and Equipment and Depreciation / Amortization:

All Property, Plant and Equipment are at cost of acquisition less depreciation / amortization.

The carrying value of the Property, Plant and Equipment as on April 1, 2016 as well as the additions during the year have been depreciated over the remaining useful life of the Property, Plant and Equipment on the written down value method as prescribed under Part C of Schedule II to the Companies Act 2013.

Depreciation on additions to Property, Plant and Equipment has been provided on a pro-rata basis from the date of such additions.

c. Borrowing costs:

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. No borrowing costs were eligible for capitalization during the year.

d. Inventories:

Inventories are valued at cost or net realizable value whichever is lower. Cost is arrived at on the basis of weighted average method and includes applicable production overheads.

e. Investments:

Long-term investments are stated at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of long-term investments, where applicable.

Current Investments are stated at lower of cost and fair value.

f. Impairment of Property, Plant and Equipment:

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at the balance sheet date there are indications of impairment and the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

Notes to the Financial Statements for the year ended 31st March, 2017

Note 1. Significant Accounting Policies: (contd.)

g. Retirement Benefits:

The Company has various schemes of Retirement benefits such as Provident Fund, Superannuation and Gratuity. The Superannuation and Gratuity Schemes are duly approved by Income-tax authorities and the Company's contributions to all these schemes are charged against revenue every year. The Gratuity and Superannuation Fund benefits are administered by a Trust formed for this purpose through the Life Insurance Corporation of India. In respect of gratuity, a provision has been made on the basis of an actuarial valuation as at the end of the year.

The liability in respect of employees eligible for Leave encashment is provided for on the basis of an actuarial valuation as at the end of the year.

h. Foreign currency transactions:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. In respect of monetary items denominated in foreign currencies, exchange differences arising out of settlement or on conversion at the closing rate are recognised in the Statement of Profit and Loss, there being no liability incurred in foreign exchange for the purpose of acquiring Property, Plant and Equipment.

i. Taxation:

Provision for taxation has been made in accordance with the Income-tax laws and rules prevailing at the time of the relevant assessment years. Deferred tax has not been recognised in view of the position stated in Note 39.

j. Earnings per share:

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 Earnings per share.

k. Contingent Liabilities:

Provision is made for all known liabilities. Contingent liabilities, if any, are disclosed in the accounts by way of a note.

Notes to the Financial Statements for the year ended 31st March, 2017

Note 2: Share Capital

Paid up share capital

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number	Rs. Lakhs	Number	Rs. Lakhs
Authorised				
Equity Shares of Rs. 10/- each	1,000,000	100.00	1,000,000	100.00
Issued				
Equity Shares of Rs. 10/- each	764,650	76.47	764,650	76.47
Subscribed & Fully Paid up				
Equity Shares of Rs. 10/- each	764,650	76.46	764,590	76.46
Subscribed but not fully Paid up				
Equity Shares of Rs. 10/- each			60	0.01

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

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number	Rs. Lakhs	Number	Rs. Lakhs
Shares outstanding at the beginning of the year	764,650	76.46	764,650	76.46
Shares Issued during the year	–	–	–	–
Shares bought back during the year	–	–	–	–
Shares outstanding at the end of the year	764,650	76.46	764,650	76.46

b. The Equity Shares of the Company have voting rights and are subject to the restrictions as prescribed under the Companies Act, 2013.

c. The Company has no holding Company or subsidiaries or associates of holding Company.

d. List of shareholders holding more than 5% shares

Name of Shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Jai Prakash Agarwal	111,505	14.58	111,505	14.58
Mrs. Krishna Agarwal	40,000	5.23	40,000	5.23
Mrs. Shikha Jain	92,477	12.09	92,477	12.09
Mr. Vishal Jain	92,908	12.15	92,908	12.15
Mr. Sharad K. Shah	56,425	7.38	56,425	7.38

e. During the last 5 years, the Company has neither issued any bonus shares nor allotted any shares pursuant to a contract without payment being received in Cash.
No shares have been bought back during the last 5 years.

f. Unpaid calls

As per records of the Company, no calls remain unpaid by the directors and officers of the Company as on 31st March, 2017.

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

h. The final dividend proposed for the year is as follows:

Particulars	As at	As at
	31 March 2017	31 March 2016
On Equity Shares of Rs. 10/- each		
Dividend per Equity Share (in Rs.)	1.00	1.00
Percentage of Dividend Proposed (%)	10.00	10.00

Notes to the Financial Statements for the year ended 31st March, 2017

Note 3: Reserves and Surplus

Particulars	As at 31 March 2017 Rs. Lakhs	As at 31 March 2016 Rs. Lakhs
a. Securities Premium Account		
As per last Balance Sheet	115.79	115.79
b. General Reserve		
Opening Balance	229.79	229.79
(+) Current Year Transfer	-	-
(-) Adjustment of Depreciation	-	-
Closing Balance	<u>229.79</u>	<u>229.79</u>
c. Profit and Loss A/c		
Opening balance	892.50	1,096.30
(+) Net Profit/(Net Loss) for the year	-199.41	-194.60
(+) Transfer from Reserves	-	-
(-) Proposed Equity Dividend	-	7.65
(-) Distribution Tax on Proposed Equity Dividend	-	1.55
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	<u>693.09</u>	<u>892.50</u>
Total	<u><u>1,038.67</u></u>	<u><u>1,238.08</u></u>

Note:

The Central Government in consultation with National Advisory Committee of Accounting Standards vide notification dated March 30, 2016 and Circular No. 04/2016 dated April 27, 2016 had amended Companies (Accounting Standards) Rules, 2006 ('principal rules'). According to Companies (Accounting Standards) Amendment Rules, 2016, the Company has not appropriated proposed dividend of Rs.7.65 lakhs and Tax thereon of Rs.1.60 lakhs from the Statement of Profit and Loss for the year ended March 31, 2017 (Refer Para 8.5 of AS - 4 Contingencies and Events occurring after Balance Sheet date). Accordingly, the proposed dividend and tax thereon are not recognised as liability at the year end. Due to such change, Current Liabilities is lower by Rs. 9.25 lakhs and Reserves and Surplus is higher to that extent. However, the same will be recognised as liability on approval of shareholders at the ensuing Annual General Meeting.

Note 4: Long Term Borrowings

Secured

(a) Loan from banks

Secured by hypothecation of underlying assets
Long Term Debt

20.29	-
-------	---

Total

<u>20.29</u>	<u>-</u>
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Details of terms of Repayments

The above Loan is repayable in monthly instalments.

There has been no default in repayment of Principal and Interest on the above Loan.

Rate of Interest is 12.5% p.a.

Notes to the Financial Statements for the year ended 31st March, 2017

Note 5: Other Long Term Liabilities

Particulars	As at 31 March 2017 Rs. Lakhs	As at 31 March 2016 Rs. Lakhs
Dealer Deposits	29.56	21.96
Total	29.56	21.96

Note 6: Long Term Provisions

Provision for employee benefits		
Superannuation	39.70	31.05
Gratuity	194.26	237.77
Leave Encashment	118.09	93.57
Total	352.05	362.39

Note 7: Short Term Borrowings

Cash Credit From Banks

Secured by hypothecation of stock and book debts and an equitable mortgage of the Company's properties at Thane on a pari-passu basis

	1,316.99	715.42
Total	1,316.99	715.42

Details of terms of Repayments

The above borrowings are repayable on demand.

Rate of Interest

Cash Credit from banks carry interest rates ranging from 11.5% p.a. to 13.5% p.a.

Notes to the Financial Statements for the year ended 31st March, 2017

Note 8: Trade Payables

Particulars	As at 31 March 2017 Rs. Lakhs	As at 31 March 2016 Rs. Lakhs
Total outstanding dues of micro enterprises and small enterprises (Note a)	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,660.90	1,917.54
Total	1,660.90	1,917.54

a The Company has not received any intimation from outstanding suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

- (a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;
- (b) Interest paid during the year;
- (c) Amount of payment made to the supplier beyond the appointed day during accounting year;
- (d) Interest due and payable for the period of delay in making payment;
- (e) Interest accrued and unpaid at the end of the accounting year; and
- (f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, have not been given.

The Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.

Note 9: Other Current Liabilities

(a) Income received in advance	32.96	26.90
(b) Security Deposits	–	2.26
(c) Unpaid dividends	14.46	15.62
(d) Other current liabilities	160.08	234.00
(e) Other Payables		
Central Excise, Customs Duty, VAT and Service Tax Payable	4.45	7.43
Tax Deducted at Source	18.60	17.80
Salary and Reimbursements	59.59	131.42
Provident Fund and other Employee Deductions	12.66	11.86
Advances from Customers	216.84	95.13
Total	519.64	542.42

Note 10: Short Term Provisions

Provision for warranty claims	23.33	15.45
Proposed Equity Dividend	–	7.65
Distribution Tax on Proposed Equity Dividend	–	1.55
Provision for employee benefits		
Superannuation	0.61	1.31
Gratuity	22.42	22.47
Leave Encashment	2.83	21.48
Total	49.19	69.91

Notes to the Financial Statements for the year ended 31st March, 2017

Note 11: Property, Plant and Equipment

Gross block, accumulated depreciation and net block

Rs. Lakhs

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1st April 2016 1	Additions during the year 2	Deletion/ adjustments during the year 3	Balance as at 31st March 2017 4=(1+2-3)	Balance as at 1st April 2016 5	Dep. for the year 6	Dep. due to deletion/ adjustments 7	Balance as at 31st March 2017 8=(5+6-7)	Balance as at 31st March 2016 9=(1-5)	Balance as at 31st March 2017 10=(4-8)
a) Tangible Assets										
Leasehold Land	1.02	–	–	1.02	0.75	0.07	–	0.82	0.27	0.20
Buildings	42.61	6.86	–	49.47	40.29	0.39	–	40.68	2.32	8.79
Computers & Peripherals	316.19	15.48	–	331.67	296.15	16.96	–	313.11	20.04	18.56
Furniture and Fixtures	106.14	27.58	0.10	133.62	73.53	14.55	0.08	88.00	32.61	45.62
Office Equipment	26.21	3.14	–	29.35	22.14	2.82	–	24.96	4.07	4.39
Plant & Machinery	545.95	79.37	4.83	620.49	365.11	43.31	3.59	404.83	180.84	215.66
Vehicles	54.32	–	–	54.32	45.22	3.20	–	48.42	9.10	5.90
Total	1,092.44	132.43	4.93	1,219.94	843.19	81.30	3.67	920.82	249.25	299.12
(Previous Year)	(982.15)	(115.52)	(15.74)	(1,081.93)	(782.10)	(65.89)	(15.31)	(832.68)	(200.04)	(249.25)
b) Intangible Assets										
Technical Know-How	102.01	–	–	102.01	102.01	–	–	102.01	–	–
Trademarks	0.02	–	–	0.02	0.02	–	–	0.02	–	–
Intangible Assets	112.24	17.75	–	129.99	105.95	3.78	–	109.73	6.30	20.26
Total	214.27	17.75	–	232.02	207.98	3.78	–	211.76	6.30	20.26
(Previous Year)	(221.91)	(2.88)	(–)	(224.79)	(216.79)	(1.70)	(–)	(218.49)	(5.12)	(6.30)
Total	1,306.71	150.18	4.93	1,451.96	1,051.17	85.08	3.67	1,132.58	255.55	319.38
(Previous Year Total)	(1,204.06)	(118.40)	(15.74)	(1,306.72)	(998.89)	(67.59)	(15.31)	(1,051.17)	(205.16)	(255.55)

Note: As per Accounting Standard - 28 - "Impairment of Assets" issued by the Institute of Chartered Accountants of India, no provision for Impairment of Assets is required.

Notes to the Financial Statements for the year ended 31st March, 2017

Note 12: Non Current Investments

Particulars	Nominal Value Rs.	Number of Shares	As at 31 March 2017 Rs. Lakhs	As at 31 March 2016 Rs. Lakhs
A Trade Investments (At Cost)				
a. Investment in Equity instruments (Unquoted) (Fully Paid up)				
Zoroastrian Co-Operative Bank Ltd.	25	4,000	1.00	1.00
Total (A)			<u>1.00</u>	<u>1.00</u>
Total			<u><u>1.00</u></u>	<u><u>1.00</u></u>
a Aggregate Book Value of Investments				
Unquoted - At Cost			1.00	1.00
b There is no diminution in the value of the Investment.				
c Disclosure as per AS-13 (Accounting For Investments)				
Unquoted - At Cost - Long Term Investments			1.00	1.00

Note 13: Long Term Loans and Advances

a. Security Deposits				
Unsecured, considered good			33.43	34.75
Advance Tax (Net of Provision for Income Tax of Rs. 1,175.49 Lacs) (Previous Year - Rs. 1,175.49 Lacs)			22.21	9.69
Total			<u><u>55.64</u></u>	<u><u>44.44</u></u>

Note 14: Current Investments (At cost)

Particulars	NAV as on 31st March 2017 Rs.	Number	As at 31 March 2017 Rs. Lakhs	As at 31 March 2016 Rs. Lakhs
A. Investments in Mutual Funds				
Reliance Money Manager Fund	1,007.50	749.710	7.51	7.13
Reliance Money Manager Fund	1,007.50	345.190	3.46	3.28
Total			<u><u>10.97</u></u>	<u><u>10.41</u></u>
a Aggregate Book Value of Investments				
Quoted - At Cost			10.97	10.41

Note:

Market Value of Quoted Investments - Rs. 11.03 Lacs (Previous Year - Rs. 10.45 Lacs)

Notes to the Financial Statements for the year ended 31st March, 2017

Note 15: Inventories (Valued at lower of cost or net realisable value)

Particulars	As at 31 March 2017 Rs. Lakhs	As at 31 March 2016 Rs. Lakhs
a. Raw Materials and components	503.97	553.32
b. Work-in-progress	91.31	112.35
c. Finished goods	63.24	79.04
d. Stock-in-trade	280.99	297.37
e. Stores and spares	2.15	44.68
Total	941.66	1,086.76

Note 16: Trade Receivables

(Unsecured - Considered good unless otherwise stated)

Trade receivables outstanding for a period exceeding six months from the date they are due for payment

Considered good	563.53	687.11
Considered doubtful	82.46	63.40
	645.99	750.51
Less: Provision for doubtful debts	82.46	63.40
	563.53	687.11
Others	2,476.95	2,080.53
	2,476.95	2,080.53
Total	3,040.48	2,767.64

Note 17: Cash and Bank Balances

Cash and cash equivalents

a. Cash on Hand	1.36	2.46
b. Balances with Banks on Current Accounts (with Scheduled Banks)	63.15	80.04
	64.51	82.50

Other Bank Balances

a. Balances held for unpaid dividends	14.46	15.62
b. Bank Deposits as Margin money	133.56	113.86
	148.02	129.48
Total	212.53	211.98

Notes to the Financial Statements for the year ended 31st March, 2017

Note 18: Short term loans and advances

Particulars	As at 31 March 2017		As at 31 March 2016	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Advances Recoverable in Cash or in Kind				
Unsecured, considered good	133.38		122.46	
Unsecured, considered doubtful	<u>9.09</u>	142.47	<u>43.97</u>	166.43
Less : Provision for doubtful advances		<u>9.09</u>		<u>43.97</u>
		133.38		122.46
Balances with Government authorities		324.24		428.92
Prepaid Expenses		<u>17.97</u>		<u>9.09</u>
Total		<u><u>475.59</u></u>		<u><u>560.47</u></u>

Note 19: Other Current Assets

Interest Accrued on Bank Deposits		<u>6.50</u>		<u>5.93</u>
Total		<u><u>6.50</u></u>		<u><u>5.93</u></u>

Notes to the Financial Statements for the year ended 31st March, 2017

Note 20: Revenue from operations

Particulars	For the year ended 31 March 2017 Rs. Lakhs	For the year ended 31 March 2016 Rs. Lakhs
A Sale of manufactured goods	6,566.87	5,590.48
Less: Excise duty	764.38	633.17
Sale of manufactured goods (net of excise)	<u>5,802.49</u>	<u>4,957.31</u>
B Sale of traded goods	1,491.54	2,379.80
Other Operating Revenues		
C Commission Income	539.36	412.21
D Sale of services	478.18	402.94
E Scrap and sundry sales	9.94	13.37
F Other operating income	2.82	2.88
Total	<u><u>8,324.33</u></u>	<u><u>8,168.51</u></u>

Note 21: Other Income

A Interest Income	9.63	10.92
B Dividend Income	0.70	0.70
C Net gain/loss on foreign currency transactions and translation (NET)	-	18.66
D Net gain/loss on sale of Property, Plant and Equipment (NET)	1.09	8.39
Total	<u><u>11.42</u></u>	<u><u>38.67</u></u>

Note 22: Changes in Inventories

Changes in Inventories of Finished Goods,
Work-in-Progress and Stock in Trade

Opening Stocks :

Finished Goods - Manufactured	79.04	16.46
Finished Goods - Traded	297.37	285.45
Work-in-Progress	112.35	181.99
	<u>488.76</u>	<u>483.90</u>

Less: Closing Stocks :

Finished Goods - Manufactured	63.24	79.04
Finished Goods - Traded	280.99	297.37
Work-in-Progress	91.31	112.35
	<u>435.54</u>	<u>488.76</u>
	<u><u>53.22</u></u>	<u><u>-4.86</u></u>

* Includes decrease in Excise Duty on Closing Stock of
Finished Goods Rs. 2.99 Lacs (Previous Year increase of Rs. 8.08 Lacs)

Notes to the Financial Statements for the year ended 31st March, 2017

Note 23: Employee Benefit Expenses

Particulars	For the year ended 31 March 2017 Rs. Lakhs	For the year ended 31 March 2016 Rs. Lakhs
A Salaries and incentives	1,465.88	1,339.68
B Contributions to provident and other funds	91.95	108.16
C Staff welfare expenses	50.05	48.62
Total	1,607.88	1,496.46

Note 24: Other Expenses

a Sub contract and labour charges	90.61	86.20
b Stores and spare parts consumed (indigenous)	21.47	15.38
c Fuel and power	36.89	41.08
d Repairs to buildings	0.18	3.60
e Repairs to machinery	21.28	11.47
f Rent	96.55	101.20
g Rates and taxes	43.08	47.00
h Insurances	13.27	13.75
i Travelling expenses	144.33	162.08
j Postage, telephone and internet	46.94	42.36
k Printing and stationery	11.62	14.30
l Legal and professional charges	129.22	197.60
m Conveyance expenses	118.29	100.95
n Provision for doubtful debts	55.32	39.23
o Provision for doubtful advances & Deposits	0.28	40.89
p Freight on sales	185.72	199.32
q Commission expense	106.55	52.12
r Motor vehicle expense	11.83	11.51
s Directors' fees	10.70	4.75
t Net gain/loss on foreign currency transactions and translation (NET)	2.36	–
u Miscellaneous expenses	230.46	202.34
Total	1,376.95	1,387.13

Note 25: Finance Costs

A Interest expense - Banks	86.04	80.25
B Interest expense - Banks, Others	4.50	11.07
C Bank Charges	32.78	43.55
Total	123.32	134.87

Notes to the Financial Statements for the year ended 31st March, 2017

26. Capital and other Commitments:

Estimated amount of contracts to be executed on capital account and not provided for as at 31st March 2017 – Rs. 8.66 Lakhs (As at 31.03.2016 Rs. Nil).

		As At 31.03.2017 Rs. Lakhs		As At 31.03.2016 Rs. Lakhs
27. Contingent Liabilities not provided for:				
i) Disputed Sales Tax matters		1,263.04		1,391.75
ii) Disputed Service Tax matters		10.53		10.53
iii) Bank Guarantees for performance contracts		683.11		573.45
iv) Disputed Income Tax Matters		–		21.11
v) Central excise matters		1,602.22		1,602.22
vi) Other disputed matters		8.50		8.50
	Qty. Nos.	31.03.2017 Rs. Lakhs	Qty. Nos.	31.03.2016 Rs. Lakhs
28. Sales:				
Material Handling Equipment	5,590	4,930.40	3,080	4,281.95
Other Equipment	471	774.69	4,046	2,101.00
Components, accessories, spares, etc. (Including traded goods)		1,588.94		954.15
		7,294.03		7,337.10
29. Opening Stock of Finished Goods:				
Material Handling Equipment	19	79.04	1	16.46
Other Equipment	265	148.85	249	133.63
Components, accessories, spares, etc. (Including traded goods)		148.52		151.82
		376.41		301.91
30. Closing Stock of Finished Goods:				
Material Handling Equipment	91	63.24	19	79.04
Other Equipment	220	146.57	265	148.85
Components, accessories, spares, etc. (Including traded goods)		134.42		148.52
		344.23		376.41
31. Cost of Materials consumed:				
Steel	374.02 tons	105.79	169.01 tons	61.62
Batteries	873 Nos.	490.61	676 Nos.	383.63
Others		3,393.79		3,025.13
Value of raw materials and components consumed		3,990.19		3,470.38

Notes to the Financial Statements for the year ended 31st March, 2017

		31.03.2017		31.03.2016
		Rs. Lakhs		Rs. Lakhs
32. Value of imported raw materials and components consumed	12.31%	491.30	13.93%	483.40
Value of indigenous raw materials and components consumed	87.69%	3,498.89	86.07%	2,986.98
	<u>100.00%</u>	<u>3,990.19</u>	<u>100.00%</u>	<u>3,470.38</u>

Consumption in quantity and value has been ascertained on the basis of opening stock plus purchases less closing stock and includes adjustments on account of excesses and shortages as ascertained on physical count.

	Qty.	31.03.2017	Qty.	31.03.2016
	Nos.	Rs. Lakhs	Nos.	Rs. Lakhs
33. Purchase of Traded goods:				
Other Equipment	426	751.23	4,062	1,561.95
Components, accessories, spares, etc.		330.57		288.26
		<u>1,081.80</u>		<u>1,850.21</u>
34. C.I.F. value of imports in respect of:				
(i) Components		65.23		358.79
(ii) Traded goods		527.78		201.29
35. Expenditure in Foreign Currency:				
(i) Travelling		4.09		5.54
(ii) Exhibition		3.16		3.11
36. Earnings in Foreign Exchange:				
(i) Commission		988.55		384.11
(ii) Export of goods (F.O.B. value)		232.28		40.66
37. Details of Auditors' Remuneration: (Excluding Service Tax)				
(a) Audit fees		9.00		9.00
(b) Report under Section 44AB of Income-tax Act, 1961		3.05		3.05
(c) Other services (including Rs. 5 Lakhs for IFC Advisory Services)		11.50		6.50
(d) Reimbursement of out-of-pocket expenses		0.49		0.42
38. Transactions with related parties as identified by the Company and relied upon by the Auditors:				
(a) Names of related parties and nature of relationship:				
Bullows Paint Equipment Private Limited				
Gramos Chemicals (India) Private Limited				
Mr. Jai Prakash Agarwal, Chairman	}		Board of Directors	
Mr. F. K. Banatwalla				
Mr. S. Sheth				
Mr. M. Wadia				
Mr. Vishal Jain				
Mrs. Shikha Jain				
Mr. R. P. Pargaonkar	}		Key Management Personnel	
Mr. C. B. Sagvekar				
Mr. M. G. Naik				

Notes to the Financial Statements for the year ended 31st March, 2017

38. (b) Nature of transactions:	31.03.2017	31.03.2016
Associate Companies:	Rs. Lakhs	Rs. Lakhs
Purchase of Machinery / Goods		
Bullows Paint Equipment Private Limited	–	2.14
Amount Received Against Expenses		
Bullows Paint Equipment Private Limited	–	1.01
Amount Paid Against Expenses		
Gramos Chemicals (India) Pvt. Ltd.	28.07	20.28
Payable As At The End of the year		
Bullows Paint Equipment Private Limited	–	2.12

(c) Other Related Parties

Chambal Fertiliser and Chemicals Ltd.
Stovec Industries Ltd.
Dotch Sales Pvt. Ltd.

Nature of transactions:

Loan Given by:

Dotch Sales Pvt Ltd.	103.08	–
Mr. Vishal Jain	50.48	–

Loan repaid to:

Dotch Sales Pvt Ltd.	103.08	–
Mr. Vishal Jain	50.48	–

Sale of Goods

Chambal Fertilisers and Chemicals Limited	1.95	0.53
Stovec Industries Ltd.	1.02	4.85

Names of the Directors	31.03.2017		31.03.2016	
	Commission Paid	Sitting fees paid	Commission Paid	Sitting fees paid
S. Sheth	–	2.30	0.45	0.75
M. Wadia	–	2.30	0.45	1.00
F. K. Banatwalla	–	2.05	0.45	1.15
Jai Prakash Agarwal	–	2.20	0.68	0.95
Vishal Jain	–	1.20	0.68	0.60
Shikha Jain	–	0.65	–	–

Key Management Personnel:

	Remuneration (Rs. Lakhs)	
	31.03.2017	31.03.2016
R. P. Pargaonkar (Chief Executive Officer)	27.11	25.10
C. B. Sagvekar (Vice President and Company Secretary)	20.02	16.96
M. G. Naik (Chief Financial Officer)	5.28	5.28

Notes to the Financial Statements for the year ended 31st March, 2017

39. Deferred Tax :

Nature of timing difference	Deferred tax (Liability)/Asset As At 31st March, 2016 Rs. Lakhs	Credit/(charge) for the year Rs. Lakhs	Deferred tax (Liability)/Asset As At 31st March, 2017 Rs. Lakhs
Deferred Tax Assets (DTA)			
(a) Prov. for Doubtful Debts	42.80	5.89	48.69
(b) Disallowances U/S 43B	144.27	(6.75)	137.52
Sub-total	<u>187.07</u>	<u>-0.86</u>	<u>186.21</u>
Deferred Tax Liabilities (DTL)			
(a) On Depreciation	(15.40)	(1.54)	(16.94)
Sub-total	<u>(15.40)</u>	<u>(1.54)</u>	<u>(16.94)</u>
As a measure of prudence DTA has been restricted to the extent of DTL.	15.40	1.54	16.94
Net Amount	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>

Notes to the Financial Statements for the year ended 31st March, 2017

40. Segment Information

			31.03.2017
			Rs. Lakhs
(i) Primary Segments - Business Segment	Material Handling	Engineered Products	Total
A REVENUE:			
Segment revenue			
Sales to external customers	5,990.81 (5,062.38)	1,303.22 (2,274.72)	7,294.03 (7,337.11)
Commission income	– (–)	539.36 (412.21)	539.36 (412.21)
Other income	197.10 (183.10)	293.23 (255.98)	490.33 (439.08)
	<u>6,187.91</u> (5,245.49)	<u>2,135.81</u> (2,942.91)	<u>8,323.72</u> (8,188.40)
Unallocated income	–	–	12.03 (18.78)
Total			<u>8,335.75</u> <u>(8,207.18)</u>
B RESULTS:			
Segment results/operating (loss)/profit	209.65 (-102.03)	331.20 (391.29)	540.85 (289.26)
Unallocated income (Including income from Interest/Dividend)			12.03 (18.78)
Unallocated expenses			628.97 (411.32)
Interest Expenses			123.32 (91.32)
(Loss)/profit before tax			-199.41 (-194.60)
Provision for taxation - current tax			0.00 (0.00)
Excess Provisions for Income Tax in respect of earlier years			0.00 (0.00)
(Loss)/Profit after Tax			<u>-199.41</u> <u>(-194.60)</u>

Notes to the Financial Statements for the year ended 31st March, 2017

40. Segment Information (contd.)

			31.03.2017
			Rs. Lakhs
(i) Primary Segments - Business Segment (contd.)	Material Handling	Engineered Products	Total
C OTHER INFORMATION:			
a) Segment assets	3669.23 (2683.28)	994.08 (1874.05)	4663.31 (4557.33)
b) Unallocated assets			400.44 (386.85)
Total assets			5063.75 (4944.18)
c) Segment liabilities	1,851.04 (1,846.14)	708.48 (988.54)	2,559.52 (2,834.68)
d) Unallocated liabilities (Including share capital and reserves)			2,504.23 (2,109.50)
Total liabilities			5,063.75 (4,944.18)
e) Cost incurred during the financial year to acquire segment fixed assets	89.43 (33.68)	44.42 (39.01)	133.85 (72.69)
f) Cost incurred during the financial year to acquire segment fixed assets (Unallocated)			16.32 (45.70)
g) Depreciation	40.85 (32.39)	24.84 (21.55)	65.69 (53.94)
h) Depreciation (Unallocated)			19.39 (13.65)
i) Non-cash expenses other than depreciation	0.00 [0.00]	0.00 [0.00]	0.00 [0.00]

Note:

The Company has disclosed Business Segments as the Primary Segments. The segments have been identified taking into account the nature of the products, the differing risks & returns, the organisational structure and internal reporting system. The Company's operations predominantly relate to manufacturing of Material Handling Equipment.

The other Business Segment reported is Engineered Products.

There are no reportable geographical segments as the export turnover is not significant. Segment results include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

41. Earnings per Share

	Year ended March, 2017	Year ended March, 2016
i. (Loss)/Profit after tax (Rs. in Lakhs)	(199.41)	(194.60)
ii. Weighted average number of Equity Shares (Nos.)	764,650	764,650
iii. Earning per share (Rs.) (Basic and Diluted)	(26.08)	(25.45)
iv. Face value per share (Rs.)	10	10

Notes to the Financial Statements for the year ended 31st March, 2017

42. Disclosure in respect of provision for Warranty Claims:

Particulars	2016-17 Rs. Lakhs	2015-16 Rs. Lakhs
Opening provision	15.45	14.43
Fresh provision made for current year (Net)	7.88	1.02
Closing Provision	23.33	15.45

43. During the Year the Company has provided Rs.31.67 Lakhs (Previous Year Rs.47.39 Lakhs) on account of Gratuity and Rs. 11.62 Lakhs (Previous Year Rs. 11.82 Lakhs) on account of Superannuation Payable to its employees. The amounts due as on 31st March 2017 to the Gratuity Fund and Superannuation Fund are Rs. 216.68 Lakhs (Previous Year Rs. 260.24 Lakhs) and Rs.40.31 Lakhs (Previous Year Rs. 32.36 Lakhs) respectively.

44. Employee Benefits:

Consequent to the adoption of Accounting Standard on Employee Benefits (AS15) (Revised 2005) issued by the Institute of Chartered Accountants of India, the following disclosures have been made as required by the Standard:

DEFINED BENEFIT PLANS

A. CONTRIBUTION TO GRATUITY FUND

The details of the Company's Gratuity Fund for its employees are given below which have been certified by Life Insurance Corporation of India as on 31st March, 2017 and relied upon by the auditors.

I. Components of Employer Expenses:

	Particulars	31.03.2017 Rs. Lakhs	31.03.2016 Rs. Lakhs
(a)	Current Service Cost	13.23	14.09
(b)	Interest Cost	21.47	22.79
(c)	Expected Return on Plan Assets	1.01	0.67
(d)	Curtailment Cost / Credit	-	-
(e)	Past service Cost	-	-
(f)	Settlement Cost	-	-
(g)	Actuarial Losses / (Gains)	(3.83)	4.41
(h)	Total Expense recognised in Profit & Loss Account under Payments to and Provisions for Employees	29.86	40.62

II. Net Liability/(Asset) recognised in Balance Sheet as at 31st March, 2017

	Particulars	31.03.2017 Rs. Lakhs	31.03.2016 Rs. Lakhs
(a)	Present Value of obligation as at 31st March 2017	254.53	268.41
(b)	Fair Value of Plan Assets as at 31st March, 2017	27.60	2.52
(c)	Liability / (Asset) recognised in the Balance Sheet	226.93	265.89

Notes to the Financial Statements for the year ended 31st March, 2017

44. Employee Benefits (contd.)

DEFINED BENEFIT PLANS (contd.)

III. Change in Defined Benefit Obligation (DBO) during the year ended 31st March, 2017

	Particulars	31.03.2017 Rs. Lakhs	31.03.2016 Rs. Lakhs
(a)	Present Value of Obligation as at 31st March, 2016	268.41	284.89
(b)	Current Service Cost	13.23	14.09
(c)	Interest Cost	21.47	22.79
(d)	Curtailment Cost / credit	-	-
(e)	Settlement Cost / Credit	-	-
(f)	Plan Amendments	-	-
(g)	Acquisitions	-	-
(h)	Actuarial Loss / (Gain)	(3.83)	4.41
(i)	Benefit Paid	44.77	57.77
(j)	Present value of Obligation as at 31st March, 2017	254.53	268.41

IV. Change in the fair value of Plan Assets

	Particulars	31.03.2017 Rs. Lakhs	31.03.2016 Rs. Lakhs
(a)	Fair value of Plan Assets as at 31st March 2016	2.52	14.68
(b)	Acquisition Adjustment	-	-
(c)	Expected Returns on Plan Assets	1.01	0.67
(d)	Actuarial Gain / (Loss)	-	-
(e)	Actual Company contribution	68.83	44.93
(f)	Benefits Paid	(44.77)	(57.77)
(g)	Fair Value of Plan Assets as at 31st, March, 2016	27.60	2.51

V. Actuarial assumptions:

	Particulars	31.03.2017	31.03.2016
(a)	Discount Rate	8%	8%
(b)	Salary Escalation	3%	3%

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

Notes to the Financial Statements for the year ended 31st March, 2017

44. Employee Benefits (contd.)

DEFINED BENEFIT PLANS (contd.)

B. LEAVE ENCASHMENT

Payments to and Provisions for Employees includes Rs.15.72 Lakhs (Previous Year net of Rs. 6.53 Lakhs) towards provision made as per Actuarial Valuation in respect of accumulated Leave Encashment.

DEFINED CONTRIBUTION PLANS

The company has recognised the following amounts in the Statement of Profit and Loss for Defined Contribution Plans:

Particulars	31.03.2017 Rs. Lakhs	31.03.2016 Rs. Lakhs
Provident Fund (State Plan)	47.30	47.74
Employees State Insurance (State Plan)	1.21	1.05
Superannuation Fund	11.62	11.82

45. Certain balances for the receivables and payables of the Company are subject to reconciliation, confirmation and consequential adjustments/provisions, the amounts whereof have not been determined.

46. Exceptional items includes payment of arrears in dispute - Central Sales Tax amount of Rs. 194.98 Lakhs & Interest amount of Rs.21.74 Lakhs in respect of earlier assessment year pursuant to Government of Maharashtra Amnesty Scheme, 2016.

47. The Company has taken various residential and office premises under operating lease or leave and licence agreements. These are generally cancellable having a term between 11 months to 3 years and have no specific obligation for renewal. Payments are recognised in the statement of Profit & Loss under 'Rent' in Note 24.

48. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 :

(Rs. Lakhs)

	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	0.70	2.13	2.83
(+) Permitted receipts	–	9.73	9.73
(-) Permitted payments	–	10.15	10.15
(-) Amount deposited in Banks	0.70	–	0.70
Closing Cash in hand as on 30.12.2016	–	1.71	1.71

49. The figures for the previous year have been regrouped/restated wherever necessary to conform to the classification of the current year.

As per our report of even date attached

For **SORAB S. ENGINEER & CO.**

Chartered Accountants

Firm Registration No. 110417W

CA N. D. ANKLESARIA

Partner

Membership No. 10250

Mumbai, 15th May, 2017

Signatures to Notes 1 to 49

For and on behalf of the Board

Jai Prakash Agarwal Chairman

Vishal Jain Director

Shailesh Sheth Director

C. B. Sagvekar Vice President and
Company Secretary

M. G. Naik Chief Financial Officer

Mumbai, 15th May, 2017

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To :

M/s. Computech Sharecap Limited

Unit : Jost's Engineering Company Limited

147 Mahatma Gandhi Road,

3rd Floor, Opp. Jehangir Art Gallery,

Fort,

Mumbai - 400 001.

Dear Sir,

Consent for receiving documents in electronic form

Members holding shares in Electronic Mode

I / We hereby give my / our CONSENT to the Company to use my / our registered E-mail ID in my / our Demat Account with the Depository Participant for sending the Notices of General Meetings, Annual Report, Postal Ballot and other Shareholders' communication to me / us.

1. Name(s) of Shareholder(s) : 1
- (including joint holder, if any) 2
- 3
2. No. of Shares held :
3. DP ID / Client ID Number :
4. Signature(s) of the Shareholder(s) : 1
- 2
- 3

Members holding shares in Physical Mode

I / We hereby give my / our CONSENT to the Company, to use my / our following e-mail id for sending the Notices of General Meetings, Annual Report, Postal Ballot and other Shareholders' communication to me / us.

1. Name(s) of Shareholder(s) : 1
- (including joint holder, if any) 2
- 3
2. No. of Shares held :
3. Registered Folio Number :
4. E-mail ID :
5. Signature(s) of the Shareholder(s) : 1
- 2
- 3

Place :

Date :

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Jost's Engineering Company Limited

Registered Office: Great Social Building, 60, Sir Phirozeshah Mehta Road, Mumbai 400 001. India
CIN : L28100MH1907PLC000252, Tel. : +91 22 6237 8200, Fax : +91 22 6237 8201
E-mail : jostsho@josts.in Website : www.josts.com

ATTENDANCE SLIP

110TH ANNUAL GENERAL MEETING - 20TH JULY, 2017 AT 4.30 P.M.

Registered Folio/DP ID & Client ID

Name and Address of the shareholder(s)

Joint Holder 1
Joint Holder 2

I/We hereby record my/our presence at the Hundred and Tenth ANNUAL GENERAL MEETING of the Company on Thursday, the 20th July, 2017 at Great Social Building, 60 Sir Phirozeshah Mehta Road, Mumbai 400001.

Member's / Proxy's Signature

Note: Please complete this Attendance slip and hand it over at the entrance of the Meeting hall.

ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN) User ID Password

1 7 0 6 0 8 0 0 2

Note: Please read the instructions given under the Note no. 8 of Notice dated 15th May, 2017 of 110th Annual General Meeting. The e-voting period commences on Monday, 17th July, 2017 at 10.00 a.m. and ends on Wednesday, 19th July, 2017 at 5.00 p.m. Thereafter the e-voting module shall be disabled by CDSL.

Jost's Engineering Company Limited

Registered Office: Great Social Building, 60, Sir Phirozeshah Mehta Road, Mumbai 400 001. India
CIN : L28100MH1907PLC000252, Tel. : +91 22 6237 8200, Fax : +91 22 6237 8201
E-mail : jostsho@josts.in Website : www.josts.com

FORM NO. MGT - 11 PROXY

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: Name of the Company

Registered Office:

Name of the Member(s)

Registered Address:

E-mail id: Folio No./DP ID/Client ID:

I/We, being the member(s) of shares of the above named company, hereby appoint

1 Name Address

E-mail id Signature or failing him

2 Name Address

E-mail id Signature or failing him

3 Name Address

E-mail id Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 110th Annual General Meeting of the Company, to be held on Thursday, 20th July, 2017 at 4:30 p.m. at Great Social Building, 60 Sir Phirozeshah Mehta Road, Mumbai 400001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

- Adoption of Financial Statements for the year ended 31st March, 2017 and reports of Directors and Auditors thereon.
- Declaration of Dividend for the year ended 31st March, 2017.
- Re-appointment of Mr. Jai Prakash Agarwal (DIN 00242232) who retires by rotation.

4. Appointment of Messrs. Singhi & Co., Chartered Accountants, as Auditors and fixing their remuneration.

Special Business:

5. Appointment of Mrs. Shikha Jain (DIN 06778623) as a Director liable to retire by rotation.

Signed this day of 2017.

Folio No. / DP ID / Client ID Signature of shareholder

Signature of Proxy holder

Notes:

- 1) This form of proxy in order to be effective, should be deposited at the Registered Office of the Company duly completed and signed, not less than 48 hours before the commencement of the meeting.
- 2) A proxy need not be a member of the Company.
- 3) A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. A member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.