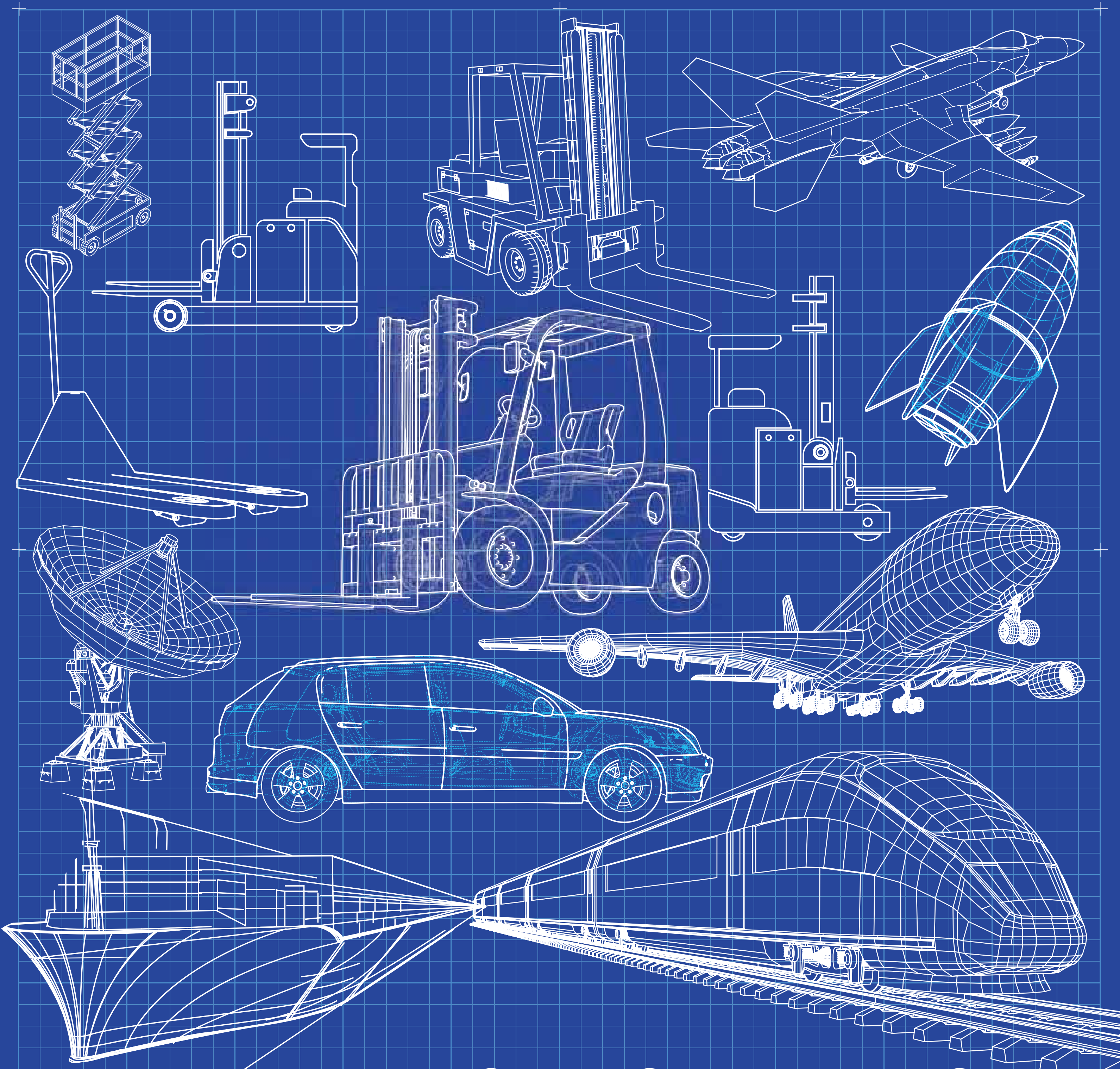


DELIVERING ENGINEERING EXCELLENCE

Josts

Since 1907

Annual Report 2017-18

HOW TO READ

Disclaimer

This document contains statements about expected future events and financials of Jost's Engineering Company Limited, which are forward-looking. By their nature, forward-looking statements require The Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis Report of the Jost's Engineering Annual Report for 2017-18.

To download the online version of Annual Report please click the link below
http://josts.com/annual-reports-2/
OR
Scan the below QR quote to download the Annual Report

AT THE FOREFRONT OF INDIA'S INDUSTRIAL DEVELOPMENT

We are one of India's largest Material Handling and Engineered Products manufacturers and related solutions providers. With over 111 years of experience, we help empower Indian industries with our cutting-edge technologies through painstaking execution of our concept of 'Diverse technology, Integrated approach'.

We aim to be a leading corporation in all spheres of specialties we serve, through our superior quality products, cutting edge solutions and services that meet minute aspirations of our customers while maintaining highest standards of quality, consistency and reliability.

By developing and acquiring best-in-class technologies of global standards, we strive to deliver our engineering excellence to our customers. In turn, building trust by virtue of its integrity and its objective to be fair, time bound and result oriented.

MISSION

To provide World-Class Industrial Products and Material Handling Solutions to our Customers which enables them to achieve Best Quality, Productivity & Experience.

VISION

Josts aspires to be Dominant Industry Player in the segment it operates.

This is achieved through -

- Developing Competent & Committed Team
- Operational and Service Excellence
- Offering wider Product Range
- Expanding Market Reach
- Organic and Inorganic Growth

CORE VALUE

- Integrity
- Respect for Individual
- Honor Commitments
- Process approach
- Lead by Example

111
Years of excellence.

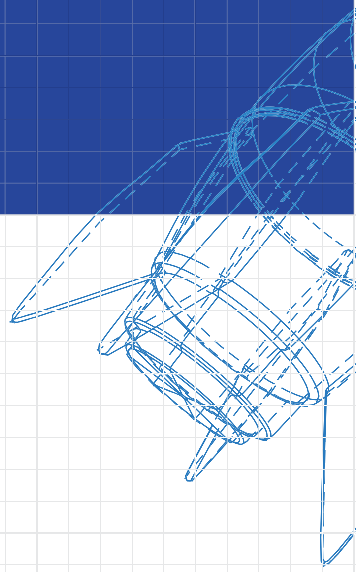
1000+
Customers

25+
International companies representing in India

8
Regional offices in PAN India

MEET JOSTS

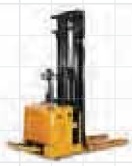
JOST'S ENGINEERING COMPANY LIMITED (ALSO TERMED AS JOSTS OR THE COMPANY ACROSS THE REPORT) IS AMONGST THE LARGEST MANUFACTURER OF MATERIAL HANDLING EQUIPMENT AND WIDE RANGE OF ENGINEERING PRODUCTS SOLUTIONS THAT ADDS VALUE TO SOME OF THE DEMAND INDUSTRIAL APPLICATIONS.



Established in 1907, Josts has rich experience to serve diverse industries and fulfilling the customer's aspirations. The Company offers highest standards of quality, consistency and reliability through its products and solutions adhering to fair and ethical business practices through its entire gamut of operations.

Josts Pan India presence through strategically located manufacturing units, sales offices and service units ensures better customer reach and penetration. It has received several accolades and appreciation from both private and Government establishments with passage of time.

Josts runs three self-sustaining business divisions viz. Material Handling division, Engineered Products Division and Technical Services Division.



1

Material Handling Division:

Provides innovative material handing solutions for internal material handling needs of its customers to improve the efficiency of their processes.

2

Engineered Product Division:

Provides innovative environment-friendly technologies and solutions to enhance performance of their process and products. The Engineered Products Division, in association with some of the leading manufacturers of the world, provides advanced engineering solutions for some very demanding industrial applications.

3

Technical Services:

At Josts, we take particular care in setting up world-class technology solutions in systems and products by means of on site testing, technical Training, Consultancy, Application Support, Installation and Commission calibration Annual / Comprehensive Maintenance Contract.

4

MHE Rentals (Jost's Subsidiary):

Offer's equipment as per customer needs, often involving OEM's in the selection process. The products and services can be customized in many ways:

- Equipment
- Trained operator
- Annual maintenance contract
- Manpower

CHAIRMAN'S MESSAGE

RAZOR SHARP OPERATIONAL AND SERVICE EXCELLENCE DEFINES OUR STANDARDS

DEAR SHAREHOLDERS,

It is my privilege to present the Annual Report 2017-18 of your company. The Company's performance continued to be subdued. Private investment continues to remain sluggish. The Government has implemented GST during the year simplifying the tax regime and working towards improving compliance. In the long run this will be beneficial to all stakeholders. Your Company does not have any impact on business due to GST as we are dealing primarily with B2B customers. Capex in Private Sector is expected to pick up. GDP will further improve in the coming year and your Company is fully geared up to take advantage for the same.

Operations

The results of the year 2017-18 showed marginal rise in Revenues as compared to the previous year. Income for the year is Rs. 9,198.12 Lakhs as against Rs.9,100.14 Lakhs in the previous year. I am pleased to inform you that despite of same revenue level, Company has reported Profit before tax of Rs. 177.81 Lakhs as against loss of Rs. 222.30 Lakhs (which includes Rs. 216.72 Lakhs as extra ordinary items) in the previous year.

The Engineered Products Division, made substantial contribution to the profit for the year under review. In this division, we are serving customers in government segments like Defense, Power transmission & distribution, Education, R & D Labs and customers in private segments like Automotive, Industrials, FMCG, etc. We will continue to focus on technical service business in the years to come and our focus will be stronger. We expect to have better prospects in this line of business in the current year.

The Material Handling Division performed marginally better during the year under review. The margins and market share in this division are getting impacted due to increase in raw material costs and aggressive pricing by all local players to retain market share in face of aggressive pricing by imported equipment manufactures in the Forklift business. The Company is continuously putting focus on providing better quality products and customer services.

Dividend

The Board of Directors of the Company has recommended a dividend of Rs. 2/- per share (20%) for the year under review as against Re. 1/- per share (10%) for the previous year.

Subsidiary Company

On 20th April, 2017, the Company has acquired 6,000 (60%) Equity shares of Rs. 10/- each (value Rs. 60,000/-), in MHE Rentals India Private Limited (Subsidiary Company). The Company made further investment of Rs. 300.00 lakhs (30 lakhs Equity shares of Rs. 10/- each) in Subsidiary Company. The Subsidiary Company is engaged in equipment rental business. The Company's first year performance is encouraging. In the current year, I expect that the Company will perform significantly better than the industry.

Rights Issue

During the year under review, the Company has made a Rights Issue of 168,223 Equity shares of Rs. 10/- each at price of Rs. 594.00 per Equity share, including premium of Rs.584.00 per share. The Rights Issue was subscribed by 1.6 times. These shares were allotted on 26th December, 2017. Total capital raised from Rights Issue was Rs. 999.24 lakhs. The funds raised from Rights Issue have been utilized as per objects stated in Letter of Offer dated 8th November, 2017.

Proposed expansion of manufacturing activities

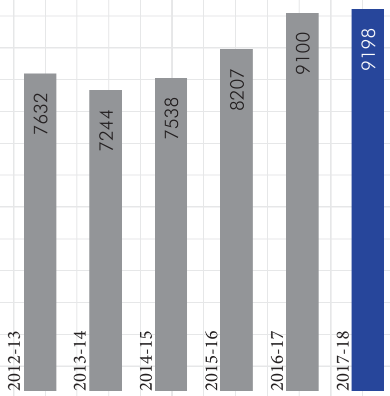
The Company has entered into an agreement on 12th April, 2018, for acquiring leasehold land admeasuring 12,000 square meters or thereabout, including building thereon situated at MIDC, Murbad, District Thane at a total price of Rs. 554 lakhs. The capital expenditure (excluding cost of land) for setting up the manufacturing facility in this place, is expected to be around Rs. 6 crores which will be financed through internal accruals. It is proposed to manufacture material handling equipments such as Diesel/ Electrical Forklifts, Reach Truck, Racking System and other material handling equipments.

Human Resources and Talent Management continues to be focus areas through Training - Our focus is on Resource Training - Technical and soft skills training, Rewarding Performance, Identifying high potential team members and providing them with an appropriate career path within the organization. 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.

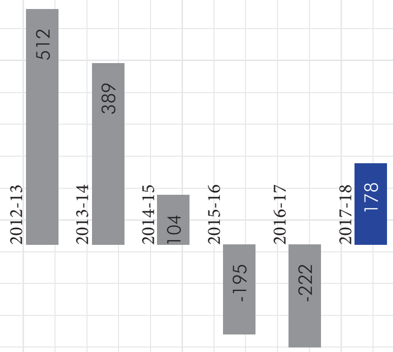
With Best Wishes
Jai Prakash Agarwal
Chairman
Mumbai, 26th May, 2018

FINANCIAL HIGHLIGHTS

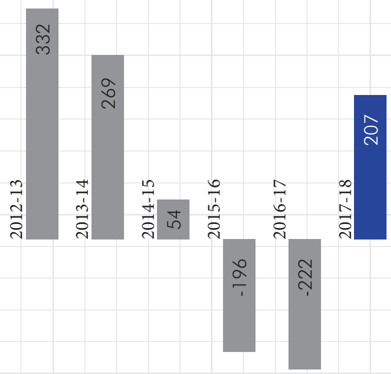
Income (₹ Lakhs)



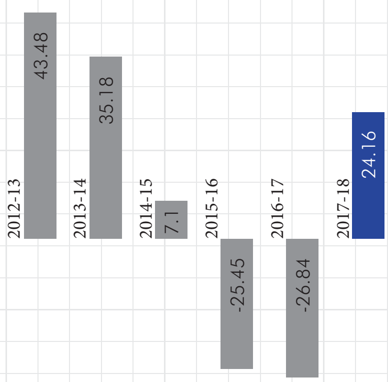
Profit Before Tax (₹ Lakhs)



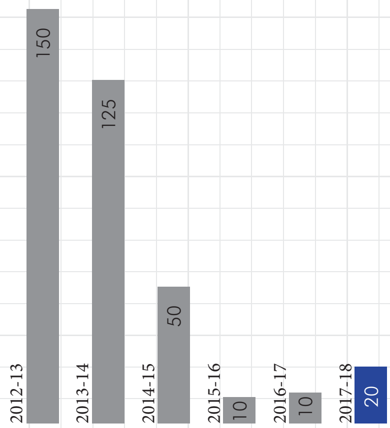
Profit After Tax (₹ Lakhs)



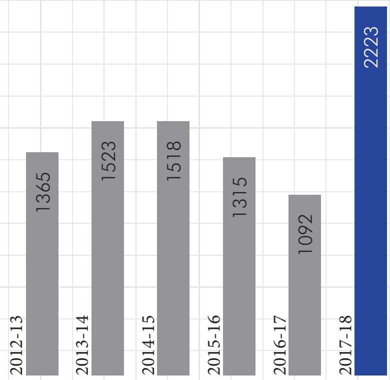
Earnings per share (₹ Lakhs)



Dividend (%)



Net Worth (₹ Lakhs)



DELIVERING ENGINEERING EXCELLENCE

THROUGH STRONG MANUFACTURING KNOWHOW AND INNOVATIVE OFFERINGS

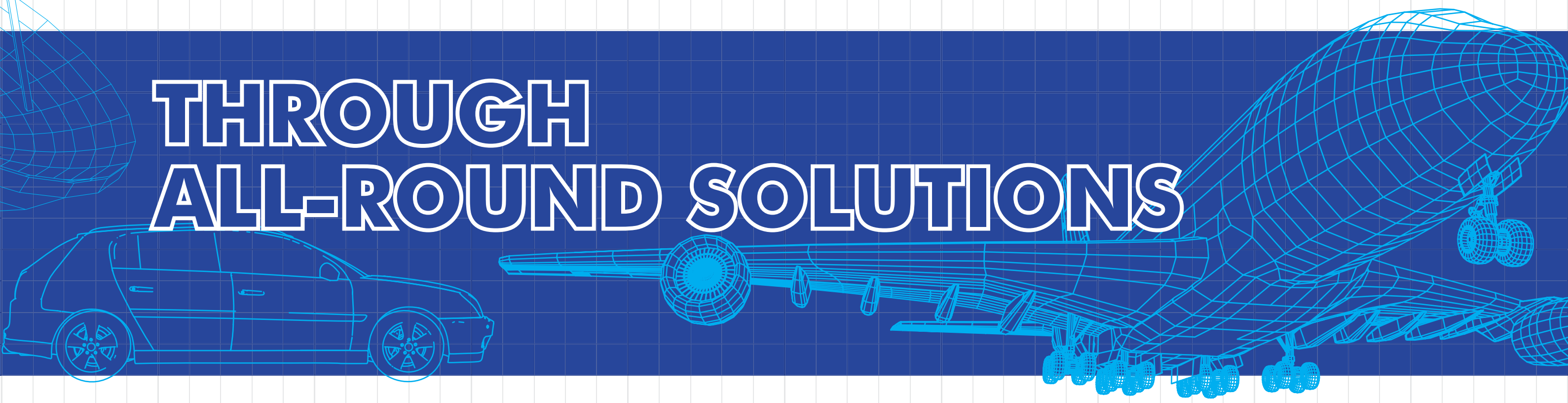
Josts manufactures a comprehensive range of Material Handling Equipments in its ISO 9001:2008 certified plants, comprising fully-equipped fabrication, machining and assembly shop in Thane. The entire manufacturing process is supported by an integrated ERP system. Highest standards of quality are ensured in Josts by rigorously following lean manufacturing systems and other TQM techniques.

Public Sector Undertakings and Government entities from diverse sectors including:

- Auto and auto-ancillaries
- Airports
- Consumer Goods
- Electrical and electronics
- Logistics and warehousing
- Pharmaceuticals
- Power plants
- Textiles
- Paints
- Chemicals
- Defence establishments
- Food processing units
- Paper and packaging
- Ports
- Railways
- Tyres

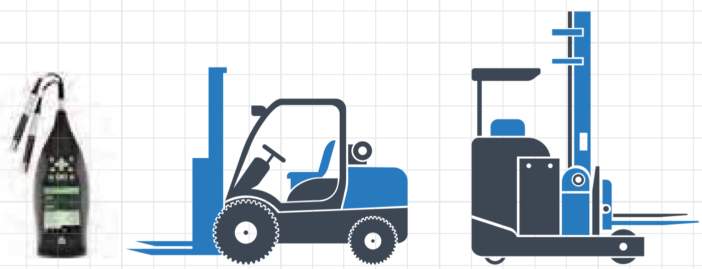
Engineered Products Division provides global, innovative technology solutions to its customers to help them achieve enhanced performance in the products, systems and processes. Having technology tie-ups with some of the global leading manufacturers, Josts delivers advanced engineering solutions for some of the high-demanding industrial applications, thus blending the legacy of innovation and global leadership of the principles with its own technical expertise, know-how and reach of the markets.

DELIVERING ENGINEERING EXCELLENCE THROUGH ALL-ROUND SOLUTIONS

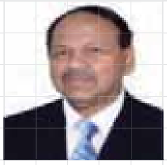


Josts provides other specialised engineering services like turnkey project management services covering every aspect of instrumentation and mechanical erection projects. It also offers a comprehensive range of calibration services at its own service centres and other accredited laboratories. This apart, Josts also provides customised Annual Maintenance Programmes (AMC) for its installations that requires routine maintenance checks and up-to-date upkeep. Josts repair and maintenance services are available through seven strategically located service stations spread throughout the country and equipped with sophisticated test and measuring instruments, diagnostic software and fully trained service technicians.

Josts also delivers advanced technology solutions like Nanotechnology and Analytical solutions and Advanced Environmental Solutions for testing various production systems under dynamic and static environmental conditions. Josts not only provides superior quality of products and process improvement equipments, rather it augments the customer experiences through its equally supreme, best in class support services to ensure quality, consistency and reliability of the solutions.



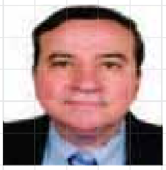
BOARD OF DIRECTORS



Mr. Jai Prakash Agarwal
Chairman

Mr. Vishal Jain
Vice Chairman and Managing Director

Mr. Shailesh Sheth
Director



Mr. Marco Wadia
Director

Mr. F.K. Banatwalla
Director

Mrs. Shikha Jain
Director

MANAGEMENT TEAM

Mr. Vishal Jain
Vice Chairman and Managing Director

Mr. L . Sharath Kumar
Vice President – EPD

Mr. Daljeet Singh
Sr. Vice President – MHD

Mr. Anand Singh Dalal
CEO – MHE Rental

Mr. Kshitiz Bilala
CFO

Directors' Report

The Directors present herewith Annual Report together with the Audited Financial Statements for the year ended 31st March, 2018.

(₹ Lakhs)

	Year ended 31-3-2018	Previous Year ended 31-3-2017
1. FINANCIAL RESULTS		
Profit/(Loss) before Tax	177.81	(222.30)*
Less : Tax Expense:		
Current Tax	29.89	-
Deferred Tax	(48.19)	-
MAT Credit Entitlement	-	-
(Excess)/Short Provision for Income tax of earlier years	(11.29)	-
Profit/(Loss) after tax	207.40	(222.30)
Balance brought forward from previous year	670.43	892.73
Amount available for appropriation	877.83	670.43
Less: Dividend paid for the previous year (including tax on dividend)	9.25	-
General Reserve	-	-
Balance carried forward	868.58	670.43

* Refer note no. 47(c) to Standalone Financial Statements.

2. DIVIDEND

The Directors are pleased to recommend a dividend of ₹ 2/- (20%) per share for the financial year ended 31st March, 2018.

3. OPERATIONS

Income for the year under review, was ₹ 9,198.12 Lakhs as against ₹ 9,100.14 Lakhs in the previous year. The profit before tax was ₹ 177.81 Lakhs as against loss of ₹ 222.30 Lakhs in the previous year. Generally business should continue to progress. Barring unforeseen circumstances, there should be improved results in the current financial year 2018-19.

4. PERFORMANCE OF SUBSIDIARY COMPANIES

i) The Company has incorporated during the financial year 2015-16, an entity in Ajman Free Trade Zone, UAE. This entity has not commenced any business activities, to date.

ii) On April 20, 2017, the Company has acquired 6,000 (60%) Equity shares of ₹ 10/- each (value ₹ 60,000/-), in MHE Rentals India Private Limited (Subsidiary Company). The Company made further investment of ₹ 300.00 Lakhs (30 Lakhs Equity shares of ₹ 10/- each) in Subsidiary Company, during the year 2017-18. The Subsidiary Company is engaged in equipment rental business.

5. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in terms of requirement of Companies Act, 2013 and in accordance with the relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms and integral part of this Report.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries / Associate Companies / Joint Ventures is given in Form AOC – 1 attached to the Financial Statements of the Company.

6. RIGHTS ISSUE

During the year, the Company has made a Rights Issue of 168223 Equity shares of ₹ 10/- each at price of ₹ 594.00 per Equity share, including premium of ₹584.00 per share. The Rights Issue was subscribed by 1.6 times. These shares were allotted on 26th December, 2017. Total capital raised from Rights Issue was ₹ 999.24 Lakhs. The funds raised from Rights Issue have been utilised as per objects stated in Letter of Offer dated 8th November, 2017.

Directors' Report (Contd.)

7. PROPOSED EXPANSION OF MANUFACTURING ACTIVITIES.

During the year under review, the Company has entered into an agreement for acquiring leasehold land admeasuring 12,000 square meters or thereabout, including building thereon situated at MIDC, Murbad, District Thane at a total price of ₹ 554 Lakhs. The capital expenditure (excluding cost of land) for setting up the manufacturing facility in this place, is expected to be around ₹ 6 crores which will be financed through internal accruals. It is proposed to manufacture material handling equipments such as Diesel/ Electrical Forklifts, Reach Truck, Racking System and other material handling equipments.

8. 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.

9. 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, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit 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.

10. 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 2017-18 was in receipt of the remuneration of ₹ 102 Lakhs or more and no employee, employed for the part of the financial year 2017-18 was in receipt of remuneration of ₹ 8.50 Lakhs or more per month.

11. 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.

12. 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.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 have been disclosed in the Financial Statements.

14. 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).

Directors' Report (Contd.)

15. 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).

16. 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)

17. 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)

18. 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.

19. 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).

20. 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. 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

21. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors in their separate Meeting held on 3rd February, 2018 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.

22. MEETINGS OF THE BOARD

During the year under review, 6 Board Meetings and 9 Committee Meetings were convened and held.

23. PERFORMANCE EVALUATION

Pursuant to the provisions of Section 134 (3) (p) of the Companies Act, 2013, during the year, the Board of Directors has evaluated its own performance as well as that of individual Directors and the following Committees, namely, Audit Committee, Nomination and Remuneration Committee and Share Transfer and Stakeholders Relationship Committee and found the same to be satisfactory.

24. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year 2017-18, were on arm's length basis and in the ordinary course of business. Further, during the Financial Year 2017-18, no material related party transactions under the scope of Section 188 (1) of the Companies Act, 2013 were entered into by the Company. Accordingly, the disclosure in form AOC-2 is not applicable. The related party transactions have been disclosed in the Financial Statements. All related party transactions were placed periodically, before the Audit Committee as also the Board for their Approval.

25. AUDITORS

(i) Statutory Auditors

M/s. Singhi & Co., Chartered Accountants, (Firm Registration No. 302049E) was appointed as the Statutory Auditors of the Company, at the 110th Annual General Meeting, held on 20th July, 2017,to hold office from the conclusion of the said meeting until the conclusion of the 115th Annual General Meeting, subject to ratification by the members every year. Necessary resolution for ratification of the appointment of M/s. Singhi & Co., Chartered Accountants as the Statutory Auditors is included in the Notice of the 111th Annual General Meeting.

The reports of the Statutory Auditors, M/s. Singhi & Co., Chartered Accountants, on the Standalone and Consolidated Financial Statements of the Company for the year ended 31st March, 2018, form part of this Annual Report. The Statutory Auditors have submitted an unmodified opinion on the audit of financial statements for the year ended 31st March, 2018 and there is no qualification, reservation or adverse remarks given by the Auditors in their Report.

(ii) Secretarial Auditor

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

Directors' Report (Contd.)

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

26. 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.

27. 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. Audit observations and corrective actions taken by the Management are presented to the Audit Committee.

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

There are no significant and material orders passed by the Regulators / Courts 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.

29. DIRECTORS

(i) In accordance with Article 122 of the Articles of Association of the Company, Mrs. Shikha Jain (DIN 06778623) retire by rotation at the ensuing Annual General Meeting and being eligible offer herself for re-appointment.

(ii) The Board of Directors at their meeting held on 4th October, 2017, appointed Mr. Vishal Jain as Vice Chairman and Managing Director for a period of 3 years with effect from 4th October, 2017, on the terms and conditions embodied in the agreement dated 26th December, 2017, entered into between the Company and Mr. Vishal Jain.

(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.

30. KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company as on 31st March, 2018 are:

Mr. Vishal Jain – Vice Chairman and Managing Director (appointed w.e.f. 4th October, 2017).

Mr. C. B. Sagvekar – Vice President and Company Secretary.

Mr. Kshitiz Bilala – Chief Financial Officer (appointed w.e.f. 1st February, 2018).

During the year, the following persons ceased to be KMP:

Mr. R. P. Pargaonkar, Chief Executive Officer, w.e.f. 1st October, 2017

Mr. M. G. Naik, Chief Financial Officer, w.e.f. 1st February, 2018.

31. INDIAN ACCOUNTING STANDARDS (IND-AS)

The Company adopted Indian Accounting Standards ("Ind AS") from 1st April, 2017 and accordingly the Financial Statements for the year ended 31st March, 2018 are in compliance with Ind AS notified by Ministry of Corporate Affairs, as prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

On behalf of the Board of Directors

Jai Prakash Agarwal
Chairman

Mumbai, 26th May, 2018.

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 utilising 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 - Generator, air conditioners, lighting devices have all been replaced by more energy efficient ones.

(iv) Installed new profile cutting machine in the factory resulting in reduction of consumption of energy.

(B) Technology Absorption

(i) The efforts made towards technology absorption - This is ongoing 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).

(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 Research & Development.

(C) Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings	–	₹ 678.79 Lakhs
Foreign Exchange Outgo	–	₹ 9.16 Lakhs

On behalf of the Board of Directors

Jai Prakash Agarwal
Chairman

Mumbai, 26th May, 2018.

Annexure 'B' to the Directors' Report

FORM NO.MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

[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	:	M/s. Computech Sharecap Limited
	Registrar and Transfer Agent, if any		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 67.57%, Traded goods 3.16%)	4353000	70.73
2	Sale of Traded Goods – Engineered Products	–	15.71

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)
2.	MHE Rentals India Private Limited	U71290WB2016PTC218677	Subsidiary	60.24	2 (87)

Annexure 'B' to the Directors' Report (Contd.)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

I) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				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	370,890	0	370,890	48.50	461,572	0	461,572	49.48	0.98
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):	**370,890**	**0**	**370,890**	**48.50**	**461,572**	**0**	**461,572**	**49.48**	**0.98**
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)	**370,890**	**0**	**370,890**	**48.50**	**461,572**	**0**	**461,572**	**49.48**	**0.98**
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	0.06	-0.02
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) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0
j) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):	**5**	**590**	**595**	**0.08**	**5**	**590**	**595**	**0.06**	**-0.02**
2) Non-Institutions									
a) Bodies Corp.									
i) Indian	6483	430	6913	0.90	20108	330	20438	2.19	1.29
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	179,837	35,259	215,096	28.13	199,807	29,779	229,586	24.61	-3.52

Annexure 'B' to the Directors' Report (Contd.)

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	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	165,097	0	165,097	21.59	215,974	0	215,974	23.15	1.56
c) Others (Specify)									
i. Clearing Member	0	0	0	0	0	0	0	0	0
ii. Foreign Nationals	0	30	30	0.01	0	30	30	0.01	0
iii. Non Resident Indians (Repat)	0	0	0	0	0	0	0	0	0
iv. Non Resident Indians (Non Repat)	3019	3010	6029	0.79	4548	130	4678	0.50	-0.29
v. Trust	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):	**354,436**	**38,729**	**393,165**	**51.42**	**440,437**	**30,269**	**470,706**	**50.46**	**-0.96**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**354,441**	**39,319**	**393,760**	**51.50**	**440,442**	**30,859**	**471,301**	**50.52**	**-0.98**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A)+(B)+(C)	**725,331**	**39,319**	**764,650**	**100.00**	**902,014**	**30,859**	**932,873**	**100**	**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	105,550	13.80	-	132,991	14.26	-	0.46
2	Mrs. Krishna Agarwal	40,000	5.23	-	48,800	5.23	-	0
3	Mr. Vishal Jain	92,908	12.15	-	118,215	12.67	-	0.52
4	Mrs. Shikha Jain	92,477	12.09	-	112,821	12.09	-	0
5	Mr. Rajendra Kumar Agarwal	17,000	2.22	-	20,740	2.22	-	0
6	Mrs. Anita Agarwal	17,000	2.22	-	20,740	2.22	-	0
7	M/s. J. P. Agarwal & Sons HUF	5,955	0.78	-	7,265	0.78	-	0

Annexure 'B' to the Directors' Report (Contd.)

III) Change in Promoters' Shareholding.

Sr. No.	Particulars	Shareholding at the beginning of the year (01/04/2017) No. of Shares	% of total shares of the Company	Transaction Details Date	Purchase	Sale	Cumulative Shareholding during the year (1st April, 2017 to 31st March, 2018) No. of Shares	% of total shares of the Company
1	Mr. Jai Prakash Agarwal	105550	13.80					
				05.01.2018	27,441	–	132,991	14.26
				31.03.2018	–	–	132,991	14.26
2	Mrs. Krishna Agarwal	40,000	5.23					
				05.01.2018	8,800	–	48,800	5.23
				31.03.2018	–	–	48,800	5.23
3	Mr. Vishal Jain	92,908	12.15					
				05.01.2018	25,307	–	118,215	12.67
				31.03.2018	–	–	118,215	12.67
4	Mrs. Shikha Jain	92,477	12.09					
				05.01.2018	20,344	–	112,821	12.09
				31.03.2018	–	–	112,821	12.09
5	Mr. Rajendra Kumar Agarwal	17,000	2.22					
				05.01.2018	3,740	–	20,740	2.22
				31.03.2018	–	–	20,740	2.22
6	Mrs. Anita Agarwal	17,000	2.22					
				05.01.2018	3,740	–	20,740	2.22
				31.03.2018	–	–	20,740	2.22
7	M/s. J. P. Agarwal & Sons (HUF)	5,955	0.78					
				05.01.2018	1310	–	7,265	0.78
				31.03.2018	–	–	7,265	0.78

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 No. of Shares	% of total shares of the Company	Transaction Details Date	Purchase	Sale	Cumulative Shareholding during the year No. of Shares	% of total shares of the Company
1	**Mr. Sharad Kanayalal Shah**	56,425	7.38	05.01.18	15,369	-	71,794	7.70
2	Mr. Akshay Raheja	38,200	5.00	05.01.18	8,404	-	46,604	5.00
3	Mr. Viren Raheja	38,200	5.00	05.01.18	8,404	-	46,604	5.00
4	Mrs. Varsha Sharad Shah	21,595	2.82	05.01.18	5,880	-	27,475	2.95
5	Mr. Saraiya Bhavin Ramakant	10,677	1.40	23.06.17	-	213	10,464	1.37
				05.01.18	2,530	-	12,994	1.39

Annexure 'B' to the Directors' Report (Contd.)

Sr.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Transaction Details			Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	Date	Purchase	Sale	No. of Shares	% of total shares of the Company
				12.01.18	-	48	12,946	1.39
				02.02.18	-	3262	9,684	1.04
				09.02.18	2,210	-	11,894	1.27
6	Ms. Jigna Kanayalal Shah	9119	1.19	05.01.18	2,484	-	11,603	1.24
7	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs (Transfer of shares pursuant to Section 124 (6) of the Companies Act, 2013.)	0	0	01.12.17	8,228	-	8,228	0.88
8	Sarita Khemka	0	0	21.04.17	1,574	-	1,574	0.21
				28.04.17	831	-	2,405	0.31
				05.05.17	260	-	2,665	0.35
				12.05.17	100	-	2,765	0.36
				19.05.17	628	-	3,393	0.44
				26.05.17	401	-	3,794	0.50
				02.06.17	880	-	4,674	0.61
				09.06.17	700	-	5,374	0.70
				15.06.17	195	-	5,569	0.73
				23.06.17	750	-	6,319	0.83
				05.01.18	1,386	-	7,705	0.83
9	Mr. Mustaali Mohsin Roowala	7283	0.95				7,283	0.78
10	Utsav Prmodkumar Shrivastav	0	0	16.06.17	294	-	294	0.04
				23.06.17	1,000	-	1,294	0.17
				29.09.17	2,492	-	3,786	0.50
				27.10.17	-	112	3,674	0.48
				21.11.17	20	-	3,694	0.48
				05.01.18	1,000	-	4,694	0.50
				30.03.18	306	-	5,000	0.54

Annexure 'B' to the Directors' Report (Contd.)

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	105,550	13.80	–	–
	Right Shares on 05.01.2018	–	–	27,441	
	At the end of the year	–	–	132,991	14.26
2.	Mr. Vishal Jain – Vice Chairman and Managing Director				
	At the beginning of the year	92,908	12.15	–	–
	Right Shares on 05.01.2018	–	–	25,307	
	At the end of the year	–	–	118,215	12.67
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	92,477	12.09	–	–
	Right Shares on 05.01.2018	0	0	20,344	
	At the end of the year	–	–	112,821	12.09

Annexure 'B' to the Directors' Report (Contd.)

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. C. B. Sagvekar –Vice President and 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	–	–	–	–
8.	Mr. Kshitiz Bilala - CFO				
	At the beginning of the year	–	–	–	–
	Date wise Increase/ decrease in Shareholding during the year specifying the reasons wfor 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

(₹ in Lakhs)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	1,326.71	–	–	1,326.71
II) Interest due but not paid	–	–	–	–
III) Interest accrued but not due	–	–	–	–
Total (I+II+III)	**1,326.71**	**–**	**–**	**1,326.71**
Change in Indebtedness during the financial year				
– Addition	(305.86)	–	–	(305.86)
– Reduction	–	–	–	–
Net Change	(305.86)	–	–	(305.86)
Indebtedness at the end of the financial year				
I) Principal Amount	1,020.85	–	–	1,020.85
II) Interest due but not paid	–	–	–	–
III) Interest accrued but not due	–	–	–	–
Total (I+II+III)	**1,020.85**	**–**	**–**	**1,020.85**

Annexure 'B' to the Directors' Report (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of Managing Director, Whole-time Director and / or Manager

(₹)

Sr. No.	Particulars of Remuneration	Mr. Vishal Jain Vice Chairman and Managing Director (w.e.f. 4th October, 2017)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.00
	(b) Value of Perquisites u/s 17 (2) Income-tax Act, 1961	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00
2.	Stock Option	0.00
3.	Sweat Equity	0.00
4.	Commission	0.00
	As % of profit	0.00
	Others, specify	0.00
5.	Others , please specify	0.00
Total (A)		**6.00**
Ceiling as per the Act *		
* Ceiling as per Section II part II of sedule V of the Companies Act, 2013.		

B. Remuneration to other Directors

(₹ in Lakhs)

Sr. No	Particulars of Remuneration	Name of Directors			
1.	Independent Directors	Mr. F. K. Banatwalla	Mr. Marco Wadia	Mr. Shailesh Sheth	Total Amount
	Fee for attending board / committee meetings	3.05	2.90	3.05	9.00
	Commission	–	–	–	–
	Others, please specify	–	–	–	–
Total (1)		**3.05**	**2.90**	**3.05**	**9.00**

Annexure 'B' to the Directors' Report (Contd.)

(₹ in Lakhs)

Sr. No	Particulars of Remuneration	Name of Directors			Total Amount
2.	Other Non-Executive Directors	Mr. Jai Prakash Agarwal	Mr. Vishal Jain * (Upto 3rd October, 2017)	Mrs. Shikha Jain	
	Fee for attending board / committee meetings	3.10	2.10	0.50	5.70
	Commission	–	–	–	–
	Others, please specify	–	–	–	–
Total (2)		**3.10**	**2.10**	**0.50**	**5.70**
Total (B) = (1+2)					**14.70**
Total Managerial Remuneration					**14.70**
	Overall Ceiling as per the Act				
	(1% of the net profit calculated under Section 198 of the Companies Act, 2013)				

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

(₹ in Lakhs)

Sr. No	Particulars of Remuneration			Key Managerial Personnel		
		CEO Mr. R. P. Pargaonkar (1/4/2017 to 30/9/2017)	Company Secretary Mr. C. B. Sagvekar (1/4/2017 to 31/03/2018)	CFO Mr. M. G. Naik (1/4/2017 to 31/01/2018)	CFO Mr. Kshitiz Bilala (1/2/2018 to 31/03/2018)	Total Amount
1.	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.68	19.82	–	3.90	36.40
	(b) Value of Perquisites u/s 17 (2) Income-tax Act, 1961	0.20	–	–	–	0.20
	(c)Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	–	–
2.	Stock Option	–	–	–	–	–
3.	Sweat Equity	–	–	–	–	–
4.	Commission	–	–	–	–	–
	As % of profit	–	–	–	–	–
	Others, specify	–	–	–	–	–
5.	Others ,please specify (Retainership Fees)	–	–	4.40	–	4.40
Total		**12.88**	**19.82**	**4.40**	**3.90**	**41.00**

Annexure 'B' to the Directors' Report (Contd.)

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

(₹ in Lakhs)

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					

Annexure "C" to the Directors' Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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 P M Road, Fort 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 authorised 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 31st March, 2018 (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 31st March, 2018 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.

Annexure "C" to the Directors' Report (Contd.)

(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 Dispute 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:

(vii) Secretarial Standards issued by The Institute of Company Secretaries of India.

(viii) 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 BSE Ltd., (Mumbai Stock Exchange) had pointed out non- compliance of various regulations under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and have levied fines as follows:

Sr. No.	Regulations under SEBI (LODR) Regulations, 2015	Nature of non-compliance	Total Amount of Fine Levied (In ₹)
1	Reg. 31 (1) Share holding Pattern	Late Submission	16,520
2	Reg. 31 (1) Share holding Pattern	Late Submission	7,080
3	Reg. 31 (1) Share holding Pattern	Late Submission	116,407
4	Reg. 31 (1) Share holding Pattern	Late Submission	28,320
5	Reg. 34 Annual Report	Late Submission	456,660

We are informed that the Company has submitted hard copies of these documents to BSE Ltd. well within the stipulated time, and Company has paid the above fine under protest and made a representation to BSE Ltd.

Annexure "C" to the Directors' Report (Contd.)

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

Place: Navi Mumbai
Date: 26th May, 2018

Annexure "D" to the Directors' Report

Disclosure pursuant to Section 197 (12) of 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 2017-18 :

Name of the Directors	Nature of Directorship	Ratio
Mr. Jai Prakash Agarwal	Non-Executive Director	0.75 : 1
Mr. Marco Wadia	Non-Executive Independent Director	0.70 : 1
Mr. Shailesh Sheth	Non-Executive Independent Director	0.73 : 1
Mr. F. K. Banatwalla	Non-Executive Independent Director	0.73 : 1
Mr. Vishal Jain	Non-Executive Director (upto 3rd October, 2017) (Managing Director from 4th October, 2017 to 31st March, 2018)	0.50 : 1
Mrs. Shikha Jain	Non-Executive Director	0.12 : 1

Notes :

1. Directors' Remuneration includes sitting fees for attending board / committee meetings.
2. Employees for the purpose above, includes all employees excluding employees governed under collective bargaining.
3. For computing median remuneration, the employees who have worked for the complete financial year 2017-18 have been considered.

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, in the financial year 2017-18 :

Name	Designation	Percentage Increase in remuneration
Mr. Jai Prakash Agarwal	Non–Executive Director	40.91
Mr. Marco Wadia	Non–Executive Independent Director	26.09
Mr. Shailesh Sheth	Non–Executive Independent Director	32.61
Mr. F. K. Banatwalla	Non–Executive Independent Director	48.78
Mr. Vishal Jain	Non-Executive Director (upto 3rd October, 2017) (Managing Director from 4th October, 2017 to 31st March, 2018)	75.00
Mrs. Shikha Jain	Non–Executive Director	–
Mr. R. P. Pargaonkar *	Chief Executive Officer (upto 30th September, 2017)	–
Mr. C. B. Sagvekar	Company Secretary	–
Mr. M. G. Naik *	Chief Financial Officer (upto 31st January, 2018)	–
Mr. Kshitiz Bilala *	Chief Financial Officer (w.e.f. 01, February, 2018)	–

Notes :1. The increase in remuneration of the directors, is mainly due to increase in sitting fees paid during the financial year 2017-18.

2. * For part of the year and therefore the percentage increase in their remuneration is not applicable.

Annexure "D" to the Directors' Report (Contd.)

(iii) The percentage increase in the median remuneration of employees in the financial year 2017-18:

2.24 %

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

179 as on 31st March, 2018.

(v) 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 2017-18, in the salaries of employees other than Managerial Personnel was 12.96%. For computing average percentage increase in the salaries of the employees, the employees who have worked for the complete financial year 2016-17 and 2017-18 have been considered to make the figures comparable.

(vi) 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, 26th May, 2018.

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 2017-18		
	Board Meetings	Committee Meetings	Last AGM
Mr. Jai PrakashAgarwal	6	8	Yes
Mr. Marco Wadia	6	7	Yes
Mr. Shailesh Sheth	5	9	Yes
Mr. F. K. Banatwalla	5	9	Yes
Mr. Vishal Jain	6	3	Yes
Mrs. Shikha Jain	2	0	Yes

Sitting Fees to Directors :

The following directors have been paid sitting fee during the year 2017-18.

Name of the Director	Sitting fees paid (₹)
Mr. Jai PrakashAgarwal	310,000
Mr. Marco Wadia	290,000
Mr. Shailesh Sheth	305,000
Mr. F. K. Banatwalla	305,000
Mr. Vishal Jain	210,000
Mrs. Shikha Jain	50,000

Listing :

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

Shareholding Pattern as on 31st March, 2018.

	No. of Shares	%
A. Shareholding of Promoter and Promoter group		
(i) Indian	461,572	49.48
(ii) Foreign (NRI)	0	0.00
Sub-Total	**461,572**	**49.48**
B. Public Shareholding		
(i) Financial Institutions/ Banks	595	0.06
(ii) Bodies Corporate (Indian)	20,438	2.19
(iii) Individuals (Indian)	445,560	47.76
(iv) Foreign Investment		
a. NRI	4,678	0.50
b. Foreign National	30	0.01
c. Corporate Bodies	0	0.00
Sub-Total	**471,301**	**50.52**
GRAND TOTAL	**932,873**	**100.00**

Shares held in physical/ demat mode as on 31st March, 2018

	Demat	Physical	Total
No. of Shares	902,014	30,859	932,873
%	96.69	3.31	100.00
No. of Folios	1803	217	2020

Josts
Since 1907

Financial Section

STANDALONE ACCOUNTS

CONSOLIDATED ACCOUNTS

Independent Auditor's Report

To the members of Jost's Engineering Company Limited

REPORT ON THE STANDALONE INDIAN ACCOUNTING STANDARD (IND AS) FINANCIAL STATEMENTS

1. We have audited the accompanying standalone Ind AS financial statements of **Jost's Engineering Company Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

2. 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified in the Companies (Indian Accounting Standards) Rule, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind As financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. 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 there under.

5. 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 these standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS 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 standalone Ind AS financial statements.

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

OPINION:

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, 2018, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Independent Auditor's Report: (Contd.)

OTHER MATTER

9. The audited standalone financial statements for the year ended 31st March, 2017, was carried out and reported by erstwhile auditors under previously applicable Generally Accepted Accounting Principles (Previous GAAP), vide their unmodified audit report dated 15th May 2017, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of reporting adjusted previous year numbers and our audit of the standalone financial statements. Our audit report is not qualified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order.

11. FURTHER TO OUR COMMENTS IN ANNEXURE A, 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 purpose of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The standalone financial statements dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 B'; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in 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 the standalone Ind AS financial statements as stated in Note No.31 to the standalone Ind AS 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; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Singhi & Co.**
Chartered Accountants
Firm Registration Number:
302049E

Sukhendra Lodha
Partner
Membership no. 071272

Date: 26th May, 2018
Place: Mumbai

Annexure – A To the Independent Auditor's Report

(Referred to in paragraph 10 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We report that:

i. In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As explained to us, the fixed assets have been physically verified by management at reasonable intervals under a phased programme of verification. In accordance with this program, certain fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of company and nature of its assets.

c) According to the information and explanations given to us and on the basis of our examination, the Company had taken land on lease, classified as operating lease. The title deed of leasehold land is registered in the name of the Company.

ii. As explained to us, the physical verification of inventories has been conducted by the management at reasonable intervals during the year. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

iii. As informed to us, the Company has not granted any loan secured or unsecured to Companies, firm or other parties covered in the register maintained under Section 189 of the Companies Act.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of section 186 of the Companies Act, 2013 in respect of guarantees provided and investment made and has not granted any Loan. The Company has not granted any loan and guarantees provided under section 185 of the Companies Act, 2013.

v. 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 of the Act and the Companies (Acceptance of Deposits) rules 2014 (as amended).

vi. We have broadly reviewed the books of account maintained by the Company in respect of products for which maintenance of prescribed cost record is mandated by Government of India U/S 148 (1) of the Act. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us and the records of the Company examined by us:

a) The Company has been generally regular in depositing amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues, including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income tax, Sales tax, Service Tax, Custom Duty, Excise Duty, cess, Goods & Service Tax and other statutory dues, as applicable.

b) According to the records examined and information and explanations given to us, no undisputed amount payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess, Goods & Service Tax and other material statutory dues is outstanding as at 31st March 2018, for a period of more than six months from the date they became payable.

c) There are no dues of Income tax, sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess, Goods & Service Tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the Statute	Nature of Dues	Amount (In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act , 1944	Central Excise	42.00	01.04.2008 to 26.02.2010	CESTAT, Mumbai.
Central Excise Act, 1944	Central Excise	60.44	29.04.2008 to 31.07.2008	CESTAT, Mumbai.
Central Excise Act, 1944	Central Excise	647.79	01.05.2008 to 28.02.2013	CESTAT, Mumbai.
Central Excise Act, 1944	Central Excise	303.11	27.02.2010 to 31.10.2012	CESTAT, Mumbai.
Central Excise Act, 1944	Central Excise	140.04	01.10.2011 to 31.03.2013	CESTAT, Mumbai.
Central Excise Act, 1944	Central Excise	42.95	01.12.2011 to 31.03.2013	CESTAT, Mumbai.
Central Excise Act 1944	Central Excise	101.09	01.11.2012 to 31.10.2013	CESTAT, Mumbai.
Central Excise Act, 1944	Central Excise	48.94	01.04.2013 to 31.10.2014	CESTAT, Mumbai.
Central Excise Act, 1944	Central Excise	50.81	01.11.2013 to 31.03.2014	CESTAT, Mumbai.
Central Excise Act, 1944	Central Excise	11.00	01.11.2014 to 31.07.2015	CESTAT, Mumbai.
Central Excise Act, 1944	Central Excise	0.62	08.01.2015 to 31.03.2016	CESTAT, Mumbai.

Annexure – A To the Independent Auditor's Report (Contd.)

Name of the Statute	Nature of Dues	Amount (In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Service tax under Finance Act ,1994	Service Tax	4.27	01.01.1999 to 31.03.2002	Assistant Commissioner of Service Tax, Mulund Division, Mumbai-III.
Service tax under Finance Act ,1994	Service Tax	0.39	01.04.2002 to 31.03.2003	Assistant Commissioner of Service Tax, Mulund Division, Mumbai-III.
Service tax under Finance Act, 1994	Service Tax	0.78	01.04.2005 to 30.09.2005	Assistant Commissioner of Service Tax, Division VI, Mumbai.
MVAT Act, 2002	MVAT	0.62	A.Y. 2009-10	Deputy Commissioner of Sales Tax, Mumbai
The Central Sales Tax Act, 1956	Central Sales Tax	10.43	A.Y. 2009-10	Deputy Commissioner of Sales Tax, Mumbai.
The Central Sales Tax Act, 1956	Central Sales Tax	3.09	A.Y. 2010-11	Assistant Commissioner of Sales Tax, Mumbai
The Central Sales Tax Act, 1956	Central Sales Tax	76.03	A.Y. 2011-12	Joint Commissioner of Sales Tax, Mazgaon.
The Central Sales Tax Act, 1956	Central Sales Tax	1.26	A.Y. 2012-13	Sales Tax Officer, Mumbai.

viii. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government. The Company had neither any outstanding debenture at the beginning of the year nor has it issued any debenture during the year.

ix. According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans were applied for purpose for which they were raised.

x. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Indian accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For **Singhi & Co.**
Chartered Accountants
Firm Registration Number:
302049E

Sukhendra Lodha
Partner
Membership no. 071272

Date: 26th May, 2018
Place: Mumbai

Annexure – B To the Independent Auditor's Report

(Referred to in paragraph 11 (f) with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. We have audited the internal financial controls over financial reporting of Jost's Engineering Company Limited ('the Company') as of 31st March 2018 in conjunction with our audit of the standalone Ind AS Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. 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

3. 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.

4. 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.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. 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

Annexure – B To the Independent Auditor's Report (Contd.)

preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of 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

7. 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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 **Singhi & Co.**
Chartered Accountants
Firm Registration Number: 302049E

Sukhendra Lodha
Partner
Membership no. 071272

Date: 26th May, 2018
Place: Mumbai

Standalone Balance Sheet as at 31st March, 2018

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4A	342.95	298.94	248.96
(b) Capital work-in-progress		30.77	-	-
(c) Other Intangible assets	4B	22.46	20.26	6.29
(d) Investment In subsidiary	5A	300.60	-	-
(e) Financial Assets				
(i) Investments	5B	1.00	1.00	1.00
(ii) Other Financial Assets	6A	34.71	33.98	36.91
(f) Deferred tax assets (net)	6B	62.68	-	-
Total Non-Current Assets		**795.17**	**354.18**	**293.16**
Current assets				
(a) Inventories	7	1,300.83	941.66	1,086.76
(b) Financial Assets				
(i) Investments	8	11.52	11.01	10.45
(ii) Trade receivables	9	3,426.96	3,017.53	2,767.63
(iii) Cash and cash equivalents	10A	138.45	53.94	82.52
(iv) Other bank balances other than above (iii)	10B	152.60	141.05	122.24
(v) Loans	11	24.14	17.83	10.85
(vi) Other Financial Assets	12	30.19	17.85	45.21
(c) Current Tax Assets	13	4.53	22.21	9.69
(d) Other current assets	14	472.56	453.55	516.07
Total Current Assets		**5,561.78**	**4,676.63**	**4,651.42**
Total Assets		**6,356.95**	**5,030.81**	**4,944.58**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share capital	15	93.29	76.46	76.46
Other Equity	16	2,129.82	1,016.01	1,238.30
Total Equity		**2,223.11**	**1,092.47**	**1,314.76**
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	17A	4.35	-	-
(b) Provisions	18	215.19	352.05	362.39
(c) Other Non current liabilites	19	32.56	29.56	21.96
Total Non Current Liabilities		**252.10**	**381.61**	**384.35**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	17B	1,016.50	1,326.70	716.26
(ii) Trade payables	20	1,879.88	1,658.97	1,914.69
(iii) Other financial liabilities	21	473.74	393.32	348.98
(b) Other current liabilities	22	376.62	128.26	195.25
(c) Provisions	23	135.00	49.48	70.29
Total Current Liabilities		**3,881.74**	**3,556.73**	**3,245.47**
Total Liabilites		**4,133.84**	**3,938.34**	**3,629.82**
Total Equity and Liabilities		**6,356.95**	**5,030.81**	**4,944.58**

Significant Accounting Policies 1-3

The accompanying notes are an integral part of standalone financial statements

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E
Sukhendra Lodha
Partner
Membership No.071272
Place: Mumbai
Date: 26th May 2018

For and on behalf of Board of Directors

Vishal Jain
Vice Chairman & Managing Director
F.K. Banatwalla
Director
Kshitiz Bilala
Chief Financial Officer
Place: Mumbai
Date: 26th May 2018

Standalone Statement of Profit & Loss For the year ended 31st March 2018

(₹ in Lakhs)

Sr. no.	Particulars	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
I	**Revenue From Operations**	24	9,159.20	9,088.71
II	**Other Income**	25	38.92	11.43
III	**Total Income (I+II)**		**9,198.12**	**9,100.14**
IV	**EXPENSES**			
	Cost of materials consumed	26A	4,561.21	3,990.19
	Purchases of Stock-in-Trade	26B	1,258.15	1,081.80
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	27	(228.15)	53.23
	Excise Duty		120.75	764.38
	Employee benefits expenses	28	1,584.53	1,607.87
	Finance costs	29	185.16	123.32
	Depreciation and amortization expense	4A, 4B	102.05	85.08
	Other expenses	30	1,436.61	1,399.85
Total expenses (IV)			**9,020.31**	**9,105.72**
V	Profit/(loss) before exceptional items and tax (I - IV)		177.81	(5.58)
VI	Exceptional Items		-	216.72
VII	**Profit / (loss) before tax (V-VI)**		**177.81**	**(222.30)**
VIII	Tax expense:			
	(1) Current tax		29.89	-
	(2) Deferred tax		(48.19)	-
	(3) Short / (excess) provision for earlier years		(11.29)	-
IX	**Profit/(Loss) for the year (VII-VIII)**		**207.40**	**(222.30)**
X	**Profit/(loss) for the year**		**207.40**	**(222.30)**
XI	**Other Comprehensive Income (OCI)**			
	A (i) Remeasurement of defined benefit plan		(46.89)	-
	(ii) Income tax on the above item		14.49	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XII	**Total Comprehensive Income for the period (X+XI)**		**175.00**	**(222.30)**
XIII	**Earnings per equity share:**			
	(1) Basic		24.16	(26.84)
	(2) Diluted		24.16	(26.84)

Significant Accounting Policies 1-3

The accompanying notes are an integral part of standalone financial statements

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E
Sukhendra Lodha
Partner
Membership No.071272
Place: Mumbai
Date: 26th May 2018

For and on behalf of Board of Directors

Vishal Jain
Vice Chairman & Managing Director
F.K. Banatwalla
Director
Kshitiz Bilala
Chief Financial Officer
Place: Mumbai
Date: 26th May 2018

Statement of Changes in Equity

a. Equity Share Capital

(₹ in Lakhs)

Particulars	Note No.	Amount
As at 1st April 2016	15	**76.46**
Changes in equity share capital		-
As at 31st March 2017	15	76.46
Changes in equity share capital		**16.83**
As at 31st March 2018	**15**	**93.29**

b. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Item of Other Comprehensive Income	Total
	Securities Premium Reserve	Retained Earnings	General Reserve	Remeasurement of defined benefit plan	
Balance as at 31st March 2016	115.79	892.73	229.78	-	1,238.30
Addition during the year	-	-	-	-	-
Receipt of unpaid calls	0.01	-	-	-	0.01
Profit/ (Loss) for the year	-	(222.30)	-	-	(222.30)
Balance as at 31st March 2017	**115.80**	**670.43**	**229.78**	**-**	**1,016.01**
Dividends	-	(9.25)	-	-	(9.25)
Addition during the year					
Issue of right shares(Net off share issue expenses)	948.06	-	-	-	948.06
Profit/(Loss) for the year	-	207.40	-	-	207.40
Other Comprehensive Income for the year ended 31st March 2018	-	-	-	(32.40)	(32.40)
Balance as at 31st March 2018	**1,063.86**	**868.58**	**229.78**	**(32.40)**	**2,129.82**

As per our report of even date attached
For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E
Sukhendra Lodha
Partner
Membership No.071272
Place: Mumbai
Date: 26th May 2018

For and on behalf of Board of Directors
Vishal Jain
Vice Chairman & Managing Director
F.K. Banatwalla
Director
Kshitiz Bilala
Chief Financial Officer
Place: Mumbai
Date: 26th May 2018

STATEMENT OF CASH FLOW For the year ended 31st March 2018

(₹ in Lakhs)

			For the year ended 31st March 2018	For the year ended 31st March 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	NET PROFIT/ (LOSS) AFTER TAX		**207.40**	**(222.30)**
	ADJUSTMENTS FOR:			
	Depreciation		102.05	85.08
	(Profit) /Loss on sale of assets		(0.62)	(1.09)
	Deferred tax		(48.19)	-
	Provision for Income Tax		29.89	-
	Short /(Excess) provision of earlier years		(11.29)	-
	Dividend income		(0.66)	(0.70)
	Interest expense		154.97	90.54
	Interest income		(13.78)	(9.63)
	Provision for doubtful debts		49.43	42.01
	Actuarial Gain /(Loss) transferred to OCI		(46.89)	-
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**422.31**	**(16.09)**
	Adjustments for :			
	Trade receivables		(458.86)	(291.91)
	Inventories		(359.17)	145.12
	Trade payables		220.92	(254.98)
	Other current financial assets and liabilities		68.08	16.98
	Other current assets and liabilities		181.24	23.09
	CASH GENERATED FROM OPERATIONS		**74.52**	**(377.79)**
	Taxes paid (Net of refunds)		(7.45)	(7.31)
	NET CASH GENERATED FROM OPERATING ACTIVITIES	**A**	**67.07**	**(385.10)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of Property,Plant and Equipment, Intangible assets and Capital WIP		(180.72)	(150.18)
.	Sale of Property,Plant and Equipment		2.30	2.32
	Investment purchases		(1.23)	2.37
	Investment in Subsidiary		(300.60)	-
	Interest received		13.78	9.63
	Dividend received		0.66	0.70
	NET CASH USED IN INVESTING ACTIVITIES	**B**	**(465.81)**	**(135.16)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from equity shares		964.87	0.01
	Proceeds from borrowings		34.16	172.70
	Repayment of borrowings		(125.44)	-
	Dividend paid (including tax)		(9.25)	(9.42)
	Interest paid		(154.97)	(90.54)
	NET CASH USED IN FINANCING ACTIVITIES	**C**	**709.37**	**72.75**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**A+B+C**	**310.63**	**(447.51)**
	Add: Cash and cash equivalents at the beginning of the year		(803.21)	(355.70)
	Cash and cash equivalents at the end of the year		**(492.58)**	**(803.21)**
	Cash and cash equivalents as per above comprises of the following :			
	Cash and cash equivalent (Note 10A)		138.45	53.94
	Other bank balances (Note 10B)		152.60	141.05
			291.05	**194.99**
	Bank Overdraft		(783.63)	(998.20)
	Balances as per statement of Cash Flows		**(492.58)**	**(803.21)**

1. The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard '7' on "Statement of Cash Flows".
2. Previous year figures have been regrouped/ re-arranged wherever necessary.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E
Sukhendra Lodha
Partner
Membership No.071272
Place: Mumbai
Date: 26th May 2018

For and on behalf of Board of Directors

Vishal Jain
Vice Chairman & Managing Director
F.K. Banatwalla
Director
Kshitiz Bilala
Chief Financial Officer
Place: Mumbai
Date: 26th May 2018

Notes to the Financial Statements for the year ended 31st March 2018

1. CORPORATE INFORMATION

Jost's Engineering Company Limited (the 'Company') is domiciled in India. Company's registered office is at Great Social Building, 60 Sir Phirozeshah Mehta Road, Mumbai- 400001. The Company's primary business areas are material handling, industrial finishing and engineered products. The Company's equity shares are listed on Bombay Stock Exchange (BSE)

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1. Statement of Compliance:

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Up to the year ended 31 March 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles in India ("Indian GAAP"), which includes standards notified under the Companies (Accounting Standards) Rules, 2014. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016 (transition date). An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No. 46 and 47.

The financial statements are approved by the Company's Board of Directors in their meeting held on 26 May 2018.

2.2. Basis of measurement:

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative financial instruments) that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the considerations given in exchange for goods and services.

The financial statements are presented in ('INR') which is the Company's functional currency and all the values are rounded off to the nearest Lakh except when otherwise indicated.

2.3. Current or Non-current classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle;

ii. Held primarily for the purpose of trading;

iii. Expected to be realised within twelve months after the reporting period; or

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

i. It is expected to be settled in normal operating cycle;

ii. It is held primarily for the purpose of trading;

iii. It is due to be settled within twelve months after the reporting period; or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.4. Use of estimates and judgements:

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Application of accounting policies that require critical accounting estimates and assumptions having the most significant effect on the amounts recognised in the financial statements are:

2.4.1. Impairment of property, plant and equipment

Determining whether property, plant and equipment is impaired requires an estimation of the value in use of the cash-generating unit. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. When the actual future cash flows are less than expected, a material impairment loss may arise.

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

2.4.2. Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

2.4.3. Discount rate - defined benefit obligation

The Company's defined benefit obligation is discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant judgement is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded.

2.4.4. Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount. Due to the judgements involved in such estimations the provisions are sensitive to the actual outcome in future periods.

2.4.5. Recognition of deferred tax assets to inset as per Accounts

The extent to which deferred tax assets can be recognised is based on an assessment of the profitability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

3.1. Property, plant and equipment:

(a) Recognition and measurement:

Property, plant and equipment held for use in production or supply of goods or services or for administrative purposes are stated at cost less accumulated depreciation less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognised in the Statement of Profit and Loss.

(b) Depreciation:

Depreciation is provided (other than on capital work-in-progress) on a Written Down Value (WDV) basis over the estimated useful lives of assets as prescribed under Schedule II of the Companies Act, 2013. Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement.

The economic useful lives of assets are assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

(c) Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

3.2. Intangible assets:

(a) Recognition and measurement:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation. Amortisation is recognised on a written down value over their estimated useful lives, which reflects the pattern in which the asset's economic benefits are consumed. The estimated useful life, the amortisation method and the amortisation period are reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the profit or loss when the asset is derecognised.

(b) Amortisation:

Amortisation is recognised in the income statement on a Written Down Value (WDV) basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortised from the date they are available for use.

The estimated useful life are as follows:

Software License (General): 10 years
Software License (Specific): 2 years

(c) Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost as of the transition date.

3.3. Leases:

At the inception of a lease, the lease arrangement is classified either as a finance lease or an operating lease, based on the substance of the lease arrangement. If the terms of lease substantially transfer all the risks and rewards, then leases are classified as finance lease. All other leases are classified as operating lease.

Assets taken on finance lease:

Assets held under finance leases are initially recognised as an asset and a lease obligation at the lower of the fair value of the asset and the present value of minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Minimum lease payments are apportioned between finance expense and reduction of the outstanding lease obligation. Finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease obligation. Finance expense is recognised immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying asset, in which case they are capitalised in accordance with the policy on borrowing costs.

3.4. Impairment of Property, Plant and Equipment and Intangible assets:

At the end of each reporting period, the Company reviews the carrying amounts of Property, Plant and Equipment and other intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash generating unit to which an individual asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing, value in use, the estimated future cash flows are discounted to their present value using a pre-tax

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised immediately in the Statement of Profit or Loss.

3.5. Inventories:

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is accounted for as follows:

Raw materials, stores and spare parts and traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated cost of completion and costs necessary to make the sale.

3.6. Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue from sale of goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer which generally coincides with dispatch of goods from factory/stock points, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods to the degree usually associated with the ownership, and the amount of revenue can be measured reliably, regardless of when the payment is being made.

Sale of goods

Sales are recorded net of trade discounts, quantity discounts, rebates, indirect taxes. Sales include Excise duty but exclude Sales tax, value added tax and goods and service tax (GST). Sales also include, sales of scrap, waste, rejection etc. and profits from property held as stock in trade.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the normal interest rate as applicable.

3.7. Foreign currencies:

The financial statements are presented in Indian rupees, which is the functional currency of the Company.

Transactions in currencies other than the Company's functional currency are recognised at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date. Non-monetary assets and liabilities denominated in a foreign currency are translated using the exchange rate prevailing at the date of initial recognition (in case measured at historical cost) or at the rate prevailing at the date when the fair value is determined (in case measured at fair value).

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

3.8. Employee Benefits:

Short-term Employee Benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefit that is expected to be paid in exchange for that service.

Other long-term employee benefits

The liability for earned leave is not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method with actuarial valuations being carried out at each balance sheet date. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

Post-employment benefits

(a) Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance are defined contribution schemes. Payments to defined contribution retirement plans are recognised as expenses when the employees have rendered the service entitling them to the contribution.

Provident fund: The employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are made to the provident fund and pension fund administered by the Regional Provident Fund Commissioner. The Company recognises such contributions as an expense when incurred.

(b) Defined benefit plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurements, comprising actuarial gains and losses, the effect of changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognised in other comprehensive income in the period in which they occur. Re-measurements recognised in other comprehensive income are reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the Statement of Profit and Loss in the period of plan amendment.

Defined benefit costs comprising service cost (including current and past service cost and gains and losses on curtailments and settlements) and net interest expense or income is recognised in Statement of profit and loss.

The defined benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Vesting occurs upon completion of five years of service. The Company makes contributions to gratuity fund held with a trust formed for this purpose through Life Insurance Corporation of India. The Company provides for its gratuity liability based on an independent actuarial valuation carried out at each balance sheet date using the projected unit credit method.

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

3.9. Taxation:

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in Other Comprehensive Income.

Current tax

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using the tax rates that have been enacted or substantially enacted by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on net basis.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax taxes (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.10. Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period,

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Product warranty

Provision for product warranty is recognised for the best estimates of the average cost involved for replacement/repair etc. of the product sold before the balance sheet date. These estimates are determined using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on corrective actions on product failures. The estimates for accounting of warranties are reviewed and revisions are made as required.

3.11. Contingent liabilities and contingent assets:

Contingent liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes. Contingent assets are not accounted in the financial statements unless an inflow of economic benefits is probable.

3.12. Financial instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Financial assets

Classification and subsequent measurement

Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

These include trade receivables, loans, deposits, balances with banks, and other financial assets with fixed or determinable payments.

Impairment

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, other contractual right to receive cash or other financial assets or other financial assets not designated at fair value through profit or loss. The loss allowance for a financial

instrument is equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increase significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if the default occurs within 12 months after the reporting date.

For trade receivables or any contractual right to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

credit losses. The Company has used a practical expedient permitted by Ind AS 109 and determines the expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

De-recognition

The Company derecognises financial asset when the contractual right to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income, if any, is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of the financial asset.

Financial liabilities

Classification

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue costs.

Subsequent measurement

Financial liabilities (that are not held for trading or not designated at fair value through profit or loss) are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

Effective interest method is a method of calculating amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

Financial liabilities denominated in a foreign currency are measured at fair value at the end of each reporting period and the foreign exchange gains and losses are determined based on the fair value of the instruments and are recognised in the Statement of Profit and Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at fair value through profit or loss,

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of Profit and Loss.

De-recognition

Financial liabilities are derecognised when, and only when, the obligations are discharged, cancelled or have expired. An exchange with a lender of a debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability derecognised and the consideration paid or payable is recognised in the Statement of Profit and Loss.

3.13. Cash and cash equivalents:

Cash and cash equivalents comprise cash in hand and short-term deposits with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.14. Earnings per share:

The Company reports basic and diluted earnings per share (EPS) in accordance with Indian Accounting Standard 33 “Earnings per Share”. Basic EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares (except where the results are anti-dilutive).

3.15. Segment Reporting:

The Company’s business activity falls within two segments viz. Material Handling and Engineering Products. Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods. These segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM).

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

4A PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Gross carrying value				Depreciation				Net carrying value	
	As at 1st April 2017	Additions	Sale/ Disposal	As at 31st March 2018	As at 1st April 2017	Additions	Sale/ Disposal	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Buildings	9.18	9.40	-	18.58	0.40	2.95	-	3.35	15.25	8.79
Computers & Peripherals	35.52	32.73	0.48	67.77	16.97	21.83	0.50	38.30	29.44	18.57
Furniture and Fixtures	60.07	12.26	-	72.33	14.48	13.18	-	27.66	44.68	45.62
Office Equipment	7.21	4.97	-	12.18	2.83	3.06	-	5.89	6.30	4.39
Plant & Machinery	255.38	65.06	1.23	319.21	39.73	46.77	1.05	85.45	233.72	215.67
Vehicles	9.10	14.38	1.43	22.05	3.21	5.31	-	8.52	13.56	5.90
Total	**376.46**	**138.80**	**3.14**	**512.12**	**77.62**	**93.10**	**1.55**	**169.17**	**342.95**	**298.94**

Capital Work in Progress									**30.77**	**-**

(₹ in Lakhs)

Particulars	Gross carrying value				Depreciation				Net carrying value	
	Deemed Cost As at 1st April 2016	Additions	Sale/ Disposal	As at 31st March 2017	As at 1st April 2016	Additions	Sale/ Disposal	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
Buildings	2.32	6.86	-	9.18	-	0.40	-	0.40	8.78	2.32
Computers & Peripherals	20.04	15.48	-	35.52	-	16.97	-	16.97	18.55	20.04
Furniture and Fixtures	32.59	27.58	0.10	60.07	-	14.56	0.08	14.48	45.59	32.59
Office Equipment	4.07	3.14	-	7.21	-	2.83	-	2.83	4.38	4.07
Plant & Machinery	180.84	79.37	4.83	255.38	-	43.32	3.59	39.73	215.65	180.84
Vehicles	9.10	-	-	9.10	-	3.21	-	3.21	5.89	9.10
Total	**248.96**	**132.43**	**4.93**	**376.46**	**0.00**	**81.29**	**3.67**	**77.62**	**298.84**	**248.96**

4B OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Gross carrying value				Amortisation				Net carrying value	
	As at 1st April 2017	Additions	Sale/ Disposal	As at 31st March 2018	As at 1st April 2017	Additions	Sale/ Disposal	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Computer software and license	24.05	11.15	-	35.20	3.79	8.95	-	12.74	22.46	20.26
Total	**24.05**	**11.15**	**-**	**35.20**	**3.79**	**8.95**	**-**	**12.74**	**22.46**	**20.26**

(₹ in Lakhs)

Particulars	Gross carrying value				Amortisation				Net carrying value	
	Deemed Cost as at 1st April 2016	Additions	Sale/ Disposal	As at 31st March 2017	As at 1st April 2016	Additions	Sale/ Disposal	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
Computer software and license	6.29	17.76	-	24.05	-	3.79	-	3.79	20.26	6.29
Total	**6.29**	**17.76**	**-**	**24.05**	**-**	**3.79**	**-**	**3.79**	**20.26**	**6.29**

Note:

1. As per Ind AS - 36 - "Impairment of Assets",no provision for Impairment of Assets is required.

2. As per Ind AS 16 assets in the course of development are reflected in capital work in progress account. Costs associated with the development are capitalised when the asset is ready to use. Revenue generated from production during the trial period will be credited to capital work in progress.

3. Refer Note No. 3.1 for application of Ind AS transitional provisions.

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

5A INVESTMENT IN SUBSIDIARY

(₹ in Lakhs)

Particulars	As at 31st March 2018 Number	Face Value	Amount	As at 31st March 2017 Number	Amount	As at 1st April 2016 Number	Amount
Equity shares fully paid in subsidiary company at cost							
MHE Rentals India Pvt Ltd	3,006,000	10	300.60		-	-	
Total			**300.60**		**-**	**-**	

Note: (i) There is no permanent diminution in the value of the Investment

(ii) Refer note no. 39

5B NON-CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31st March 2018 Number	Nominal Value	Amount	As at 31st March 2017 Number	Amount	As at 1st April 2016 Number	Amount
Investments at Cost							
(a) Investment in Equity shares (Unquoted) (Fully Paid up)							
Zoroastrian Co-Operative Bank Ltd.	4000	25	1.00	4000	1.00	4000	1.00
Total			**1.00**		**1.00**		**1.00**

Aggregate Book Value of Non current Investments

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Unquoted - At Cost	301.60	1.00	1.00

6A OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(1) Security Deposit Unsecured, considered good unless otherwise stated.	25.61	26.58	29.20
(2) Fixed deposits as margin money against LC & BG*	8.67	6.96	7.25
(3) Prepaid lease hold land	0.43	0.44	0.46
Total	**34.71**	**33.98**	**36.91**

(*)Original Maturity of more than 12 months

6B DEFERRED TAX (LIABILITY)/ ASSET

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Nature of timing difference:			
Deferred tax asset (DTA)			
On depreciable assets	0.34	-	-
Provision for doubtful debts	47.85	48.69	42.80
Disallowances U/s 43B	-	137.52	144.27
Remeasurement of defined benefit plan (OCI)	14.49	-	-
Deferred tax liability (DTL)			
On depreciable assets	-	(16.94)	(15.40)
Total	**62.68**	**-**	**-**

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

Note: (a) The Company has recognised DTA amounting to Rs. 62.68 lakhs in FY 2017-18 as the Company is estimating future taxable profits against which the DTA can be set off.

(b) As a measure of prudence in FY 2016-17 and FY 2015-16, the Company has restricted the recognition of DTA to the extent of DTL amounting to Rs.16.94 lakhs and 15.40 lakhs respectively

7 INVENTORIES

Valued at lower of cost and net realisable value

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
a. Raw Materials	631.09	503.97	553.32
b. Work-in-progress	40.44	91.31	112.35
c. Finished goods	222.33	63.24	79.04
d. Stock-in-trade	400.91	280.99	297.37
e. Stores and spares	6.06	2.15	44.68
Total	**1,300.83**	**941.66**	**1,086.76**

8 CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	NAV as on 31st March 2018 Amount	Number of units	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(a) Investments in Mutual Funds carried at fair value					
Reliance Money Manager Fund	1,008.08	784.75	7.90	7.54	7.15
Reliance Money Manager Fund	1,008.05	360.55	3.62	3.47	3.30
Total			**11.52**	**11.01**	**10.45**

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Aggregate Book Value of Investments	11.52	11.01	10.45
Aggregate market Value of quoted Investments	11.52	11.01	10.45

9 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Trade Receivables			
Unsecured, considered good	3,426.96	3,017.53	2,767.64
Considered doubtful	154.84	105.41	63.40
	3,581.80	**3,122.94**	**2,831.04**
Less: Provision for doubtful debts (Ref. Note : 47)	154.84	105.41	63.40
Total	**3,426.96**	**3,017.53**	**2,767.63**

10A CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Cash on hand	2.36	1.36	2.47
Balances with Banks			
In current account	106.07	50.03	58.98
In EEFC account	30.02	2.55	21.07
Total	**138.45**	**53.94**	**82.52**

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

10B OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Earmarked balances with banks (unpaid dividend account)	12.86	14.45	15.62
Bank Deposits as Margin Money against LC & BG*	139.74	126.60	106.62
Total	**152.60**	**141.05**	**122.24**

(*) With original maturity of more than three months but less than twelve months

11 LOAN

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advances *	24.14	17.83	10.85
Unsecured, considered good unless otherwise stated.			
Total	**24.14**	**17.83**	**10.85**

(*) refer note no. 40

12 OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Duty recoverable	9.36	11.00	6.02
Security deposit Unsecured, considered good unless otherwise stated	14.30	6.85	5.56
Accrued commission	6.53	-	33.63
Total	**30.19**	**17.85**	**45.21**

13 CURRENT TAX ASSETS

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advance tax and tax deducted at source less provision	4.53	22.21	9.69
Total	**4.53**	**22.21**	**9.69**

14 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advances other than capital advances			
Balances with government authorities			
a) VAT Credit	178.23	128.60	232.94
b) Deposit with Excise (under protest)	154.07	154.05	147.88
c) Others	14.30	46.51	57.31
Advance to employees	4.23	0.74	5.79
Prepaid Expense	4.18	17.97	9.08
Tender Deposits	58.94	49.91	48.01
Prepaid lease hold land	0.01	0.01	0.01
Advance to Creditors	52.83	49.26	9.12
Interest accrued	5.77	6.50	5.93
Total	**472.56**	**453.55**	**516.07**

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

15 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March 2018 Number	Amount	As at 31st March 2017 Number	Amount	As at 1st April 2016 Number	Amount
Authorised						
Equity Shares of ₹ 10/- each	1000000	100.00	1000000	100.00	1000000	100.00
Issued						
Equity Shares of ₹ 10/- each	932873	93.29	764650	76.46	764650	76.46
Subscribed & Fully Paid up						
Equity Shares of ₹ 10/- each	932873	93.29	764650	76.46	764590	76.46
Subscribed but not fully Paid up						
Equity Shares are partly paid of ₹ 5/- (Face value ₹ 10/-)					60	0.01

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

(₹ in Lakhs)

Particulars	As at 31st March 2018 Number	Amount	As at 31st March 2017 Number	Amount	As at 1st April 2016 Number	Amount
Shares outstanding at the beginning of the year	764,650	76.46	764,650	76.46	764,650	76.46
Issue of right shares during the year	1,68,223	16.83	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	932,873	93.29	764,650	76.46	764,650	76.46

b. The Company has only one class of issued shares i.e Equity Share having par value of ₹ 10/ each.The Equity Shares of the Company have voting rights and are subject to the restrictions as prescribed under the Companies Act, 2013. Each holder of equity share is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of directors is subject to approval of shareholders in the ensuing Annual general meeting.

c. The Company has no holding Company.

d. Details of shareholders holding more than 5% shares in the company.

(₹ in Lakhs)

Name of Shareholder	As at 31st March 2018 No. of Shares held	% of Holding	As at 31st March 2017 No. of Shares held	% of Holding	As at 1st April 2016 No. of Shares held	% of Holding
Mr. Jai Prakash Agarwal	132,991	14.26	105,550	13.80	105,550	13.80
Mrs. Krishna Agarwal	48,800	5.23	40,000	5.23	40,000	5.23
Mrs. Shikha Jain	112,821	12.09	92,477	12.09	92,477	12.09
Mr. Vishal Jain	118,215	12.67	92,908	12.15	92,908	12.15
Mr. Sharad K. Shah	71,794	7.70	56,425	7.38	56,425	7.38

e. During the last 5 years, the Company has neither issued any bonus shares nor alloted any shares pursuant to a contract without payment being received in Cash.

f. No calls are unpaid by any director or officer of the Company at the end of the reporting period

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

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

16 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
a. Securities Premium Account			
Balance at the begning of the year	115.80	115.79	115.79
Add:			
Issue of right shares during the year	982.43	-	-
Unpaid calls received during the year	-	0.01	-
Less:			
Right issue expsense	(34.37)	-	-
Closing Balance	**1,063.86**	**115.80**	**115.79**
b. General Reserve			
Balance at the begning of the year	229.78	229.78	229.78
Add:			
Current year transfer	-	-	-
Closing Balance	**229.78**	**229.78**	**229.78**
c. Retained Earnings			
Balance at the begning of the year	670.43	892.73	1,096.31
Add:			
Profit/ (loss) for the year	207.40	(222.30)	(194.59)
Impact of IND AS			0.21
Less:			
Dividend paid for the previous year (including tax on dividend)	(9.25)	-	(9.20)
Closing Balance	**868.58**	**670.43**	**892.73**
d. Other comprehensive income (OCI)			
Balance at the begning of the year	-	-	-
Add:			
Remeasurement of defined benefit plan	(32.40)	-	-
Closing Balance	**(32.40)**	**-**	**-**
Total	**2,129.82**	**1,016.01**	**1,238.30**

17A NON CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Secured			
Vehicle loan from bank (*)	4.35	-	-
Total	**4.35**	**-**	**-**

(*)Secured by hypothecation of vehicle purchased under the secured loan. Repayable in 36 monthly installments starting from April 2017. Last installment due in April 2020. Rate of interest 8.75% p.a.

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

17B CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Secured:			
From Banks (Repayable on demand):-			
(a) Cash Credit	213.38	308.22	155.81
(b) Bank overdraft	783.63	998.20	560.45
(c) Term Loan			
Vehicle	5.29	-	-
Machinery	14.20	20.28	-
Total	**1,016.50**	**1,326.70**	**716.26**

Details of terms of repayments

(a) Cash Credit and bank overdraft facilities are secured by hypothetation of stocks and book debts and an equitable mortgage on the Company's property at plot no C-7, wagle estate, road no. 12, Thane, on pari-passu basis. Interest rates at 11% p.a. to 11.35% p.a.

(b) Vehicle

Secured by hypothecation of vehicle purchased under the secured loan. Repayable in 36 monthly installments starting from April 2017. Last installment due in April 2020. Rate of interest 8.75% p.a.

(c) Machinery

Secured by hypothecation of CNC machine purchased under the secured loan. Repayable in 20 montly installments starting from April 2017. Last installment due in Nov 2018. Rate of interest 12.5% p.a.

18 NON-CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for employee benefits			
Superannuation	19.12	39.70	31.05
Gratuity	153.92	194.26	237.77
Leave Encashment	42.15	118.09	93.57
Total	**215.19**	**352.05**	**362.39**

19 OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Dealer Deposits	32.56	29.56	21.96
Total	**32.56**	**29.56**	**21.96**

20 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Dues of micro and small enterprises (Note a)	-	-	-
Dues to creditors	1,879.88	1,658.97	1,914.69
Total	**1,879.88**	**1,658.97**	**1,914.69**

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

Note(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. The same has not been disclosed. Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.

21 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(a) Unclaimed Dividend	12.87	14.46	15.63
(b) Customer Advance	192.02	216.84	95.12
(c) Creditors for expense	172.64	96.28	136.54
(d) Employee Security deposit	1.91	1.94	2.02
(e) Provision for expense	85.17	58.22	85.81
(f) Security deposit	2.14	0.59	2.91
(g) Other Financial Liabilities	6.99	4.99	10.95
Total	**473.74**	**393.32**	**348.98**

22 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
1 Statutory dues payable			
a Tax Deducted at Source	19.06	18.59	17.80
b Provident Fund and other employee deductions	12.42	12.66	11.83
c GST	126.90	-	-
d VAT, Service tax, Excise duty	0.12	4.45	7.43
2 Revenue received in advance	68.63	32.96	26.77
3 Salary and Reimbursements	149.49	59.60	131.42
Total	**376.62**	**128.26**	**195.25**

23 CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for warranty claims	7.10	23.61	15.61
Proposed Equity dividend	-	-	7.65
Tax on dividend	-	-	1.77
Provision for employee benefits			
Superannuation	7.07	0.61	1.31
Gratuity	98.20	22.42	22.47
Leave Encashment	22.63	2.84	21.48
Total	**135.00**	**49.48**	**70.29**

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

24 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
(a) Sale of Products		
Sale of manufactured goods (*)	6,215.09	6,566.97
Sale of traded goods	1,735.72	1,491.44
Total (A)	**7,950.81**	**8,058.41**
(b) Sale of Services		
Sale of services	545.51	466.61
Total (B)	**545.51**	**466.61**
(c) Other Operating Revenues		
Commission Income	653.54	550.93
Scrap & sundry sales	7.87	9.94
Other operating income	1.47	2.82
Total (C)	**662.88**	**563.69**
Total (A+ B+ C)	**9,159.20**	**9,088.71**

Note: (*)Sale of manufactured goods includes excise duty	120.75	764.38

25 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest Income	13.78	9.63
Dividend Income	0.66	0.70
Net gain/(loss) from foreign currency transactions and translation	23.86	-
Net gain/(loss) on sale of fixed assets	0.62	1.09
Other income	-	0.01
Total	**38.92**	**11.43**

26A COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Cost of Materials Consumed		
Steel	115.05	105.79
Batteries	826.87	490.61
Others (Tyres, controller, motor, battery, charger etc)	3619.29	3393.79
Total	**4,561.21**	**3,990.19**

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

26B PURCHASE OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Purchase of Traded goods		
Other Equipment	1,063.04	751.23
Components, accessories, spares, etc.	195.11	330.57
Total	**1,258.15**	**1,081.80**

27 CHANGES IN INVENTORIES

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade		
Opening Stocks :		
Finished Goods - Manufactured	63.24	79.04
Finished Goods - Traded	280.99	297.38
Work-in-Progress	91.31	112.35
	435.54	**488.77**
Less: Closing Stocks :		
Finished Goods - Manufactured	222.33	63.24
Finished Goods - Traded	400.91	280.99
Work-in-Progress	40.45	91.31
	663.69	**435.54**
Total	**(228.15)**	**53.23**

28 EMPLOYEE BENEFIT EXPENSE

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Salaries, wages & bonus	1,470.31	1,465.87
Contributions to provident fund, gratuity and other funds	70.38	91.95
Staff welfare expenses	43.84	50.05
Total	**1,584.53**	**1,607.87**

29 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest expense on term loan, cash credit & Bank overdraft	141.74	86.04
Interest expense on other loans	13.23	4.50
Bank Charges	30.19	32.78
Total	**185.16**	**123.32**

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

30 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Sub contract and labour charges	158.42	90.61
Stores and spare parts consumed	17.39	21.47
Fuel and power	36.12	36.89
Repairs to buildings	4.31	0.18
Repairs to machinery	16.74	21.28
Rent	67.30	96.48
Rates and taxes	68.57	43.08
Insurances	9.97	13.27
Travelling expenses	157.84	144.33
Postage, telephone and internet	40.45	46.94
Printing and stationery	12.91	11.62
Legal and professional charges	93.44	105.18
Audit fees (Refer note (a)) below)	19.10	24.04
Conveyance expenses	115.15	118.30
Provision for doubtful debts	65.14	78.27
Provision for doubtful advances & Deposits	4.02	0.28
Freight on sales	262.09	185.72
Commission expense	32.90	106.55
Motor vehicle expense	8.55	11.83
Director's fees	14.70	10.71
Net (gain)/loss on foreign currency transactions and translation	-	2.36
Miscellaneous expenses	231.50	230.46
Total	**1,436.61**	**1,399.85**

Note (a) :

Auditor's Remuneration

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
(a) Audit Fees	15.00	15.00
(b) Tax audit fees	3.05	3.05
(c) Other Services	0.50	5.50
(d) Reimbursement of out of pocket expenses	0.55	0.49
Total	**19.10**	**24.04**

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

31 CONTINGENT LIABILITIES:

(₹ in Lakhs)

Sr No.	Particulars	As at 31st March 2018	As at 31st March 2017
(a)	**Claims against Company not acknowledged as debts**		
	(i) Sales Tax demands (Net)	91.43	1,271.54
	(ii) Service Tax demands	5.44	10.53
	(iii) Excise duty demands (Net)	1,448.79	1,448.17
	(iv) Other Matters	9.10	-
(b)	**Bank Guarantees for performance of contracts**	760.73	683.11
(c)	**On account of corporate guarantee to bankers on behalf of subsidiary for facilities availed by them (amount outstanding at close of the year)**	717.61	-
Total		**3,033.10**	**3,413.35**

32 CAPITAL COMMITMENTS

The estimated amount of contracts remaining to be executed on capital account and not provided for:

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for.	513.32	8.66

Note:

1) The Company is in the process of acquiring leasehold land including building at a price of ₹ 554.00 lakhs and has entered into an agreement on April 12, 2018. The company has already made an advance of ₹ 50 Lakhs towards the agreement and the balance is estimated capital commitment for the year. The land is located at MIDC Murbad, District Thane. The rationale behind investment is for expansion of Company's manufacturing activities.

2) Assets in the course of development are recognised in capital work in progress account. The company is further estimating an investment of ₹ 9.32 lakhs towards the development.

33 CAPITAL MANAGEMENT:

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Company consists of debt and total equity of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, External-commercial borrowings and short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The Company is not subject to any externally imposed capital requirements.

Total debt includes all long and short-term debts as disclosed in notes 17A and 17B to the financial statements.

The gearing ratio at the end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Total Debt	1020.85	1326.70	716.26
Total Equity	2,223.11	1,092.47	1,314.76
Debt to Equity Ratio	**0.46**	**1.21**	**0.54**

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

34 DISCLOSURE OF FINANCIAL INSTRUMENTS:

Accounting classification and fair value:

The following table shows the carrying amount and fair value of Financial assets and Financial liabilities:

Financial Instrument by category

(₹ in Lakhs)

Particulars	Note No.	31st March 2018		
		FVTPL	Amortised cost	Carrying amount
FINANCIAL ASSETS				
Non-Current Assets				
(i) Investments	5B	-	1.00	1.00
(ii) Others	6A	-	34.71	34.71
Current Assets				
(i) Investments	8	11.52	-	11.52
(ii) Trade receivables	9	-	3,426.96	3,426.96
(iii) Cash and cash equivalents	10A	-	138.45	138.45
(iv) Other bank balances	10B	-	152.60	152.60
(v) Loans	11	-	24.14	24.14
(vi) Other Financial Assets	12	-	30.19	30.19
Total Financial Assets		**11.52**	**3,808.05**	**3,819.57**
FINANCIAL LIABILITIES				
Non-Current Liabilities				
(i) Borrowings	17A	-	4.35	4.35
Current liabilities				
(i) Borrowings	17B	-	1,016.50	1,016.50
(ii) Trade payables	20	-	1,879.88	1,879.88
(iii) Other financial liabilities	21	-	473.74	473.74
Total Financial Liabilites		**-**	**3,374.47**	**3,374.47**

(₹ in Lakhs)

Particulars	Note No.	31st March 2017		
		FVTPL	Amortised cost	Carrying amount
FINANCIAL ASSETS				
Non-Current Assets				
(i) Investments	5B	-	1.00	1.00
(ii) Others	6A	-	33.98	33.98
Current Assets				
(i) Investments	8	11.01	-	11.01
(ii) Trade receivables	9	-	3,017.53	3,017.53
(iii) Cash and cash equivalents	10A	-	53.94	53.94
(iv) Other bank balances	10B	-	141.05	141.05
(v) Loans	11	-	17.83	17.83
(vi) Other Financial Assets	12	-	17.85	17.85
Total Financial Assets		**11.01**	**3,283.18**	**3,294.19**
FINANCIAL LIABILITIES				
Non-Current Liabilities				
(i) Borrowings	17A	-	-	-
Current liabilities				
(i) Borrowings	17B	-	1,326.70	1,326.70
(ii) Trade payables	20	-	1,658.97	1,658.97
(iii) Other financial liabilities	21	-	393.32	393.32
Total Financial Liabilites		**-**	**3,378.99**	**3,378.99**

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

34 DISCLOSURE OF FINANCIAL INSTRUMENTS: (CONTD.)

(₹ in Lakhs)

Particulars	Note No.	1st April 2016		
		FVTPL	Amortised cost	Carrying amount
FINANCIAL ASSETS				
Non-Current Assets				
(i) Investments	5B	-	1.00	1.00
(ii) Others	6A	-	36.91	36.91
Current Assets				
(i) Investments	8	10.45	-	10.45
(ii) Trade receivables	9	-	2,767.63	2,767.63
(iii) Cash and cash equivalents	10A	-	82.52	82.52
(iv) Other bank balances	10B	-	122.24	122.24
(v) Loans	11	-	10.85	10.85
(vi) Other Financial Assets	12	-	45.21	45.21
Total Financial Assets		**10.45**	**3,066.36**	**3,076.81**
FINANCIAL LIABILITIES				
Non-Current Liabilities				
(i) Borrowings	17A	-	-	-
Current liabilities				
(i) Borrowings	17B	-	716.26	716.26
(ii) Trade payables	20	-	1,914.69	1,914.69
(iii) Other financial liabilities	21	-	348.98	348.98
Total Financial Liabilites		**-**	**2,979.93**	**2,979.93**

35 FINANCIAL RISK MANAGEMENT FRAMEWORK:

The Company is exposed primarily to market risk, credit risk and liquidity risk which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates and other market changes. The Company's exposure to market risk relates to foreign currency exchange rate risk.

Foreign currency risk management:

The Company undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arise. Exposure to currency risk relates to the company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following tables demonstrate the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to other foreign currencies is not material.

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

35 FINANCIAL RISK MANAGEMENT FRAMEWORK: (CONTD.)

Trade Receivables

(₹ in Lakhs)

	Effect on profit before tax		Effect on pre tax equity	
	Strengthening	Weakening	Strengthening	Weakening
March 31,2018				
USD (Movement by 10%)	6.65	(6.65)	6.65	(6.65)
Euro (Movement by 10%)	34.37	(34.37)	34.37	(34.37)
		-		-
March 31,2017		-		-
USD (Movement by 10%)	4.35	(4.35)	4.35	(4.35)
Euro (Movement by 10%)	20.08	(20.08)	20.08	(20.08)

Trade Payables

(₹ in Lakhs)

	Effect on profit before tax		Effect on pre tax equity	
	Strengthening	Weakening	Strengthening	Weakening
March 31,2018				
USD (Movement by 10%)	3.33	(3.33)	3.33	(3.33)
Euro (Movement by 10%)	7.32	(7.32)	7.32	(7.32)
		-		-
March 31,2017		-		-
USD (Movement by 10%)	2.33	(2.33)	2.33	(2.33)
Euro (Movement by 10%)	5.20	(5.20)	5.20	(5.20)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

The carrying amount of company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(₹ in Lakhs)

	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
Particulars	**USD**	**EUR**	**USD**	**EUR**	**USD**	**EUR**
Trade payables	33.26	73.17	23.32	52.04	-	1.68
Trade receivables	66.53	343.66	43.52	200.78	0.53	23.04

Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest expenses and to manage the interest rate risk, management performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and variable rate financial instruments.

Exposure to interest rate risk:

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Fixed Rate Instruments:			
Financial Liabilities	23.85	20.29	-
Variable Rate Instruments:			
Financial Liabilities	969.24	1,316.99	715.42

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

35 FINANCIAL RISK MANAGEMENT FRAMEWORK: (CONTD.)

Interest rate sensitivity:

Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in an impact of (decrease/ increase in net income)

(₹ in Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Sensitivity Analysis	Impact on Profit and Loss	Sensitivity Analysis	Impact on Profit and Loss
Variable Rate Borrwings				
Interest Rate Increase by	1.00%	9.69	1.00%	13.17
Interest Rate Decrease by	1.00%	9.69	1.00%	13.17

Credit Risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Outstanding customer receivables are regularly monitored. The Company maintains its cash and cash equivalents and deposits with banks having good reputation and high quality credit ratings.

Liquidity Risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity Analysis for financial liabilities:

The following are the remaining contractual maturities of financial liabilities as at 31st March 2018:

(₹ in Lakhs)

Particulars	Note	31st March 2018		
		0 to 1 Year	More than 1 year	Total
FINANCIAL LIABILITIES				
Non-Current Liabilities				
(i) Borrowings	17A	-	4.35	**4.35**
Current liabilities				
(i) Borrowings	17B	1016.50	-	**1016.50**
(ii) Trade payables	20	1879.88	-	**1879.88**
(iii) Other financial liabilities	21	473.74	-	**473.74**
Total Financial Liabilities		**3370.12**	**4.35**	**3374.47**

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

35 FINANCIAL RISK MANAGEMENT FRAMEWORK: (CONTD.)

The following are the remaining contractual maturities of financial liabilities as at 31st March 2017:

(₹ in Lakhs)

Particulars	Note	31st March 2017 0 to 1 Year	More than 1 year	Total
FINANCIAL LIABILITIES				
Non-Current Liabilities				
(i) Borrowings	17A	-	-	**-**
Current liabilities				
(i) Borrowings	17B	1326.70	-	**1326.70**
(ii) Trade payables	20	1658.97	-	**1658.97**
(iii) Other financial liabilities	21	393.32	-	**393.32**
Total Financial Liabilities		**3378.99**	**0.00**	**3378.99**

The following are the remaining contractual maturities of financial liabilities as at 1st April 2016:

(₹ in Lakhs)

Particulars	Note	1st April, 2016 0 to 1 Year	More than 1 year	Total
FINANCIAL LIABILITIES				
Non-Current Liabilities				
(i) Borrowings	17A	-	-	**-**
Current liabilities				
(i) Borrowings	17B	716.26	-	**716.26**
(ii) Trade payables	20	1914.69	-	**1914.69**
(iii) Other financial liabilities	21	348.98	-	**348.98**
Total Financial Liabilities		**2979.93**	**0.00**	**2979.93**

36 EMPLOYEE BENEFITS:

A. Defined Contribution Plan

The Company has recognised ₹ 20.41 Lakh for provident fund contribution in the Statement of Profit and Loss for the year ended March 31, 2018 (March 31, 2017 - ₹ 20.47 Lakh).

B. Defined Benefit Plan

Amount recognised in the balance sheet and movement in the net defined benefit obligation for the year are as follows:

(₹ in Lakhs)

Particulars	As at 31st March2018	As at 31st March 2017
i) Reconciliation of defined benefit obligation		
Liability at the beginning of the year	254.53	274.01
Current Service Cost	13.19	14.29
Interest cost	17.25	19.04
Actuarial losses/(gains) arising from:		
Demographic assumption	10.34	-
Financial assumption	1.05	-

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

36 EMPLOYEE BENEFITS: (CONTD.)

(₹ in Lakhs)

Particulars	As at 31st March2018	As at 31st March 2017
Experience Gain/(Loss) on Plan Assets	38.93	(8.04)
Benefits Paid	(48.83)	(44.77)
Projected benefit obligation at the end of the year	286.46	254.53
ii) Reconciliation of Fair Value of Plan Asset		
Fair value of the Plan assets at the beginning of the year	37.85	13.77
Expected return on plan Assets	3.44	(7.44)
Contribution	44.13	70.07
Benefits Paid	(48.83)	(44.77)
Actuarial Gain/ (Loss) on plan assets	(0.09)	6.21
Fair value of plan asset at the end of the year	36.50	37.84
iii) Expenses recognized in statement of profit or loss under the head employee benefit expenses		
Current Service Cost	13.19	14.29
Interest Expense on DBO	17.33	12.81
Expenses recognized in Statement of Profit or Loss	30.52	27.10
iv) Re-measurement for the period		
Experience Gain/(Loss) on Plan Liabilities	38.93	(8.04)
Demographic Gain/(Loss) on Plan Liabilities	10.34	-
Financial Gain/(Loss) on Plan Liabilities	1.05	-
Actuarial Gain/ (Loss) on plan assets	0.09	(6.21)
Total Actuarial Gain/(Loss) included in OCI	50.41	(14.25)
v) Amount recognized in Other Comprehensive Income (OCI)		
Opening Amount recognized in OCI	-	-
Re-measurement for the period – Plan Assets (gain)/loss	(3.43)	7.45
Experience adjustments	38.93	(8.04)
Changes in financial assumptions	1.05	-
Changes in demographic assumptions	10.34	-
Total re-measurement cost/(credit) for the period recognized in OCI	-	-
Closing Amount recognized in OCI	46.89	-
vi) Principal Actuarial Assumptions		
Financial Assumptions		
Discount Rate	7.05%	8%
Salary Escalation	5%	3%
Demographic Assumptions		
Mortality Rate	**IALM (2006-08) Ultimate**	**IALM (2006-08) Ultimate**
Withdrawal Rate	0.00994	-
Retirement age	58	58

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Amount recognised in Balance Sheet			
Present value of defined benefit obligation	286.46	254.53	268.41
Fair value of plan assets	36.50	37.85	2.52
Net (Liability)/ Asset recognised in the Balance Sheet	249.96	216.68	265.89

(a) The discount rate is based on the prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated terms of the obligations.

(b) Expected Return on Plan Assets (as certified by the actuary): This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.

(c) As the impact of re-measurement of post-employment benefits for the Financial Year 2016-17 is negligible, the same is not recognized in the actuarial valuation report and in the Financial Statements.

(d) Salary Escalation Rate: The estimates of future salary increase considered taking into the account the inflation.

(e) Category of Plan Assets:

(₹ in Lakhs)

Particulars	31st March 2018	31st March 2017
Unquoted	12.91	12.91
Insurer Managed Funds*	23.58	23.58

* The Company maintains gratuity fund, which is being administered by Life Insurance corporation. Fund Value confirmed by Life Insurance Corporation as at March 31, 2018 is considered to be the fair value.

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Sensitivity Analysis						
Discount rate (0.5% movement)	-1.22%	1.26%	-2.32%	2.45%	-	-
Future salary growth (0.5% movement)	1.28%	-1.25%	2.49%	-2.38%	-	-

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

37 SEGMENT REPORTING

For management purpose, the Company is organised into business units based on its products and services.

Primary Segment information (by Business segment):

I. Material Handling Division

II. Engineered Products

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 organizational structure and internal reporting system.

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.

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

37 SEGMENT REPORTING (CONTD.)

(₹ in Lakhs)

		For the Year Ended 31st Mar'18			For the Year Ended 31st Mar'17		
BUSINESS SEGMENT		**Material Handling**	**Engineered Products**	**Total**	**Material Handling**	**Engineered Products**	**Total**
A	**Segment Revenue**						
	Revenue from operations	6,505.78	1,445.03	7,950.81	6,755.20	1,303.22	8,058.42
	Commission Income	2.67	650.87	653.54	-	539.36	539.36
	Other Income	169.94	407.28	577.22	197.10	293.23	490.33
		6,678.39	**2,503.18**	**9,181.57**	**6,952.30**	**2,135.81**	**9,088.11**
	Unallocated Income			16.55			12.03
	Total			**9,198.12**			**9,100.14**
B	**Segment Results**						
	Segment results/ operating profit / (loss)	84.72	610.53	695.25	209.65	331.20	540.85
	Unallocated income			16.55			12.02
	(including income from interest/ dividend)						
	Unallocated expenses			348.84			651.85
	Interest Expenses			185.15			123.32
	Profit / (loss) before tax			177.81			(222.30)
	Provision for taxation – current tax			29.89			-
	Excess Provisions for Income Tax in respect of earlier years			(11.29)			-
	Deffered Tax			(48.19)			
	Profit /(Loss) after Tax			**207.40**			**(222.30)**
C	**Other Information**						
	Segment Assets	3828.67	1604.81	5433.48	3,669.23	994.08	4,663.31
	Unallocated Assets			923.47			367.50
	Total Assets			**6356.95**			**5,030.81**
	Segment Liabilites	2,121.77	865.57	2,987.34	1,851.04	708.48	2,559.52
	Unallocated liabilities			3369.61			2,471.29
	(Including share capital and reserves)						
	Total liabilities			**6356.95**			**5,030.81**
	Cost incurred during the financial year to acquire segment fixed assets	111.89	18.07	129.95	89.43	44.42	133.85
	Cost incurred during the financial year to acquire segment fixed assets (Unallocated)			20.00			16.32
	Depreciation	62.44	21.71	84.15	40.85	24.84	65.69
	Depreciation (Unallocated)			17.90			19.39

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

38 RELATED PARTY DISCLOSURE, AS REQUIRED BY INDIAN ACCOUNTING STANDARD-24, IS AS BELOW:

A. Names of related parties and description of relationship:

Sr. No	Name of related party	Relationship
1	Mr. Raghunath Pandit Pargaonkar, Chief Executive Officer(CEO) (Resigned w.e.f 30/09/2017)	Key Management Personnel
2	Mr. Vishal Jain, Managing Director (Appointed as Managing Director w.e.f 04/10/2017 before such date he was continuing as Director of Jost's)	
3	Mr. Chandrakant Bhalchandra Sagvekar, Company Secretary	
4	Mr. Maruti Govind Naik Chief Financial Officer (CFO) Resigned w.e.f. 01/02/2018)	
5	Mr. Kshitiz Bilala, Chief Financial Officer(CFO) (Appointed as CFO w.e.f. 01/02/2018)	
6	MHE Rentals India Private Limited	Subsidiary
7	Mr. Jai Prakash Agarwal, Chairman and Director	Board of Directors
8	Mr. Farokh Kekhushroo Banatwalla, Independent Director	
9	Mr. Shailesh Rajnikant Sheth, Independent Director	
10	Mr. Marco Philippus Ardeshir Wadia, Independent Director	
11	Mr. Vishal Jain, Managing Director (w.e.f 04/10/2017)	
12	Mrs. Shikha Jain, Woman Director	
13	Dotch Sales Private Limited	Private company having common director
14	Gramos Chemicals India Private Limited	
15	Johnson and Johnson Private Limited	
16	Chambal Fertilizer and Chemicals Limited	Public Company having common Director
17	Stovec Industries Limited	

B. Transactions with Related parties:

Following transactions have been carried out with related party during the year

(₹ in Lakhs)

Sr No.	Related Party	Nature of transactions	For the year ended 31st March, 2018	For the year ended 31st March 2017
1	Stovec Industries Ltd.	Sale of Goods	1.22	1.02
2	Johnson & Johnson Private Ltd	Sale of Goods	0.79	-
3	Chambal Fertilizer and Chemicals Limited	Sale of Goods	6.59	1.95
4	MHE Rentals India Private Limited	Sale of goods	69.40	-
5	MHE Rentals India Private Limited	Commission Received	3.15	-
6	Dotch Sales Pvt Ltd.	Loan taken and fully repaid	267.17	103.08
7	Mr. Vishal Jain	Loan taken and fully repaid	176.06	50.48
8	Gramos Chemicals (India) Pvt. Ltd.	Amount Paid against Expenses	-	28.07
			524.39	**184.60**

(Note: The above amounts are inclusive of GST)

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

38 RELATED PARTY DISCLOSURE (Contd.)

C. Sitting fees:

(₹ in Lakhs)

Name of the Directors	For the year ended 31st March'18	For the year ended 31st March'17
1) Mr. J. P. Agarwal	3.10	2.20
2) Mr. Marco Wadia	2.90	2.30
3) Mr. F. K. Banatwalla	3.05	2.05
4) Mr. Shailesh Sheth	3.05	2.30
5) Mr. Vishal Jain	2.10	1.20
6) Mrs. Shikha Jain	0.50	0.65

D. Compensation of Key Managerial Personnel:

(₹ in Lakhs)

Name of KMP	Designation	For the year ended 31st March'18	For the year ended 31st March'17
MR. R. P. Pargoankar	CEO (Resigned w.e.f. 30.09.17)	12.88	27.11
MR. C. B. Sagvekar	Vice President and Company Secretary	19.82	20.02
MR. Kshitiz Bilala	CFO (Appointed w.e.f. 01.02.18)	3.90	-
Mr. Vishal Jain (*)	Vice Chairman and Managing Director (Appointed w.e.f. 04.10.17)	-	-
MR. M G Naik	CFO (Resigned w.e.f. 01.02.18)	4.40	5.28

(*) Remmuneration of the Managing Director is Re. 1.00 per month from 4th October 2017

E. Outstanding Balances with related parties as at the balance sheet date

(₹ in Lakhs)

Year End Balances	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Payable			
Gramos Chemicals (India) Pvt. Ltd.	8.07	16.07	6.76
Bullows Paint Equipment Pvt. Ltd.	-	-	2.13
Receivable			
Chambal Fertiliser and Chemicals Limited	0.42	0.50	0.42

39. On April 20, 2017, the Company has acquired majority stake (60%) in MHE Rentals India Private Limited ("MHE") for Rs 60,000. Total investment made in MHE during the year 2017-18 is Rs 300.60 lakhs. This was not a subsidiary in previous year.

40. The company had incorporated a wholly owned subsidiary entity in the Financial Year 2015-16 at Ajman Free Trade Zone, UAE. The amount incurred, Rs. 24.14 lakhs for registration, license fees etc. has been reflected as advance. Further the unit has not started the operations till date.

41. During the year, the Company has made rights issue of 1,68,223 equity shares of Rs.10 each at a price of Rs. 594 per equity share, including a premium of Rs.584 per share. These shares were allotted on 26th December, 2017. The funds raised from rights issue have been utilized as per objects Stated in Letter of Offer dated 8th November 2017.

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

42 OPERATING LEASE:

The Company has taken office premises under operating leases. These lease arrangements are ranging between 11 months to 60 months generally or longer and are renewable by mutual consent and on mutually agreeable terms.

The future lease payments in respect of non-cancellable operating lease are as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Not later than one year	21.66	31.08
Between one to five years	71.53	87.10
Later than five years	0.37	6.46

43 EARNINGS PER SHARE

Particulars	Year ended 31st March, 2018	Year ended 31st March 2017
a. Net Profit attributable to shareholders (In ₹ Lakh)	207.40	(222.30)
b. Weighted average number of Equity Shares (In Lakh)	8.59	8.28
Basic	24.16	(26.84)
c. Weighted average number of Equity Shares (in lakhs)	8.59	8.28
Diluted	24.16	(26.84)

The EPS for the current year and previous year have been restated, factoring in the right issue made during the year.

44. The Board in its meeting held on May 26, 2018 has recommended a dividend of Re. 2 per share on a share of Rs. 10 each to the shareholders of the company. This amount is to be paid after approval from shareholders in the ensuing annual general meeting.

45 STANDARDS ISSUED BUT NOT YET EFFECTIVE

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers' substituting Ind AS 18, 'Revenue' and Ind AS 11, 'Construction Contracts'. This notification is in line with the recent notifications made by International Accounting Standards Board (IASB) by notifying IFRS 15, 'Revenue from Contracts with Customers' substituting IAS 18, 'Revenue' and IAS 11, 'Construction Contracts'. The standard is applicable to the Company from April 1, 2018.

Impact assessment because of Ind AS 115:

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

46 FIRST TIME ADOPTION OF IND AS – MANDATORY EXCEPTIONS AND OPTIONAL EXEMPTIONS:

The Company has prepared the opening balance sheet as per Ind AS as on April 1, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below:

a. De-recognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

46 FIRST TIME ADOPTION OF IND AS – MANDATORY EXCEPTIONS AND OPTIONAL EXEMPTIONS:

b. Classification of debt instruments

The Company has determined that classification of debt instruments in terms of whether they meet the amortized cost criteria or the fair value through profit or loss criteria based on facts and circumstances that existed as of the transition date.

c. Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all its plant and equipment and intangible assets recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

d. Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there has been significant increase in credit risk since the initial recognition, as permitted by Ind AS 101.

e. Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make an assessment on basis of facts and circumstances existing at the date of transition to Ind AS, except where impact is expected not to be material. The company has elected to apply this exemption for such contracts under Para D9A of Ind AS 101.

47 FIRST TIME IND AS ADOPTION RECONCILIATIONS:

The following reconciliations provide the explanation and qualification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 “First Time Adoption of Indian Accounting Standards”:

(i) Reconciliation of material items of Balance sheet as at 1st April, 2016 (Transition Date) and as at 31st March, 2017.

(ii) Reconciliation of Statement of Profit & Loss for the year ended 31st March, 2017.

(iii) Reconciliation of total equity as at April 1, 2016 and March 31, 2017.

(iv) Reconciliation of total comprehensive income for the year ended March 31, 2017.

(v) Reconciliation of statement of cash flows for the year ended March 31, 2017.

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

a. Effect of Ind AS Adoption on balance sheet as at March 31, 2017 and April 1, 2016:

BALANCE SHEET
As at 31st March, 2017

(₹ in Lakhs)

Particulars	IGAAP	Effect of transition to IND AS	As per Ind AS
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	298.86	0.08	298.94
(b) Capital work-in-progress	-	-	-
(c) Other Intangible assets	20.26	-	20.26
(d) Investment In subsidiary	-	-	-
(e) Financial Assets			
(i) Investments	1.00	-	1.00
(ii) Other Financial Assets	33.98	-	33.98
(f) Deferred tax assets (net)	-	-	-
Total Non Current Assets	**354.10**	**0.08**	**354.18**
Current assets			
(a) Inventories	941.66	-	941.66
(b) Financial Assets			
(i) Investments	11.00	0.01	11.01
(ii) Trade receivables	3,040.48	(22.95)	3,017.53
(iii) Cash and cash equivalents	53.94	-	53.94
(iv) Other bank balances other than above (iii)	141.05	-	141.05
(v) Loans	17.83	-	17.83
(vi) Other Financial Assets	17.85	-	17.85
(c) Current Tax Assets	22.21	-	22.21
(d) Other current assets	453.57	(0.02)	453.55
Total Current Assets	**4,699.59**	**(22.96)**	**4,676.63**
Total Assets	**5,053.69**	**(22.88)**	**5,030.81**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	76.46	-	76.46
Other Equity	1,038.89	(22.88)	1,016.01
Total Equity	**1,115.35**	**(22.88)**	**1,092.47**
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	-	-	-
(b) Provisions	352.05	-	352.05
(c) Other Non current liabilites	29.56	-	29.56
Total Non Current Liabilities	**381.61**	**-**	**381.61**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	1,326.71	-	1,326.71
(ii) Trade payables	1,658.97	-	1,658.97
(iii) Other financial liabilities	393.32	-	393.32
(b) Other current liabilities	128.26	-	128.26
(c) Provisions	49.48	-	49.48
	3,556.73	**-**	**3,556.73**
Total Equity and Liabilities	**5,053.69**	**(22.88)**	**5,030.81**

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

a. Effect of Ind AS Adoption on balance sheet as at March 31, 2017 and April 1, 2016:

BALANCE SHEET
As at 1st April, 2016

(₹ in Lakhs)

Particulars	IGAAP	Effect of transition to IND AS	As per Ind AS
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	249.23	(0.27)	248.96
(b) Capital work-in-progress	-	-	-
(c) Other Intangible assets	6.29	-	6.29
(d) Investment In subsidiary	-	-	-
(e) Financial Assets			
(i) Investments	1.00	-	1.00
(ii) Other Financial Assets	36.46	0.45	36.91
(f) Deferred tax assets (net)	-	-	-
Total Non Current Assets	**292.98**	**0.18**	**293.16**
Current assets			
(a) Inventories	1086.76	-	1086.76
(b) Financial Assets			
(i) Investments	10.45	-	10.45
(ii) Trade receivables	2,767.61	0.02	2,767.63
(iii) Cash and cash equivalents	82.52	-	82.52
(iv) Other bank balances other than above (iii)	122.24	-	122.24
(v) Loans	10.85	-	10.85
(vi) Other Financial Assets	45.21	-	45.21
(c) Current Tax Assets	9.69	-	9.69
(d) Other current assets	516.06	0.01	516.07
Total Current Assets	**4,651.39**	**0.03**	**4,651.42**
Total Assets	**4,944.37**	**0.21**	**4,944.58**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	76.46	-	76.46
Other Equity	1,238.09	0.21	1,238.30
Total Equity	**1,314.55**	**0.21**	**1,314.76**
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	-	-	-
(b) Provisions	362.39	-	362.39
(c) Other Non current liabilites	21.96	-	21.96
Total Non Current Liabilities	**384.35**	**-**	**384.35**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	716.26	-	716.26
(ii) Trade payables	1,914.69	-	1,914.69
(iii) Other financial liabilities	348.98	-	348.98
(b) Other current liabilities	195.25	-	195.25
(c) Provisions	70.29		70.29
Total Current Liabilities	**3,245.47**	**-**	**3,245.47**
Total Liabilites	**3,629.82**	**-**	**3,629.82**
Total Equity and Liabilities	**4,944.37**	**0.21**	**4,944.58**

Note: Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

b. Reconciliation of total equity as at March 31, 2017 and April 1, 2016:

(₹ in Lakhs)

Description	As at 31st March 2017	As at 1st April, 2016
Other Equity as per previous GAAP(Indian GAAP)	1,038.67	1238.08
Impact on other income due to fair valuation of mutual funds	0.01	0.04
Expected Credit Loss (ECL) Provision & Other adjustments	(22.75)	-
Lease rent	0.01	0.44
Impact of land	0.07	(0.26)
Other Equity as per Ind AS	**1,016.01**	**1,238.30**

c. Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2017:

STATEMENT OF PROFIT AND LOSS

For the year ended 31st March 2017

(₹ in Lakhs)

Sr no.	Particulars	IGAAP	Effect of transition to IND AS	As per Ind AS
I	Revenue From Operations	8,324.33	764.38	9,088.71
II	Other Income	11.42	0.01	11.43
III	**Total Income (I+II)**	**8,335.75**	**764.39**	**9,100.14**
IV	**EXPENSES**			
	Cost of materials consumed	3,990.19	-	3,990.19
	Purchases of Stock-in-Trade	1,081.80	-	1,081.80
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	53.23	-	53.23
	Excise Duty	-	764.38	764.38
	Employee benefit expense	1,607.87	-	1,607.87
	Finance costs	123.32	-	123.32
	Depreciation and amortization expense	85.08	-	85.08
	Other expenses	1,376.96	22.89	1,399.85
Total expenses (IV)		**8,318.45**	**787.27**	**9,105.72**
V	Profit/(loss) before exceptional items and tax (III- IV)	17.30	-	(5.58)
VI	Exceptional Items	216.72	-	216.72
VII	Profit/(loss) before tax (V-VI)	(199.43)	-	(222.30)

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

d. Effect of Ind AS adoption on the total Comprehensive income for the year ended March 31, 2017.

(₹ in Lakhs)

Description	As at 31st March 2017
Net Profit /(Loss) after Tax as per previous GAAP(Indian GAAP)	(199.41)
Impact on other income due to fair valuation of mutual funds	0.01
Expected Credit Loss (ECL) Provision & Other adjustments	(22.97)
Impact of land	0.07
Net Profit/(Loss) after Tax before OCI as per IND As	**(222.89)**
Other Comprehensive Income	-
Total Comprehensive Income after tax as per IND AS	**(222.30)**

e. Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Net cash flow from operating activities	(370.98)	(14.12)	(385.10)
Net cash (used in) investing activities	(138.06)	2.90	(135.16)
Net cash flow (used in) financing activities	509.59	(436.84)	72.75
Cash and cash equivalents at the beginning of the year	211.98	(567.68)	(355.70)
Cash and cash equivalents at the end of the year	212.53	(1,015.74)	(803.21)

Notes:

1. Reclassification of lease

Under Indian GAAP, there is no specific guidance for contracts that involve leases of Land. Under Ind AS, leases of land is recognized as operating or finance lease as per definition and classification criteria. Where the land lease is for several decades, generally it qualifies as a finance lease even though the right of ownership of the land may not transfer at the end of the lease term. Land lease for relatively shorter periods are treated as operating leases. In such cases lease rentals paid in advance are recorded as prepaid lease rentals as part of other Current / Non-Current assets. Prepaid lease classified under Non-Current Assets and Current assets as at 31st March, 2017 is Rs. 0.44 and Rs. 0.01 (in lakhs) respectively.

2. Trade receivables:

Under Indian GAAP, provision for doubtful debts was recognized based on the estimates of the outcome and of the financial effect of contingencies determined by the management of the Company. This judgement was based on consideration of information available up to the date on which the financial statements were approved and included a review of events occurring after the balance sheet date.

Refer table (d) as disclosed above for impact of Expected Credit Loss (ECL) for the year ended 31st March, 2017.

3. Proposed dividend and tax on dividend

As per Ind AS, provision of dividend needs to be accounted in the year when the dividend is approved by the shareholders and paid. Under previous GAAP, proposed dividend was provided for in the year to which it related. As per requirement of Ind AS, the dividend (including tax) of Financial Year 2015-16 has been adjusted from Other Equity.

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

4. Re-measurements of defined benefit obligations:

Under the previous GAAP, actuarial gains and losses were recognised in the statement of profit or loss. Under Ind AS, the actuarial gains and losses form a part of re-measurement of the net defined benefit liability / assets which is recognised in other comprehensive income. As the impact of above re-measurement for the Financial Year 2016-17 is negligible, the same is not recognized in Other Comprehensive Income.

5. Sales of goods:

Under the previous GAAP, revenue from operations was presented net of excise duty. Under Ind AS, revenue from operations is shown inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expense. Excise Duty for the Financial Year 2016-17 and 2017-18 is Rs.764.38 lakhs and Rs. 120.75 lakhs respectively.

6. Deferred Tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

7. Overdraft repayable on demand

Under Ind AS, bank overdrafts which are repayable on demand and form an integral part of an entity's cash management system are included in Cash and Cash Equivalents for the purpose of presentation of statement of cash flows. Whereas under previous GAAP there was no similar guidance and hence, bank overdrafts were considered similar to other borrowings and the movements therein were reflected in cash flows from Financing activities. The effect of this is that bank overdrafts of Rs. 998.20 lakhs as at 31st March 2017 and Rs. 560.45 Lakhs as at 1st April 2016 have been considered as part of Cash and Cash equivalents.

8. Investments in equity instruments and mutual funds

Under previous GAAP, investments in mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVTOCI) have been recognized in retained earnings as at date of transition and subsequently in the Statement of Profit and Loss for the year ended 31st March 2017. This increased the retained earnings by Rs. 0.01 lakhs as at 31st March 2017. (1st April 2016 – Rs. 0.02 lakhs)

48 MOVEMENT IN DEFERRED TAX ASSETS AND LIABILITIES.

(₹ in Lakhs)

Particulars	As at 31st March, 2017	Recognised in profit and Loss	Recognised in OCI	As at 31st March, 2018
Tax effect of items constituting deferred tax liabilities				
On depreciable assets	(16.94)	-	-	-
Tax effect of items constituting deferred tax assets				
On depreciable assets	-	0.34	-	0.34
Provision for doubtful debts	48.69	47.85	-	47.85
Disallowances U/s 43B	137.52	-	-	-
Remeasurement of defined benefit plan (OCI)	-	-	14.49	14.49
Net Tax Asset (Liabilities)	**-**	**48.19**	**14.49**	**62.68**

Notes to the Financial Statements for the year ended 31st March 2018 (Contd.)

48 MOVEMENT IN DEFERRED TAX ASSETS AND LIABILITIES. (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March, 2016	Recognised in profit and Loss	Recognised in OCI	As at 31st March, 2017
Tax effect of items constituting deferred tax liabilities				
On depreciable assets	(15.40)	(16.94)	-	(16.94)
Tax effect of items constituting deferred tax assets				
On depreciable assets	-	-	-	-
Provision for doubtful debts	42.80	48.69	-	48.69
Disallowances U/s 43B	144.27	137.52	-	137.52
Remeasurement of defined benefit plan (OCI)	-	-	-	-
Net Tax Asset (Liabilities)	**-**	**-**	**-**	**-**

49 Previous year figures have been regrouped/re-arranged wherever necessary.

As per our report of even date attached
For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E
Sukhendra Lodha
Partner
Membership No.071272
Place: Mumbai
Date: 26th May 2018

For and on behalf of Board of Directors
Vishal Jain
Vice Chairman & Managing Director
F.K. Banatwalla
Director
Kshitiz Bilala
Chief Financial Officer
Place: Mumbai
Date: 26th May 2018

Independent Auditor's Report

To the Members of Jost's Engineering Company Limited

REPORT ON THE CONSOLIDATED INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS

1. We have audited the Consolidated Ind AS Financial Statements of **Jost's Engineering Company Limited** ("hereinafter referred to as "the Company") and its Subsidiary (the Company and its Subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

2. The Company's Board of Directors is responsible for preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with the relevant rules issued there under. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.
4. While conducting the 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.
5. We conducted our audit of the consolidated Ind AS financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 consolidated Ind AS 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 Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor's in term of their report referred to in paragraph 9 of Other Matter Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit (including other

Independent Auditor's Report (Contd.)

comprehensive income), their consolidated cash flows and the statement of changes in equity for the year ended on that date.

OTHER MATTERS

9. We did not audit the financial statements / financial information of one subsidiary, whose financial statements / financial information reflect total assets of ₹ 1,151.06 Lakhs as at 31st March, 2018, total revenue of ₹ 212.71 Lakhs and net cash flow amounting to ₹ 155.88 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements / financial information of Subsidiary have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiary, is based solely on the report of other auditors.

   Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, are not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS.

10. As required by Section 143(3) of the Act, we report, to the extent applicable that:-

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts maintained by the Company and its subsidiary including relevant records for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its Subsidiary Company, none of the directors of the Group Companies is disqualified as on March 31, 2018 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 its Subsidiary Company incorporated in India and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"**; and

   (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 Auditor's) Rules, 2014, (as amended), in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated Ind AS financial statements disclose the impact of pending litigation on the consolidated financial position of the Group – Refer Note No. 31 to the consolidated financial statements.

      ii. The Group 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 and its subsidiary incorporated in India during the year ended March 31, 2018.

      iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Singhi & Co.**
Chartered Accountants
Firm Registration Number:
302049E

Sukhendra Lodha
Partner
Membership no. 071272

Date: 26th May, 2018
Place: Mumbai

Annexure – A To the Independent Auditor's Report

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of Jost's Engineering Company Limited ("the Holding Company") and its subsidiary company which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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 Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI 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 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 judgment, 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

Annexure – A To the Independent Auditor's Report (Contd.)

preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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 ICAI.

For **Singhi & Co.**
Chartered Accountants
Firm Registration Number:
302049E

Sukhendra Lodha
Partner
Membership no. 071272

Date: 26th May, 2018
Place: Mumbai

Consolidated Balance Sheet as at 31st March, 2018

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2018
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	4A	1,090.66
(b) Capital work-in-progress		30.77
(c) Other Intangible assets	4B	24.46
(d) Financial Assets		
(i) Investments	5	1.03
(ii) Other Financial assets	6A	34.71
(e) Deferred tax assets	6B	62.68
Total Non Current Assets		**1,244.31**
Current assets		
(a) Inventories	7	1,300.83
(b) Financial Assets		
(i) Investments	8	11.52
(ii) Trade receivables	9	3,514.56
(iii) Cash and cash equivalents	10A	295.33
(iv) Other bank balances other than above (iii)	10B	157.98
(v) Loans	11	24.14
(vi) Other Financial Assets	12	30.19
(c) Current Tax Assets	13	4.53
(d) Other current assets	14	616.51
Total Current Assets		**5,955.59**
Total Assets		**7,199.90**
EQUITY AND LIABILITIES		
EQUITY		
Equity Share capital	15	93.29
Other Equity	16	2,102.09
Non-Controlling Interest		186.46
Total Equity		**2,381.84**
LIABILITIES		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	17A	487.96
(b) Provisions	18	215.19
(c) Other Non current liabilities	19	32.56
(d) Deferred Tax liability	6B	12.69
Total Non Current Liabilities		**748.40**
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	17B	1,161.88
(ii) Trade payables	20	1,893.53
(iii) Other financial liabilities	21	473.74
(b) Other current liabilities	22	405.51
(c) Provisions	23	135.00
Total Current Liabilities		**4,069.66**
Total Liabilites		**4,818.06**
Total Equity and Liabilities		**7,199.90**
Significant Accounting Policies	1-3	

The accompanying notes are an integral part of consolidated financial statements

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E
Sukhendra Lodha
Partner
Membership No.071272
Place: Mumbai
Date: 26th May 2018

For and on behalf of Board of Directors

Vishal Jain
Vice Chairman & Managing Director
F.K. Banatwalla
Director
Kshitiz Bilala
Chief Financial Officer
Place: Mumbai
Date: 26th May 2018

Consolidated Statement of Profit & Loss For the year ended 31st March 2018

(₹ in Lakhs)

Sr no	Particulars	Note No.	For the year ended 31st March 2018
I	**Revenue From Operations**	24	9,311.50
II	**Other Income**	25	39.61
III	**Total Income (I+II)**		**9,351.11**
IV	**EXPENSES**		
	Cost of materials consumed	26A	4,561.21
	Purchases of Stock-in-Trade	26B	1,258.15
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	27	(277.33)
	Excise Duty		120.75
	Employee benefits expense	28	1,720.50
	Finance costs	29	192.58
	Depreciation and amortisation expense	4A,4B	123.81
	Other expenses	30	1,500.60
Total expenses (IV)			**9,200.27**
V	**Profit/(loss) before exceptional items and tax (I- IV)**		**150.84**
VI	**Exceptional Items**		**-**
VII	**Profit/(loss) before tax (V-VI)**		**150.84**
VIII	**Tax expense:**		
	(1) Current tax		29.89
	(2) Deferred tax		(35.50)
	(3) Short / (excess) provision for Earlier years		(11.29)
IX	**Profit / (Loss) for the year (VII-VIII)**		**167.74**
X	**Profit/ (loss) for the year**		**167.74**
XI	**Other Comprehensive Income**		
	A (i) Remeasurement of defined benefit plan		(46.89)
	(ii) Income tax on the above item		14.49
	B (i) Items that will be reclassified to profit or loss		-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-
XII	**Total Comprehensive Income for the period (X+XI)**		**135.34**
	Profit/(Loss) attributable to:		
	Shareholders of the Company		179.67
	Non Controlling Interest		(11.93)
	Other Comprehensive income attributable to:		
	Shareholders of the Company		(32.40)
	Non Controlling Interest		-
	Total Comprehensive income attributable to:		
	Shareholders of the Company		147.27
	Non Controlling Interest		(11.93)
XIII	**Earnings per equity share:**		
	(1) Basic		19.53
	(2) Diluted		19.53

Significant Accounting Policies 1-3

The accompanying notes are an integral part of consolidated financial statements

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E
Sukhendra Lodha
Partner
Membership No.071272
Place: Mumbai
Date: 26th May 2018

For and on behalf of Board of Directors

Vishal Jain
Vice Chairman & Managing Director
F.K. Banatwalla
Director
Kshitiz Bilala
Chief Financial Officer
Place: Mumbai
Date: 26th May 2018

Consolidated Statement of Changes in Equity

a. Equity Share Capital

(₹ in Lakhs)

Particulars	Note No.	Amount
As at 31st March 2017	15	76.46
Changes in Equity Share Capital	-	16.83
As at 31st March 2018	**15**	**93.29**

b. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Item of Other Comprehensive Income	Total Other Equity	Non Controlling Interest	Total
	Securities Premium Reserve	Retained Earnings	General Reserve	Remeasurement of defined benefit plan			
Balance as at 31st March, 2017	115.80	670.43	229.78	-	1,016.01	198.40	1,214.41
Dividends	-	(9.25)	-	-	(9.25)	-	(9.25)
Transfer to retained earnings	-	-	-	-	-	(11.94)	(11.94)
Addition during the year							
Issue of right shares(Net off share issue expenses)	948.06	-	-	-	948.06	-	948.06
Profit/ (Loss) for the year	-	179.67	-	-	179.67	-	179.67
Other Comprehensive Income for the year ended 31st March 2018	-	-	-	(32.40)	(32.40)	-	(32.40)
Balance as at 31st March, 2018	**1,063.86**	**840.85**	**229.78**	**(32.40)**	**2,102.09**	**186.46**	**2,288.55**

As per our report of even date attached
For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E

Sukhendra Lodha
Partner
Membership No.071272
Place: Mumbai
Date: 26th May 2018

For and on behalf of Board of Directors
Vishal Jain Vice Chairman & Managing Director
F.K. Banatwalla Director
Kshitiz Bilala Chief Financial Officer

Place: Mumbai
Date: 26th May 2018

Consolidated Statement Of Cash Flow For the year ended 31st March 2018

(₹ in Lakhs)

			For the year ended 31st March 2018
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	NET PROFIT/ (LOSS) AFTER TAX		167.74
	ADJUSTMENTS FOR:		
	Depreciation		123.81
	(Profit) / loss on sale of assets		(0.62)
	Deferred tax		(35.50)
	Provision for Income Tax		29.89
	Short /(Excess) provision of earlier years		(11.29)
	Dividend income		(0.66)
	Interest expense		154.97
	Interest income		(14.06)
	Provision for doubtful debts		49.43
	Acturial Gain /(Loss) transferred to OCI		(46.89)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**416.82**
	Adjustments for :		
	Trade receivables		(546.46)
	Inventories		(359.17)
	Trade payables		220.92
	Other current financial assets and liabilities		68.08
	Other Current assets and liabilities		78.81
	CASH GENERATED FROM OPERATIONS		**(121.00)**
	Taxes paid (Net of refunds)		(7.45)
	NET CASH GENERATED FROM OPERATING ACTIVITIES	**A**	**(128.45)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property,Plant and Equipment, Intangible assets and Capital WIP		(952.19)
	Sale of Property,Plant and Equipment		2.30
	Investment purchases		(1.26)
	Interest received		14.06
	Dividend received		0.66
	NET CASH USED IN INVESTING ACTIVITIES	**B**	**(936.43)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from equity shares		964.87
	Proceeds from minority shareholders		198.40
	Proceeds from borrowings		663.16
	Repayment of borrowings		(125.45)
	Dividend paid (Including tax)		(9.25)
	Interest paid		(154.97)
	NET CASH USED IN FINANCING ACTIVITIES	**C**	**1,536.76**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**A+B+C**	**471.88**
	Add: Cash and cash equivalents at the beginning of the year		(802.20)
	Cash and cash equivalents at the end of the year		(330.32)
	Cash and cash equivalents as per above comprises of the following :		
	Cash and cash equivalent (Note 10A)		295.33
	Other bank balances (Note 10B)		157.98
			453.31
	Bank Overdraft		(783.63)
	Balances as per statement of Cash Flows		**(330.32)**

The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard '7' on "Statement of Cash Flows"

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E
Sukhendra Lodha
Partner
Membership No.071272
Place: Mumbai
Date: 26th May 2018

For and on behalf of Board of Directors

Vishal Jain
Vice Chairman & Managing Director
F.K. Banatwalla
Director
Kshitiz Bilala
Chief Financial Officer
Place: Mumbai
Date: 26th May 2018

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

1. CORPORATE INFORMATION

Jost's Engineering Company Limited (the 'Company') is domiciled in India. The Company's registered office is at Great Social Building, 60 Sir Phirozeshah Mehta Road, Mumbai- 400001. The Company's primary business areas are material handling, industrial finishing and engineered products. The Company's equity shares are listed on Bombay Stock Exchange (BSE).The Company has one subsidiary ie. MHE Rentals India Pvt. Ltd. which has been considered in these consolidated financial statements and its primary business area is material handling rental business.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1. Statement of Compliance:

The Consolidated Financial Statements ("the financial statements") relate to the Company and its subsidiary (collectively "the group"). The Group's financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

These are the Group's first financial statements as MHE Rentals India Private Limited became the subsidiary of the Company with effect from 20th April, 2017 and accordingly, the Group has availed exemption from requirements of Para 23 of Ind AS 101 "First Time Adoption of Indian Accounting Standards".

The consolidated financial statements are approved by the Company's Board of Directors in their meeting held on 26th May 2018.

2.2. Basis of measurement:

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative financial instruments) that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the considerations given in exchange for goods and services.

The financial statements are presented in ('INR') which is the Company's functional currency and all the values are rounded off to the nearest lakh except when otherwise indicated.

2.3. Principles of Consolidation:

I. The Consolidated Financial Statements incorporates the Financial Statements of the Parent Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, having power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

II. Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed off during the year are included in the Consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.

III. The Consolidated Financial Statements of the Group combines the Financial Statements of the Parent Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company except depreciation, where the Company follows Written Down Value (WDV) method whereas the subsidiary is following Straight Line Method (SLM). The Consolidated Financial Statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements. Profit or loss and each component of other comprehensive income are attributed

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

to the owners of the Parent Company and to the non-controlling interests and have been shown separately in the financial statements.

IV. Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

2.4. Current or Non-current classification:

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle;

ii. Held primarily for the purpose of trading;

iii. Expected to be realised within twelve months after the reporting period; or

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

i. It is expected to be settled in normal operating cycle;

ii. It is held primarily for the purpose of trading;

iii. It is due to be settled within twelve months after the reporting period; or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.5. Use of estimates and judgements:

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Application of accounting policies that require critical accounting estimates and assumptions having the most significant effect on the amounts recognised in the financial statements are:

2.5.1. Impairment of property, plant and equipment

Determining whether property, plant and equipment is impaired requires an estimation of the value in use of the cash-generating unit. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. When the actual future cash flows are less than expected, a material impairment loss may arise.

2.5.2. Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

2.5.3. Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount. Due to the judgements involved in such estimations the provisions are sensitive to the actual outcome in future periods.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

2.5.4 Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the profitability of the Company's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

3.1. Property, plant and equipment:

(a) Recognition and measurement:

Property, plant and equipment held for use in production or supply of goods or services or for administrative purposes are stated at cost less accumulated depreciation less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete, and the asset is ready for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognised in the Statement of Profit and Loss.

(b) Depreciation:

The Company has provided depreciation on a Written Down Value (WDV) basis whereas the subsidiary has provided depreciation on a Straight-Line Method (SLM) basis over the estimated useful lives of assets as prescribed under Schedule II of the Companies Act, 2013, except the following for the subsidiary:

Particulars	Useful Life (in years)
Plant and Machinery	10 years for Refurbished Machineries.

Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement.

The economic useful lives of assets are assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

3.2. Intangible assets:

(a) Recognition and measurement:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation. The estimated useful life, the amortisation method and the

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

amortisation period are reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the profit or loss when the asset is derecognised.

(b) Amortisation:

The Company recognises amortisation on a Written Down Value (WDV) basis whereas its subsidiary recognises the same on a Straight-Line Method (SLM) basis over their estimated useful lives, which reflects the pattern in which the asset's economic benefits are consumed. Intangible assets that are not available for use are amortised from the date they are available for use.

3.3. Leases:

At the inception of a lease, the lease arrangement is classified either as a finance lease or an operating lease, based on the substance of the lease arrangement. If the terms of lease substantially transfer all the risks and rewards, then leases are classified as finance lease. All other leases are classified as operating lease.

Assets taken on finance lease:

Assets held under finance leases are initially recognized as an asset and a lease obligation at the lower of the fair value of the asset and the present value of minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Minimum lease payments are apportioned between finance expense and reduction of the outstanding lease obligation. Finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease obligation. Finance expense is recognised immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying asset, in which case they are capitalised in accordance with the policy on borrowing costs.

3.4. Impairment of Property, Plant and Equipment and Intangible assets:

At the end of each reporting period, the Group reviews the carrying amounts of Property, Plant and Equipment and other intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of individual asset, the Group estimates the recoverable amount of the cash generating unit to which an individual asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing, value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised immediately in the Statement of Profit or Loss.

3.5. Inventories:

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is accounted for as follows:

Raw materials, stores and spare parts and traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Finished goods and work in progress: cost includes cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and costs necessary to make the sale.

3.6. Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue from sale of goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer which generally coincides with dispatch of goods from factory/stock points, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods to the degree usually associated with the ownership, and the amount of revenue can be measured reliably, regardless of when the payment is being made.

Sale of goods

Sales are recorded net of trade discounts, quantity discounts, rebates, indirect taxes. Sales include Excise duty but exclude Sales tax, value added tax and goods and service tax (GST). Sales also include, sales of scrap, waste, rejection etc. and profits from property held as stock in trade.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the normal interest rate applicable.

3.7. Foreign currencies:

The financial statements are presented in Indian rupees, which is the functional currency of the Group. Transactions in currencies other than the Group's functional currency are recognised at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date. Non-monetary assets and liabilities denominated in a foreign currency are translated using the exchange rate prevailing at the date of initial recognition (in case measured at historical cost) or at the rate prevailing at the date when the fair value is determined (in case measured at fair value).

3.8. Employee Benefits:

Short-term Employee Benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefit that is expected to be paid in exchange for that service.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

Other long-term employee benefits

The liability for earned leave is not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method with actuarial valuations being carried out at each balance sheet date. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

Post-employment benefits

(a) Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance are defined contribution schemes. Payments to defined contribution retirement plans are recognised as expenses when the employees have rendered the service entitling them to the contribution.

Provident fund: The employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are made to the provident fund and pension fund administered by the Regional Provident Fund Commissioner. The Company recognises such contributions as an expense when incurred.

(b) Defined benefit plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurements, comprising actuarial gains and losses, the effect of changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognised in other comprehensive income in the period in which they occur. Re-measurements recognised in other comprehensive income are reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the Statement of Profit and Loss in the period of plan amendment.

Defined benefit costs comprising service cost (including current and past service cost and gains and losses on curtailments and settlements) and net interest expense or income is recognised in Statement of profit and loss.

The defined benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Vesting occurs upon completion of five years of service. The Company makes contributions to gratuity fund held with a trust formed for this purpose through Life Insurance Corporation of India. The Company provides for its gratuity liability based on an independent actuarial valuation carried out at each balance sheet date using the projected unit credit method.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

3.9. Taxation:

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in Other Comprehensive Income.

Current tax

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using the tax rates that have been enacted or substantially enacted by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on net basis.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax taxes (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

3.10. Provisions:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Product warranty

Provision for product warranty is recognised for the best estimates of the average cost involved for replacement / repair etc. of the product sold before the balance sheet date. These estimates are determined using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on corrective actions on product failures. The estimates for accounting of warranties are reviewed and revisions are made as required.

3.11. Contingent liabilities and contingent assets:

Contingent liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes. Contingent assets are not accounted in the financial statements unless an inflow of economic benefits is probable.

3.12. Financial instruments:

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Financial assets

Classification and subsequent measurement

Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

These include trade receivables, loans, deposits, balances with banks, and other financial assets with fixed or determinable payments.

Impairment

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, other contractual right to receive cash or other financial assets not designated at fair value through profit or loss. The loss allowance for a financial instrument is equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increase significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if the default occurs within 12 months after the reporting date.

For trade receivables or any contractual right to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses. The Group has used a practical expedient permitted by Ind AS 109 and determines the expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

De-recognition

The Group derecognises financial asset when the contractual right to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of the transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income, if any, is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of the financial asset.

Financial liabilities

Classification

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received net of direct issue costs.

Subsequent measurement

Financial liabilities (that are not held for trading or not designated at fair value through profit or loss) are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

Effective interest method is a method of calculating amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

Financial liabilities denominated in a foreign currency are measured at a fair value at the end of each reporting period and the foreign exchange gains and losses are determined based on the fair value of the instruments and are recognised in the Statement of Profit and Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of Profit and Loss.

De-recognition

Financial liabilities are derecognised when, and only when, the obligations are discharged, cancelled or have expired. An exchange with a lender of a debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability derecognised and the consideration paid or payable is recognised in the Statement of Profit and Loss.

3.13. Cash and cash equivalents:

Cash and cash equivalents comprise cash in hand and short-term deposits with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.14. Earnings per share:

The Group reports basic and diluted earnings per share (EPS) in accordance with Indian Accounting Standard 33 “Earnings per Share”. Basic EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by weighted average number of equity shares outstanding during the year as adjusted for the effects all dilutive potential equity shares (except where the results are anti-dilutive).

3.15. Segment Reporting:

The Company’s business activity falls within two segments viz. Material Handling and Engineering Products. Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods. These segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM).

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

4A PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Gross carrying value				Depreciation				Net carrying value
	As at 1st April 2017	Additions	Sale/ Disposal	As at 31st March 2018	As at 1st April 2017	Additions	Sale/ Disposal	As at 31st March 2018	As at 31st March 2018
Building	9.18	9.40	-	18.58	0.40	2.95	-	3.35	15.23
Computer & Peripheral	35.52	32.73	0.48	67.73	16.97	21.83	0.50	38.30	29.43
Furniture and Fixture	60.07	12.26	-	72.33	14.48	13.18	-	27.66	44.67
Office Equipment	7.21	4.97	-	12.18	2.83	3.06	-	5.89	6.29
Plant & Machinery	255.38	834.23	1.23	1,088.38	39.73	68.19	1.05	106.87	981.51
Vehicle	9.10	14.38	1.43	22.05	3.21	5.31	-	8.52	13.53
Total	**376.46**	**907.97**	**3.14**	**1,281.25**	**77.62**	**114.52**	**1.55**	**190.59**	**1,090.66**

Capital Work In progress									**30.77**

4B OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Gross carrying value				Amortisation				Net carrying value
	As at 1st April 2017	Additions	Sale/ Disposal	As at 31st March 2018	As at 1st April 2017	Additions	Sale/ Disposal	As at 31st March 2018	As at 31st March 2018
Computer software and license	24.05	13.49	-	37.54	3.79	9.29	-	13.08	24.46
Total	**24.05**	**13.49**	**-**	**37.54**	**3.79**	**9.29**	**-**	**13.08**	**24.46**

Note:

1) As per IND AS - 36 - "Impairment of Assets" no provision for impairmat of assets is required.

2) As per IND AS 16 - assets in the course of development are reflected in capital work in progress account. Costs associated with the development are capitalised when the asset is ready to use. Revenue generated from production during the trial period will be credited to capital work in progress.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

5 NON-CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31st March 2018		
	Number	Nominal Value	Amount
Investments at Cost			
(a) Investment in Equity instruments (Unquoted) (Fully Paid up)			
Zoroastrian Co-Operative Bank Ltd.	4100	25	1.03
Total			**1.03**

Note : There is no permanent dimunition in the value of investment.

Aggregate Book Value of Non current Investments

(₹ in Lakhs)

Particulars	As at 31st March 2018
a) Unquoted - At Cost	1.03

6A OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March 2018
1 Security Deposit Unsecured, considered good unless otherwise stated.	25.61
2 Fixed Deposits as Margin Money against LC & BG *	8.67
3 Prepaid lease hold land	0.43
Total	**34.71**

(*) Original maturity of more than twelve months

6B DEFERRED TAX (LIABILITY) / ASSETS

(₹ in Lakhs)

Particulars	As at 31st March 2018
Nature of timing difference:	
Deferred tax asset (DTA)	
On depreciable assets	0.34
Provision for Doubtful Debts	47.85
Actuarial loss on gratuity	14.49
Total	**62.68**
Deferred tax liability (DTL)	
On depreciable assets	-12.69
Total	**-12.69**

The Company has recognised DTA amounting to Rs. 62.68 Lakhs in FY 2017-18 as the Company is estimating future taxable profits against which the DTA can be set off.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

7 INVENTORIES

Valued at lower of cost and net realisable value

(₹ in Lakhs)

Particulars	As at 31st March 2018
a. Raw Materials	631.09
b. Work-in-progress	40.44
c. Finished goods	222.33
d. Stock-in-trade	400.91
e. Stores and spares	6.06
Total	**1,300.83**

8 CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	NAV as on 31st March 2018		As at 31st March 2018
	Amount	Number of units	
(a) Investments in Mutual Funds carried at fair value			
Reliance Money Manager Fund	1,008.08	784.75	7.90
Reliance Money Manager Fund	1,008.05	360.55	3.62
Total			**11.52**

Aggregate Book Value of Investments

(₹ in Lakhs)

Particulars	As at 31st March 2018
Aggregate Book Value of Investments	11.52
Aggregate market Value of quoted	11.52

9 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March 2018
Trade Receivables	
Unsecured, considered good	3,514.56
Considered doubtful	154.84
	3,669.40
Less: Provision for doubtful debts	154.84
	3,514.56
Total	**3,514.56**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

10A CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March 2018
Cash on hand	2.37
Balances with Banks	
In current account	132.95
In EEFC account	30.01
In Fixed Deposit*	130.00
Total	**295.33**

(*) With original maturity of less than three months

10B OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31st March 2018
Earmarked balances with banks (unpaid dividend account)	12.87
Bank Deposits as Margin Money against LC & BG *	145.11
Total	**157.98**

(*) With original maturity of more than three months but less than twelve months

11 LOAN

(₹ in Lakhs)

Particulars	As at 31st March 2018
Advances *	24.14
Unsecured, considered good unless otherwise stated.	
Total	**24.14**

(*) Refer Note no.39

12 OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March 2018
Duty recoverable	9.36
Security deposit	14.30
Unsecured, considered good unless otherwise stated	
Accrued commission	6.53
Total	**30.19**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

13 CURRENT TAX ASSETS

(₹ in Lakhs)

Particulars	As at 31st March 2018
Advance tax and tax deducted at source less provision	4.53
Total	**4.53**

14 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March 2018
Advances other than capital advances	
Balances with government authorities	
a) VAT Credit	178.23
b) Deposit with excise (under protest)	154.07
c) Others	123.13
Advance to employees	4.23
Prepaid Expense	5.29
Tender Deposits	58.94
Prepaid lease hold land	0.01
Advance to Creditors	86.84
Interest accrued	5.77
Total	**616.51**

15 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March 2018	
	Number	Amount
Authorised		
Equity Shares of ₹ 10/- each	10,00,000	100.00
Issued, Subscribed & Fully Paid up		
Equity Shares of ₹ 10/- each	9,32,873	93.29

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

Particulars	As at 31st March 2018	
	Number	(Rs. in Lakhs)
Shares outstanding at the beginning of the year	7,64,650	76.46
Issue of right shares during the year	1,68,223	16.83
Shares bought back during the year	-	-
Shares outstanding at the end of the year	9,32,873	93.29

b. The Company has only one class of issued shares i.e Equity Share having par value of Rs. 10/ each.The Equity Shares of the Company have voting rights and are subject to the restrictions as prescribed under the Companies Act, 2013. Each holder of equity share is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of directors is subject to approval of shareholders in the ensuing Annual general meeting.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

c. Details of shareholders holding more than 5% shares in the Company.

Name of Shareholder	As at 31st March 2018 No. of Shares held	As at 31st March 2018 % of Holding
Mr. Jai Prakash Agarwal	1,32,991	14.26
Mrs. Krishna Agarwal	48,800	5.23
Mrs. Shikha Jain	1,12,821	12.09
Mr. Vishal Jain	1,18,215	12.67
Mr. Sharad Kanayalal Shah	71,794	7.70

d. During the last 5 years, the Company has neither issued any bonus shares nor alloted any shares pursuant to a contract without payment being received in Cash.

e. No calls are unpaid by any director or officer of the company at the end of the reporting period

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

16 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March 2018
a. Securities Premium Account	
Balance at the beginning of the year	115.80
Add:	
Right issue during the year	982.43
Unpaid calls received during the year	-
Less:	
Right issue expsense	(34.37)
Closing Balance	**1,063.86**
b. General Reserve	
Balance at the beginning of the year	229.78
Add:	
Current year transfer	-
Closing Balance	**229.78**
c. Retained Earnings	
Balance at the beginning of the year	670.43
Add:	
Profit/ (loss) for the year	179.67
Less:	
Dividend paid for the previous year (including tax on dividend)	(9.25)
Closing Balance	**840.85**
d. Other comprehensive income (OCI)	
Balance at the beginning of the year	-
Add:	
Remeasurement of defined benefit plan	(32.40)
Closing Balance	**(32.40)**
Total	**2,102.09**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

17A NON CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March 2018
Secured:	
Loan from bank	
(a) Vehicle	4.35
(b) Machinery	483.61
Total	**487.96**

(a) Secured by hypothecation of vehicle purchased under the secured loan. Repayable in 36 monthly installments starting from April 2017. Last installment due in April 2020. Rate of interest 8.75% p.a.

(b) Machinery of MHE Rentals India Pvt Limited is Secured by hypothecation.These loans carries a rate of interest @ 11.00% repayable in monthly instalments which varies from 48 to 60 months.

17B CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March 2018
Secured:	
From Banks (Repayable on demand):-	
(a) Cash Credit	213.38
(b) Bank overdraft	783.63
(c) Term Loan	
Vehicle	5.29
Machinery	159.58
Total	**1,161.88**

Details of Terms of repayments

(a) Cash Credit and bank overdraft facilities are secured by hypothetation of stocks and book debts and an equitable mortgage on the Company's property at plot no C-7, wagle estate, road no. 12, Thane, on pari-passu basis. Interest rates at 11% p.a. to 11.35 % p.a.

(b) Vehicle

Secured by hypothecation of vehicle purchased under the secured loan. Repayable in 36 monthly installments starting from April 2017. Last installment due in April 2020. Rate of interest 8.75% p.a.

(c) Machinery

Secured by hypothecation of CNC machine purchased under the secured loan. Repayable in 36 montly installments starting from March 2017. Last installment due in Nov 2018. Rate of interest 12.5% p.a.

In addition to the above, Machinery of MHE Rentals India Pvt. Ltd. is secured by hypothecation. These loans carries a rate of interest @ 11.00% p.a. repayable in monthly instalments which varies from 48 to 60 months.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

18 NON-CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March 2018
Provision for employee benefits	
Superannuation	19.12
Gratuity	153.92
Leave Encashment	42.15
Total	**215.19**

19 OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March 2018
Dealer deposits	32.56
Total	**32.56**

20 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March 2018
Dues of Micro and Small Enterprises	
(Note a)	
Dues to other creditors	1,893.53
Total	**1,893.53**

Note(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. the same has not been disclosed. Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

21 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March 2018
(a) Unclaimed Dividend	12.87
(b) Customer Advance	192.02
(c) Creditors for expense	172.64
(d) Employee Security deposit	1.91
(e) Provision for expense	85.17
(f) Security deposit	2.14
(g) Other Financial Liabilities	6.99
Total	**473.74**

22 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March 2018
1) Statutory dues payable	
(a) Tax Deducted at Source	20.68
(b) Provident Fund and other employee deductions	12.42
(c) GST	126.90
(d) VAT, Service tax, Excise duty	0.12
2) Revenue received in advance	91.64
3) Salary and Reimbursements	153.75
Total	**405.51**

23 CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March 2018
Provision for warranty claims	7.10
Provision for employee benefits	
Superannuation	7.07
Gratuity	98.20
Leave Encashment	22.63
Total	**135.00**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

24 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018
(a) Sale of Products	
Sale of manufactured goods (*)	6,158.05
Sale of traded goods	1,735.72
Total (A)	**7,893.77**
(b) Sale of Services	
Sale of services	757.52
Total (B)	**757.52**
(c) Other Operating Revenues	
Commission Income	650.87
Scrap & sundry sales	7.87
Other operating income	1.47
Total (C)	**660.21**
Total (A+ B+ C)	**9,311.50**
Note: (*) Sale of manufactured goods include excise duty	120.75

25 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018
Interest Income	14.48
Dividend Income	0.66
Net gain/(loss) on foreign currency transactions and translation	23.85
Net gain/(loss) on sale of fixed assets	0.62
Other income	-
Total	**39.61**

26A COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018
Cost of Materials Consumed	
Steel	115.05
Batteries	826.87
Others (Tyres, controller, motor, battery, charger etc)	3,619.29
Total	**4,561.21**

26B PURCHASE OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018
Purchase of Traded goods	
Other Equipment	1,063.04
Components, accessories, spares, etc.	195.11
Total	**1,258.15**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

27 CHANGES IN INVENTORIES

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade	
Opening Stocks :	
Finished Goods - Manufactured	63.24
Finished Goods - Traded	280.99
Work-in-Progress	91.31
Total	**435.54**
Less: Closing Stocks :	
Finished Goods - Manufactured	271.50
Finished Goods - Traded	400.91
Work-in-Progress	40.45
	712.87
Total	**(277.33)**

28 EMPLOYEE BENEFIT EXPENSE

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018
Salaries, wages & bonus	1,591.13
Contributions to provident fund, gratuity and other funds	78.24
Staff welfare expenses	51.13
Total	**1,720.50**

29 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018
Interest expense on term loan, cash credit & Bank overdraft	148.66
Interest expense on other loans	13.23
Bank Charges	30.69
Total	**192.58**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

30 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018
Sub contract and labour charges	158.42
Stores and spare parts consumed	17.39
Fuel and power	36.12
Repairs to buildings	4.31
Repairs to machinery	20.57
Rent	68.77
Rates and taxes	76.92
Insurances	10.47
Travelling expenses	161.52
Postage, telephone and internet	41.18
Printing and stationery	13.84
Legal and professional charges	94.54
Audit fees (Refer note (a) below)	20.10
Conveyance expenses	119.53
Provision for doubtful debts	65.14
Provision for doubtful advances & deposits	4.02
Freight on sales	263.28
Commission expense	32.90
Motor vehicle expense	8.55
Director's fees	14.70
Equipment Hiring charges	33.87
Miscellaneous expenses	234.46
Total	**1,500.60**

Note (a) : Auditor's Remuneration

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018
(a) Audit Fees	16.00
(b) Tax audit fees	3.05
(c) Other Services	0.50
(d) Reimbursement of out of pocket expenses	0.55
Total	**20.10**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

31 CONTINGENT LIABILITIES:

(₹ in Lakhs)

Sr No.	Particulars	As at 31st March 2018
a)	Claims against company not acknowledged as debts	
i)	Sales Tax demands (Net)	91.43
ii)	Service Tax demands	5.44
iii)	Excise duty demands (Net)	1448.79
iv)	Other Matters	9.10
b)	Bank Guarantees for performance of contracts	765.73
c)	On account of corporate guarantee to bankers on behalf of subsidary for facilities availed by them (amount outstanding at close of the year)	717.61
Total		**3,038.10**

32 CAPITAL COMMITMENTS:

The estimated amount of contracts remaining to be executed on capital account and not provided for:

(₹ in Lakhs)

Particulars	As at 31st March 2018
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for.	513.32

Note:

1) Company is in the process of acquiring leasehold land including building at a price of Rs 554.00 Lakhs and has entered into an agreement on 12th April, 2018. The company has already made an advance of Rs 50 Lakhs towards the agreement and the balance is estimated capital commitment for the year. The land is located at MIDC Murbad, District Thane. The rationale behind investment is for expansion of Company's manufacturing activities.

2) Assets in the course of development are recognised in capital work in progress account. The company is further estimating an investment of Rs 9.32 Lakhs towards the development.

33 CAPITAL MANAGEMENT:

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Group consists of debt and total equity of the Group.

The Group determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, External-commercial borrowings and short-term borrowings. The Group's policy is aimed at combination of short-term and long-term borrowings. The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

The Group is not subject to any externally imposed capital requirements.

Total debt includes all long and short term debts as disclosed in notes 17A & 17B to the financial statements.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

The gearing ratio at the end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2018
Total Debt	1,649.84
Total Equity	2,381.82
Debt to Equity Ratio	**0.69**

34 DISCLOSURE OF FINANCIAL INSTRUMENTS:

Accounting classification and fair value:

The following table shows the carrying amount and fair value of financial assets and financial liabilities.

(₹ in Lakhs)

Particulars	Note No.	31st March 2018		
		FVTPL	Amortised cost	Carrying amount
FINANCIAL ASSETS				
Non-Current Assets				
(i) Investments	5	-	1.03	1.03
(ii) Others	6A	-	34.71	34.71
Current Assets				
(i) Investments	8	11.52	-	11.52
(ii) Trade receivables	9	-	3,514.56	3514.56
(iii) Cash and cash equivalents	10A	-	295.33	295.33
(iv) Other bank balances	10B	-	157.98	157.98
(v) Loans	11	-	24.14	24.14
(vi) Other Financial Assets	12	-	30.19	30.19
Total Financial Assets		**11.52**	**4057.94**	**4069.46**
FINANCIAL LIABILITIES				
Non-Current Liabilities				
(i) Borrowings	17A	-	487.96	487.96
Current liabilities				
(i) Borrowings	17B	-	1,161.88	1,161.88
(ii) Trade payables	20	-	1893.53	1893.53
(iii) Other financial liabilities	21	-	473.74	473.74
Total Financial Liabilities		**-**	**4017.11**	**4017.11**

35 FINANCIAL RISK MANAGEMENT FRAMEWORK:

The Group is exposed primarily to market risk, credit risk and liquidity risk which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates and other market changes. The Group's exposure to market risk relates to foreign currency exchange rate risk.

Foreign currency risk management:

The Group undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arise. Exposure to currency risk relates to the Group's operating activities when transactions are denominated in a different currency from the Group's functional currency.

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Group.

The following tables demonstrate the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to other foreign currencies is not material.

Trade Receivables

(₹ in Lakhs)

	Effect on profit before tax		Effect on pre tax equity	
March 31,2018	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
USD (Movement by 10%)	6.65	(6.65)	6.65	(6.65)
Euro (Movement by 10%)	34.37	(34.37)	34.37	(34.37)

Trade Payables

(₹ in Lakhs)

	Effect on profit before tax		Effect on pre tax equity	
March 31,2018	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
USD (Movement by 10%)	3.33	(3.33)	3.33	(3.33)
Euro (Movement by 10%)	7.32	(7.32)	7.32	(7.32)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

The carrying amount of Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(₹ in Lakhs)

	As at 31st March 2018	
Particulars	**USD**	**EUR**
Trade payables	33.26	73.17
Trade receivables	66.53	343.66

Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates in order to optimise the Group's position with regards to interest expenses and to manage the interest rate risk, management performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and variable rate financial instruments.

Exposure to interest rate risk:

(₹ in Lakhs)

Particulars	**As at 31st March 2018**
Fixed Rate Instruments:	
Financial Liabilities	652.83
Variable Rate Instruments:	
Financial Liabilities	969.24

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

Interest rate sensitivity:

Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in an impact of (decrease/ increase in net income)

(₹ in Lakhs)

Particulars	As at 31st March 2018 Sensitivity Analysis	Impact on Profit and Loss
Variable Rate Borrwings		
Interest Rate Increase by	1.00%	9.69
Interest Rate Decrease by	1.00%	9.69

Credit Risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Outstanding customer receivables are regularly monitored. The Group maintains its cash and cash equivalents and deposits with banks having good reputation and high quality credit ratings.

Liquidity Risk:

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity Analysis for financial liabilities:

The following are the remaining contractual maturities of financial liabilities as at 31st March 2018:

(₹ in Lakhs)

Particulars	Note No.	31st March 2018 0 to 1 Year	More than 1 year	Total
FINANCIAL LIABILITIES				
Non-Current Liabilities				
(i) Borrowings	17A	-	487.96	487.96
Current liabilities				
(i) Borrowings	17B	1,161.88	-	1,161.88
(ii) Trade payables	20	1893.53	-	1893.53
(iii) Other financial liabilities	21	473.74	-	473.74
Total Financial Liabilities		**3,529.15**	**487.96**	**4,017.11**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

36 EMPLOYEE BENEFITS:

A. Defined Contribution Plan

The Group has recognised Rs. 20.41 lakh for provident fund contribution in the Statement of Profit and Loss for the year ended March 31, 2018 (March 31, 2017 - Rs. 20.47 lakh).

B. Defined Benefit Plan

Amount recognised in the balance sheet and movement in the net defined benefit obligation for the year are as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2018
i) Reconciliation of defined benefit obligation	
Liability at the beginning of the year	254.53
Current Service Cost	13.19
Interest cost	17.25
Actuarial losses/(gains) arising from:	
Demographic assumption	10.34
Financial assumption	1.05
Experience Gain/(Loss) on Plan Assets	38.93
Benefits Paid	(48.83)
Projected benefit obligation at the end of the year	286.46
ii) Reconciliation of Fair Value of Plan Asset	
Fair value of the Plan assets at the beginning of the year	37.85
Expected return on plan Assets	3.44
Contribution	44.13
Benefits Paid	(48.83)
Actuarial Gain/ (Loss) on plan assets	(0.09)
Fair value of plan asset at the end of the year	36.50
iii) Expenses recognised in statement of profit or loss under the head employee benefit expenses	
Current Service Cost	13.19
Interest Expense on DBO	17.33
Expenses recognised in Statement of Profit or Loss	30.52
iv) Re-measurement for the period	
Experience Gain/(Loss) on Plan Liabilities	38.93
Demographic Gain/(Loss) on Plan Liabilities	10.34
Financial Gain/(Loss) on Plan Liabilities	1.05
Actuarial Gain/ (Loss) on plan assets	0.09
Total Actuarial Gain/(Loss) included in OCI	50.41
v) Amount recognised in Other Comprehensive Income (OCI)	
Opening Amount recognised in OCI	-
Re-measurement for the period – Plan Assets (gain)/loss	(3.43)
Experience adjustments	38.93
Changes in financial assumptions	1.05
Changes in demographic assumptions	10.34
Total re-measurement cost/(credit) for the period recognised in OCI	-
Closing Amount recognised in OCI	46.89

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March 2018
vi) Principal Actuarial Assumptions	
Financial Assumptions	
Discount Rate	7.05%
Salary Escalation	5%
Demographic Assumptions	
Mortality Rate	IALM (2006-08) Ultimate
Withdrawal Rate	0.00994
Retirement age	58

(₹ in Lakhs)

Particulars	As at 31st March 2018
Amount recognised in Balance Sheet	
Present value of defined benefit obligation	286.46
Fair value of plan assets	36.50
Net (Liability)/ Asset recognised in the Balance Sheet	249.96

(a) The discount rate is based on the prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated terms of the obligations.

(b) Expected Return on Plan Assets (as certified by the actuary): This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.

(c) Salary Escalation Rate: The estimates of future salary increase considered taking into the account the inflation

(d) Category of Plan Assets:

(₹ in Lakhs)

Particulars	31st March 2018
Unquoted	12.91
Insurer Managed Funds *	23.58

*The Group maintains gratuity fund, which is being administered by Life insurance corporation. Fund Value confirmed by Life Insurance corporation as at March 31, 2018 is considered to be the fair value.

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Particulars	As at 31st March 2018	
	Increase	Decrease
Sensitivity Analysis		
Discount rate (0.5% movement)	-1.22%	1.26%
Future salary growth (0.5% movement)	1.28%	-1.25%

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

37 SEGMENT REPORTING

For management purpose, the Company is organised into business units based on its products and services.

Primary Segment information (by Business segment):

I. Material Handling Division

II. Engineered

iii. MHE Rentals India Pvt. Ltd. (Equipment rental)

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.

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.

(₹ in Lakhs)

	Year Ended 31st March, 2018			
BUSINESS SEGMENT	**Material Handling**	**Engineered Products**	**MHE Rentals India Pvt. Ltd. (Equipment rental)**	**Total**
Segment Revenue				
Revenue from operations	6,446.07	1,445.03	212.70	8,103.80
Commission Income	2.67	650.87		653.54
Other Income	169.94	407.28		577.22
	6,618.68	2,503.18	212.70	9,334.56
Unallocated Income				16.55
Total				**9,351.11**
Segment Results				
Segment results/ operating profit / (loss)	35.55	610.53	28.61	674.69
Unallocated income				16.55
(including income from interest/dividend)				
Unallocated expenses				347.82
Interest Expenses				192.58
Profit / (Loss) before tax				150.84
Provision for taxation – current				29.89
Excess Provisions for Income Tax in respect of earlier years				(11.29)
Deffered Tax				(35.50)
Profit / (loss) after Tax				**167.74**
Other Information				
Segment Assets	3,828.67	1,604.81	1,150.41	6,583.89
Unallocated Assets				616.01
Total				**7,199.90**
Segment Liabilites	2,121.77	865.57	842.93	3,830.27
Unallocated liabilities				3,369.63
Total liabilities				**7,199.90**
Cost incurred during the financial year to acquire segment fixed assets	111.89	18.07	779.34	909.29
Cost incurred during the financial year to acquire segment fixed assets (Unallocated)				20.00
Depreciation	62.09	21.71	22.11	105.91
Depreciation (Unallocated)				17.90

The accounting policies of the reportable segment are the same as the Group's accounting policies described in note above.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

38 RELATED PARTY DISCLOSURE, AS REQUIRED BY INDIAN ACCOUNTING STANDARD-24, IS AS BELOW:

A. Names of related parties and description of relationship:

Sr. No	Name of related party	Relationship
1	Mr. Raghunath Pandit Pargaonkar, Chief Executive Officer (CEO) (Resigned w.e.f 30/09/2017)	Key Management Personnel
2	Mr. Vishal Jain, Managing Director (Appointed as Managing Director w.e.f 04/10/2017 before such date he was continuing as Director of Jost's)	
3	Mr. Chandrakant Bhalchandra Sagvekar, Company Secretary	
4	Mr. Maruti Govind Naik, (Chief Financial Officer) (CFO) (Resigned w.e.f. 01/02/2018)	
5	Mr. Anand Singh Dalal (CEO and Director) of MHE Rentals India Pvt. Ltd	
6	Mr. Kshitiz Bilala, Chief Financial Officer (CFO) (Appointed w.e.f. 01/02/2018)	
7	MHE Rentals India Private Limited	Subsidiary
8	Mr. Jai Prakash Agarwal, Chairman and Director	Board of Directors
9	Mr. Farokh Kekhushroo Banatwalla, Independent Director	
10	Mr. Shailesh Rajnikant Sheth, Independent Director	
11	Mr. Marco Philippus Ardeshir Wadia, Independent Director	
12	Mr. Vishal Jain, Managing Director (w.e.f 04/10/2017)	
13	Mr. Kailash C. Somani, Director of MHE Rentals India Pvt. Ltd	
14	Mrs. Shikha Jain, Woman Director	
15	Dotch Sales Private Limited	Private company having common director
16	Gramos Chemicals India Private Limited	
17	Johnson and Johnson Private Limited	
18	Chambal Fertilizer and Chemicals Limited	Public Company having common Director
19	Stovec Industries Limited	

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

B. Transaction with related parties :

Following transactions have been carried out with related party during the year

(₹ in Lakhs)

Sr No.	Related Party	Nature of transactions	For the year ended 31st March, 2018
1	Stovec Industries Ltd.	Sale of Goods	1.22
2	Johnson & Johnson Private Ltd.	Sale of Goods	0.79
3	Chambal Fertiliser and Chemicals Ltd.	Sale of Goods	6.59
4	MHE Rentals India Private Limited	Sale of Goods	69.40
5	MHE Rentals India Private Limited	Commission Received	3.15
6	Dotch Sales Pvt Ltd.	Loan taken and fully repaid	267.17
7	Mr. Vishal Jain	Loan taken and fully repaid	312.36
8	Anand Singh Dalal	Reimbursement of expenses	6.07

(Note : The above amounts are inclusive of GST)

C. Sitting fees:

(₹ in Lakhs)

Name of the Directors		For the year ended 31st March, 2018
1)	Mr. J. P. Agarwal	3.10
2)	Mr. Marco Wadia	2.90
3)	Mr. F. K. Banatwalla	3.05
4)	Mr. Shailesh Sheth	3.05
5)	Mr. Vishal Jain	2.10
6)	Mrs. Shikha Jain	0.50

D. Compensation of Key Managerial Personnel:

(₹ in Lakhs)

Name of KMP	Designation	For the year ended 31st March, 2018
MR. R. P. Pargoankar	CEO (Resigned w.e.f. 30.09.17)	12.88
MR. C. B. Sagvekar	Vice President and Company Secretary	19.82
MR. Kshitiz Bilala	CFO (Appointed w.e.f. 01.02.18)	3.90
Mr. Vishal Jain (*)	Vice Chairman and Managing Director	-
	(Appointed w.e.f. 04.10.17)	
MR. M G Naik	CFO (Resigned w.e.f. 01.02.18)	4.40
Mr. Anand Singh Dalal	CEO and Director of MHE Rentals India Pvt. Ltd.	12.60

(*) Remmuneration of the Managing Director is Re. 1.00 per month from 4th October 2017

39 The Company had incorporated a wholly owned subsidiary entity in the Financial Year 2015-16 at Ajman Free Trade Zone, UAE. The amount incurred Rs. 24.14 lakhs for registration, license fees etc., has been reflected as advance. Further the unit has not started the operations till date.

40 On April 20, 2017, the Company has acquired majority stake (60%) in MHE Rentals India Private Limited ("MHE") for Rs 60,000. Total investment made in MHE during the year 2017-18 is Rs 300.60 lakhs. This was not a subsidiary in previous year. Hence, no consolidated financial statements have been prepared for the previous year. As the consolidated has been reported for the first time, annual figures for the year ended 31st March, 2018 has been given.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

41 During the year, the Company has made rights issue of 1,68,223 equity shares of Rs.10 each at a price of Rs. 594 per equity share, including a premium of Rs.584 per share. These shares were allotted on 26th December, 2017. The funds raised from rights issue have been utilised as per objects stated in Letter of Offer dated 8th November 2017.

42 LEASES

The Company has taken office premises under operating leases. These lease arrangements are ranging between 11 months to 60 months generally or longer and are renewable by mutual consent and on mutually agreeable terms.

The future lease payments in respect of non-cancellable operating lease are as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2018
Not later than one year	21.66
Between one to five years	71.53
Later than five years	0.37

43 EARNINGS PER SHARE

	Particulars	Year ended 31st March, 2018
a.	Net Profit attributable to shareholders (Rs.in Lakhs)	167.74
b.	Weighted average number of Equity Shares (in Lakhs)	8.59
	Basic	19.53
c.	Weighted average number of Equity Shares (in Lakhs)	8.59
	Diluted	19.53

44 The Board in its meeting held on May 26, 2018 has recommended a dividend of Rs. 2 per share on a share of ₹ 10 each to the shareholders of the company. This amount is to be paid after approval from shareholders in the ensuing annual general meeting.

45 STANDARDS ISSUED BUT NOT YET EFFECTIVE

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers' substituting Ind AS 18, 'Revenue' and Ind AS 11, 'Construction Contracts'. This notification is in line with the recent notifications made by International Accounting Standards Board (IASB) by notifying IFRS 15, 'Revenue from Contracts with Customers' substituting IAS 18, 'Revenue' and IAS 11, 'Construction Contracts'. The standard is applicable to the Company from April 1, 2018.

Impact assessment because of Ind AS 115:

The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. 302049E

Sukhendra Lodha
Partner
Membership No.071272
Place: Mumbai
Date: 26th May 2018

For and on behalf of Board of Directors

Vishal Jain Vice Chairman & Managing Director
F.K. Banatwalla Director
Kshitiz Bilala Chief Financial Officer

Place: Mumbai
Date: 26th May 2018

FORM AOC - 1

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

Statement containing salient features of the Financial Statemet of Subsidiaries or Associate Companies or Joint Ventures

As on 31st March, 2018

Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amount in lakhs)

(₹ in Lakhs)

Sl. No.	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on last date of the relevant Financial year in the case of foreign subsidiaries.	Share capital	Reserves and Surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation (Deferred Tax)	Profit after taxation	proposed Dividend	Extent of shareholding (in %)
1	MHE Rentals India Private Limited	20/04/2017	Not Applicable	Not Applicable	499.00	-32.16	**1,151.06**	**1,151.06**	0.03	212.70	-19.46	12.69	-32.16	-	60.24

Notes : 1 Names of subsidiaries which are yet to commence operations- Jostsengg Global- F.Z.E., UAE

2 Names of subsidiaries which have been liquidated or sold during the year- Not Applicable

Part B Associates and Joint Ventures **Not Applicable**

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

Name of Assoicates or Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	Not Applicable		
2. Date on which the Associate or joint Venture was associated or acquired			
3. Shares of Associates or Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates or Joint Venture			
Extent of Holding (in percentage)			
4. Description of how there is significant influence			
5. Reason why the associate/Joint venture is not consolidated			
6. Networth attributable to shareholding as per latest audited Balance Sheet			
7. Profit or Loss for the year			
i. Considered in Consolidation			
ii. Not considered in Consolidation			

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

For and on behalf of Board of Directors

Vishal Jain
Vice Chairman & Managing Director

F.K. Banatwalla
Director

Kshitiz Bilala
Chief Financial Officer

Place: Mumbai
Date: 26th May 2018

NOTICE

Notice is hereby given that the hundred and eleventh 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 Monday, the 30th July, 2018 at 11.30 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31st March, 2018 together with the reports of the Auditors and Board of Directors thereon.
2. To declare a dividend
3. To appoint a Director in place of Mrs. Shikha Jain (DIN 06778623), who retires by rotation and being eligible offers herself for reappointment.
4. To ratify the appointment of Messrs Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) as the Statutory Auditors of the Company and to fix their remuneration and in this connection, 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 Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E)as the Statutory Auditors of the Company to hold office from the conclusion of 111th Annual General Meeting until the conclusion of the 112th Annual General Meeting of the Company be and is hereby ratified at such remuneration as may be mutually agreed upon between the Auditors and the Board of Directors of the Company based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company."

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 Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of Mr. Vishal Jain (DIN 00709250) as Vice Chairman and Managing Director of the Company for a period of three years with effect from 4th October, 2017 to 3rd October, 2020, be and is hereby approved on the terms and remuneration as set out in the Agreement dated 26th December, 2017, entered into between the Company and Mr. Vishal Jain with authority to the Board of Directors to alter and vary the terms and conditions of the aforesaid appointment and / or agreement including remuneration, provided that such alteration / variation shall be within the limits specified in Schedule V to the Act or any amendments thereto from time to time.

   RESOLVED FURTHER THAT the Board of Directors of the Company (including Committee of Directors) be and is hereby authorised to sign and execute deeds, documents and writings that may be required on behalf of the Company and generally to do such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

   "RESOLVED THAT in supersession of the resolution passed by the members at their meeting held on 15th July, 2016, and pursuant to the provisions of Section 186 of the Companies Act, 2013 (the 'Act'), and other applicable provisions, if any, of the Act as amended and the rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee(s) constituted / to be constituted by the Board or any person(s) authorised by the Board) to (i) give loan(s) to any person or other body corporate including subsidiary(ies) and / or (ii) give any guarantee(s) / provide any security(ies) in connection with loan(s) to any person or other body corporate including subsidiary(ies) and / or (iii) make investments by way of subscription, purchase or otherwise, the securities of any other body corporate(s) including subsidiary(ies),

NOTICE (Contd.)

associates, whether Indian or overseas, which the Board may, in their absolute discretion, deem beneficial and in the interest of the Company, in one or more tranches, in excess of the limits prescribed under Section 186 of the Act upto an aggregate sum of ₹ 50 Crores (Rupees Fifty Crores), notwithstanding that the aggregate of loans, guarantees given, securities provided and investments made by the Company may exceed sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

RESOLVED FURTHER THAT to give effect to this resolution, the Board be and is hereby authorised to negotiate and finalise the terms and conditions from time to time and to do and perform all such acts, deeds, matters and things, as may be necessary or expedient and to exercise all the rights and powers, as deem necessary, proper and desirable, including to settle any question, difficulty or doubt that may arise in respect of such loan(s), guarantee(s) given or security(ies) provided or investment(s) made by the Company (as the case may be)".

7. 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 188 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in terms of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby accorded for ratification / approval of material related party transactions entered into with the related party, during the financial year 2017-18 and material related party transactions / arrangements expected to be entered into with related party during the next financial year 2018-19, as set out in the explanatory statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors and / or a committee thereof, be and is hereby authorised to do all such acts, matters, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board
Jai Prakash Agarwal
Chairman

Mumbai, 26th May, 2018.
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. 5 to 7 of the Notice set out above, is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard – 2 on "General Meetings" issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment / re-appointment at this Annual General Meeting ("AGM") are annexed as 'Annexure I' to this Notice.

3. The Register of Members and Share Transfer Books of the Company will remain closed from 27th July, 2018 to 30th July, 2018 (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 30th July, 2018. 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 26th July, 2018.

   (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 20th July, 2018, 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, 2010. Shareholders who have not encashed their dividend warrant(s) so far, for the financial years ended 31st March, 2011 to 31st March, 2017 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 20th July, 2017 (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, Tampelbar 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

Notes (Contd.)

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 2017-18 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 2017-18 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 111th 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 Friday, 27th July, 2018, (10 a.m.) and ends on Sunday, 29th July, 2018, (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. 23rd July, 2018, 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) • 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. • 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).

Notes (Contd.)

(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.

Notes (Contd.)

(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) The members who have cast their votes by remote e-voting prior to the date of AGM may attend the AGM but shall not be entitled to cast their votes again.

(ii) 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.

(iii) 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. 23rd July, 2018. 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.

(iv) 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. 23rd July, 2018, may obtain the login ID and password by sending a request at helpdesk@computechsharecap.in.

(v) 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.

(vi) 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.5

On recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, at their Meeting held on 4th October, 2017, has appointed Mr. Vishal Jain as Vice Chairman and Managing Director of the Company for a period of three years with effect from 4th October, 2017. The terms and conditions of the appointment of Mr. Vishal Jain as aforesaid have been embodied in the Agreement dated 26th December, 2017, entered into between the Company and Mr. Vishal Jain.

The salient terms and conditions specified in the said Agreement are as follows :

1. Period :- 3 years with effect from 4th October, 2017.

2. Remuneration Payable :-

A. For the period from 4th October, 2017 to 31st March, 2018.

i. Basic Salary	Re. 1/- (Rupee One) per month.
ii . Perquisites:	Nil

B. For the period from 1st April, 2018 to 3rd October, 2020.

i.	(a) Basic Salary	₹ 100,000/- per month
	(b) House Rent allowance	₹ 50,000/- per month
	(c) Special Allowance	₹ 150,000/- per month
	Total Monthly Salary	₹ **3,00,000/-** (Subject to tax)

ii. Perquisites:

a) Reimbursement of Petrol / diesel expenses

As per the rules of the Company.

b) Reimbursement of Entertainment and Travelling Expenses

The Company shall reimburse actual entertainment and travelling expenses incurred by the Managing Director in connection with the Company's business.

iii. Privilege Leave (PL):

(a) PL with pay, as per Company's Rules.

(b) Accumulation of PL and encashment, as per Company's Rules.

iv. Provident Fund and Gratuity:

a. Company's contribution to Provident Fund @ 12% of basic salary.

b. Gratuity at the rate of 15 (Fifteen) days basic salary for every completed year of service or part thereof in excess of six months.

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

3. The Managing Director shall not be liable to retire by rotation so long as he continues to hold the office as Managing Director.

4. The terms and conditions of the said appointment and remuneration shall be in accordance with Schedule V and other applicable provisions of the Companies Act, 2013, or any amendments or re-enactment thereof.

5. The terms and conditions of the Agreement may be altered or varied from time to time by the Board of Directors in consultation with the Nomination and Remuneration Committee of the Board of Directors of the Company.

6. Either party may terminate the said Agreement by giving to other, advance notice of 3 months.

7. The Agreement and the terms and conditions thereof are subject to the approval of the shareholders of the Company in General Meeting and also of the Central Government under the relevant provisions of Companies Act, 2013, if necessary.

Mr. Vishal Jain, 45, is BE, MBA. Before he was appointed as Vice Chairman and Managing Director, he has been Non-Executive Director of the Company since January, 2015. He has over 18 years experience in roles spanning supply chain management, financial advisory and wealth management.

The Board considers the appointment of Mr. Vishal Jain as beneficial and in the interest of the Company and recommends the resolution for your approval.

A statement containing additional information as per Schedule V of the Companies Act, 2013, in respect of Ordinary Resolution at item no. 5, is annexed hereto as Annexure II.

The Agreement dated 26th December, 2017 between the Company and Mr. Vishal Jain is available for inspection to the shareholders on all working days at Company's Thane Factory situated at C-7, Road No. 12, Wagle Industrial Estate, Thane -400604, between 10.00 a.m. and 12.30 p.m. upto the date of this Annual General Meeting.

Except Mr. Vishal Jain and Mrs. Shikha Jain and their relatives, none of the directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested in the resolution set out at item no. 5 of this Notice.

ITEM NO. 6

As per the provisions of section 186 of the Companies Act, 2013 and the Rules framed thereunder, no Company shall directly or indirectly, without prior approval by means of Special Resolution passed at a general meeting, give any loan to any person or other body corporate, give any guarantee or provide any security in connection with a loan to any other body corporate or person and acquire by way of subscription, purchase or otherwise the securities of any other body corporate exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

The members of the Company had, at their meeting held on 15th July, 2016, authorised the Board of directors, to give loans and / or give guarantee and / or provide security connection with loans to any other body corporate and / or to make investment up to maximum amount of Rs. 30 crores.

In order to support increased business activities, the Company may be required to give loans / any other form of debt to any person or other body corporate including subsidiary(ies) and / or give guarantee and / or provide security in connection with a loan / any other form of debt to any other body corporate or person and to make investment or acquire by way of subscription, purchase or otherwise the securities of any other body corporate including subsidiary(ies) in excess of the limits prescribed under the Companies Act, 2013 and rules made thereunder.

It is therefore necessary to obtain approval of the members by means of a Special Resolution, authorising the Board of Directors of the Company to exercise aforesaid powers, up to maximum amount of ₹ 50 Crores (Rupees fifty crores) outstanding at any point of time notwithstanding that the aggregate amount of all the loans / guarantees / securities / investments so far made together with the proposed loans / guarantees / securities / investments to be made, exceeds the prescribed limits under the Companies Act, 2013.

The Board of Directors of your Company accordingly recommends the Special Resolution as set out in Item No. 6 of the accompanying Notice for your approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested financially or otherwise in the resolution except to the extent of their shareholding, if any.

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

ITEM NO. 7

Pursuant to the provisions of Section 188 of the Companies Act, 2013 ("Act") read with Rules made thereunder and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR") shareholders' approval is required for material related party transactions.

The Company has entered into following material related party transactions with the related party during the year 2017-18 and expected to be entered into during the financial year 2018-19.

Name of Related Party	Name of interested Director(s) / KMP(s)	Nature of Relationship	Nature of Transaction	Transaction value for the year ended 31st March,2018. (₹ Lakhs)	Estimated transaction value for the next financial year ending 31st March,2019 (₹ Lakhs)
MHE Rentals India Private Limited (MHE Rentals)	Mr. Jai Prakash Agarwal (Director) Mr. Vishal Jain (Director)	Mr. Jai Prakash Agarwal and Mr. Vishal Jain Directors of the Company are also Directors and / or Members of MHE Rentals.	i) Sale of goods by the Company to MHE Rentals.	69.40	1000.00
			ii) Purchase of MHE Rental's Shares by the Company.	300.00	500.00
			iii) Corporate Guarantee issued by the Company in connection with Loan obtained by MHE Rentals.	717.00	2500.00
			iv) Commission on Corporate Guarantee & Other expenses recoverable by the Company from MHE Rentals.	3.42	15.00

As per the Act and Regulation 23 of LODR, related party(ies) of the Company shall abstain from voting on said resolution.

The Board of Directors recommends the above resolution for your approval.

Except Mr. Jai Prakash Agarwal, Mr. Vishal Jain and their relatives, none of the other Directors or Key Managerial Personnel or their relatives is, in anyway, concerned or interested in the said resolution.

By order of the Board

Jai Prakash Agarwal
Chairman

Mumbai, 26th May, 2018.
Registered Office :
Great Social Building,
60 Sir Phirozeshah Mehta Road,
Mumbai-400 001.

Annexure "I" to Notice

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Particulars	Mr. Vishal Jain	Mrs. Shikha Jain
Date of Birth	14th June, 1973	17th November, 1974
Date of Appointment	21st January, 2015	12th August, 2016
Qualifications	Bachelor of Engineering, Master of Business Administration	Bachelor of Commerce
Expertise in specific functional areas	Experience in Role Spanning Supply Chain Management, Financial Advisory and Wealth Management	-
Directorships held in other public companies (excluding foreign companies and section 8 companies)	Career Point Limited	-
Membership/ Chairmanships of committees of other public companies (including only Audit Committee and Stakeholders Relationship Committee)	-	-
Number of shares held in the Company	118,215	112,821

Annexure II to Notice

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE ACT:

I. General Information:

1. **Nature of Industry:**

   Manufacturers ,traders and service providers of Material Handling Equipment and traders of Engineered Products.

2. **Date or expected date of commencement of commercial production:**

   The Company is in operation since 1907.

3. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

   Not Applicable

4. **Financial performance based on given indicators.**

(₹ Lakhs)

Particulars	**Previous Year ended 31st March, 2017**
Revenue from operations and other income	8,335.75
Profit/(loss) before exceptional and extraordinary items and tax	17.31
Exceptional items*	216.72
Profit/(loss)before extraordinary items and tax	(199.41)
Extraordinary items	-
Profit/(loss) before tax	(199.41)
Tax Expense	-
Profit/(loss) after tax	(199.41)

* Exceptional item includes payment of arrears in dispute- Central Sales Tax amount of ₹ 194.98 Lakhs & interest amount of ₹ 21.74 Lakhs in respect of earlier assessment year pursuant to Government of Maharashtra Amnesty Scheme, 2016.

Consolidated Financial performance based on given indicators:

Consolidated financial performance is not provided as in the previous year 2016-17, the Company did not have subsidiary or associate company.

5. **Foreign investments or collaborations, if any:**

   The Company (Jost's Engineering Company Limited) has no foreign collaborations and hence there is no equity participation by foreign collaborators in the Company.

II. Information about Mr. Vishal Jain:

1. **Background details:**

   The Board of Directors appointed Mr. Vishal Jain as an Additional Director w.e.f. 21/01/2015 and his appointment was approved by the Members at 108th Annual General Meeting (AGM) held on 14th August, 2015 . Mr. Vishal Jain, 45, is BE,MBA and has vast experience in roles spanning supply chain management, financial advisory and wealth management. Considering his contribution towards Company's business and the Management, the Board of Directors have appointed him as Key Managerial Personnel and designated as Vice Chairman and Managing Director for a period of 3 years w.e.f. 4th October, 2017, subject to the approval of the members at the ensuing AGM of the Company.

Annexure II to Notice (Contd.)

2. Past Remuneration:

The following remuneration was paid for the financial year 2014-15, 2015-16 , 2016-17 and 2017-18.

(₹ Lakhs)

	2014-15	2015-16	2016-17	2017-18	
Particulars	21st January,2015 -31st March,2015	1st April 2015 - 31st March,2016	1st April 2016 - 31st March,2017	1st April 2017- 3rd October, 2017	4th October, 2017 - 31st March, 2018
Basic Salary	Nil	Nil	Nil	Nil	₹ 6/-
Other Allowances	Nil	Nil	Nil	Nil	Nil
Perquisites and other benefits	Nil	Nil	Nil	Nil	Nil
Sitting Fees	5,000	60,000	1,20,000	95,000	1,15,000
Commission	67,000	Nil	Nil	Nil	Nil

3. Recognition or Awards:

During the Financial Year 2017-18, the Company has received Sales Award from Foreign Principal, namely, M/s. Megger Sweden AG for significant sale of their products in India.

4. Job Profile and his suitability:

As stated above, Mr. Vishal Jain has vast experience in the field of roles spanning supply chain management, financial advisory and wealth management. Ever since he joined the Board, he has been actively looking after the Engineered Product Division (EPD). EPD division has already contributed to a large extent in the profit for the year ended 31/03/2018. He is also actively involved in the business activity for Material Handling Division of the Company which has improved over last quarter of 2018.

5. Remuneration proposed :

A. For the period from 4th October, 2017 to 31st March, 2018.

i. Basic Salary	Re. 1/- (Rupee One) per month.
ii. Perquisites :	Nil

B. For the period from 1st April, 2018 to 3rd October, 2020.

i. (a) Basic Salary	₹ 1,00,000/- per month
(b) House Rent allowance	₹ 50,000/- per month
(c) Special Allowance	₹ 1,50,000/- per month
Total Monthly Salary	₹ **3,00,000/-** (Subject to tax)

ii. Perquisites:

a) Reimbursement of Petrol / diesel expenses

As per the rules of the Company.

b) Reimbursement of Entertainment and Travelling Expenses

The Company shall reimburse actual entertainment and travelling expenses incurred by the Managing Director in connection with the Company's business.

iii. Privilege Leave (PL):

(a) PL with pay, as per Company's Rules.

(b) Accumulation of PL and encashment, as per Company's Rules.

iv. Provident Fund and Gratuity:

a. Company's contribution to Provident Fund @ 12% of basic salary.

b. Gratuity at the rate of 15 (Fifteen) days basic salary for every completed year of service or part thereof in excess of six months.

The payment of remuneration as above is subject to the provisions of law and the Managing Director will be paid the remunerations as approved by the Board and the Shareholders.

Annexure II to Notice (Contd.)

6. **Comparative remuneration Profile with respect to industry, size of the company, profile of the position and person :**

   The Nomination and Remuneration Committee of the Board while approving the proposed remuneration to the Managing Director have taken into consideration the various factors such as the remuneration,that is being paid to the managerial personnel in the industry to which the Company belongs, the size of the Company, the profile of the position etc.

7. **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:**

   Besides the remuneration proposed, Mr. Vishal Jain does not have any pecuniary relationship with the Company. He is the husband of Mrs. Shikha Jain, who is a Director of the Company. Mr. Vishal Jain belongs to the Promoter Group.

III Other information:

1. Reason of loss or inadequate profits:

   The reason being the sluggish demand, especially for Engineering and Capital Goods Industry to which Company belongs. Further, tough competition - Global and Local, continued to put pressure on margins and market share.

2. Steps taken or proposed to be taken for improvement:

   The Company has embarked on a series of strategic and operational measures that is expected to result in the improvement in present position. The inherent strengths of the Company, especially its reputation as a premium producer, powerful brands and deep Pan-India distribution network are also expected to enable the Company to position itself during adversities.

3. Expected increase in productivity and profits in measurable terms:

   The Company has profit before tax of ₹ 177.82 Lakhs in the year 2017-18. This growth is primarily driven by higher sales, optimization of costs and productivity. The Company expects to grow further in the year 2018-19 by adopting such measures.

IV. Disclosures: Not Applicable

By order of the Board

Jai Prakash Agarwal
Chairman

Mumbai, 26th May, 2018.
Registered Office :
Great Social Building,60
Sir Phirozeshah Mehta Road,
Mumbai-400 001.

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

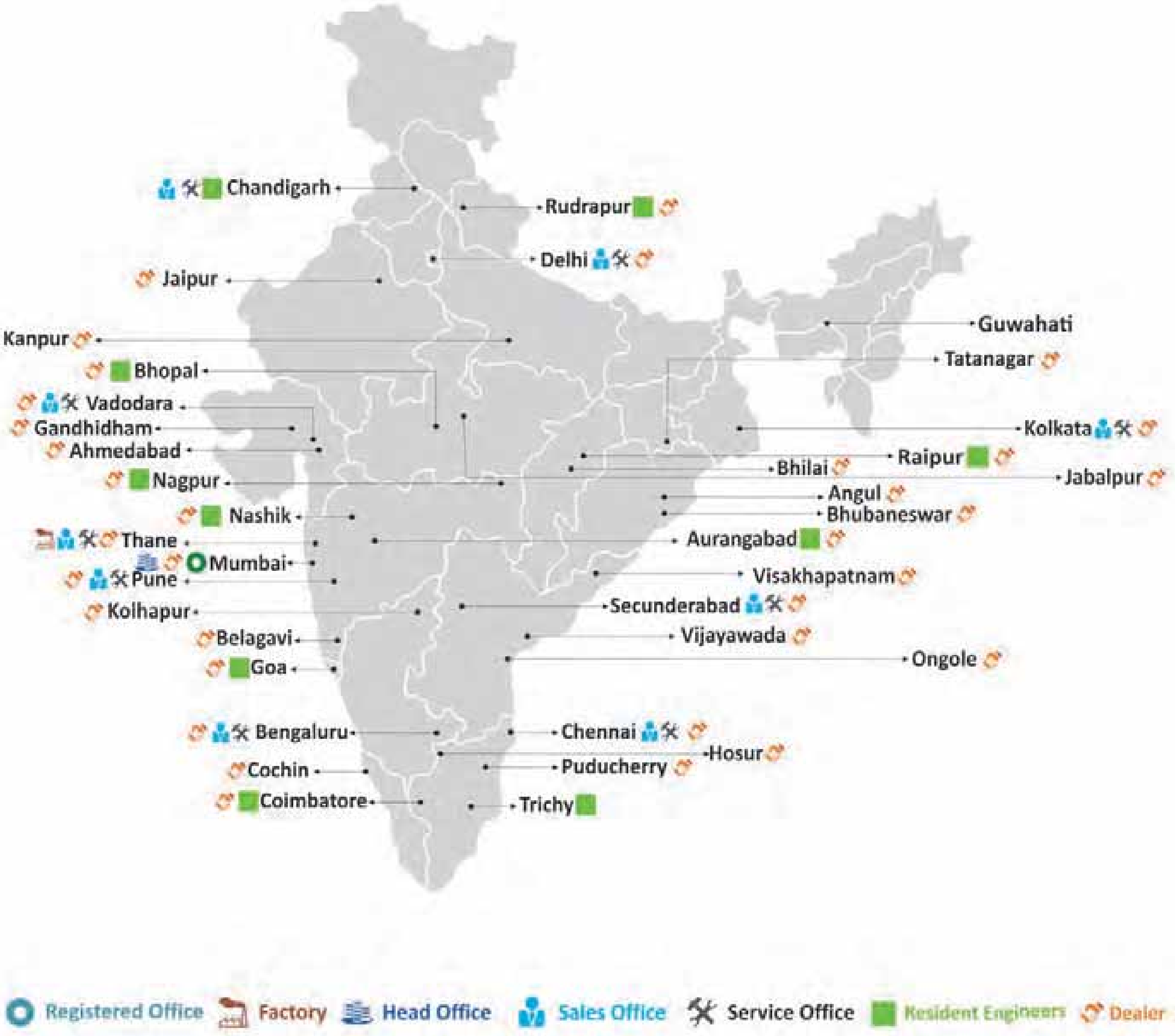
I / We hereby give my / our CONSENT to the Company, to use my / our following e-mail id for sending the Notices of General Meetings, Annual Report, Postal Ballot and other Shareholders' communication to me / us.

1.	**Name(s) of Shareholder(s)**	1	....
	(including joint holder, if any)	2	....
		3	....
2.	**No. of Shares held**	:	....
3.	**Registered Folio Number**	:	....
4.	**Email Id.**	:	....
5	**Signature(s) of the Shareholder(s)**	1	....
		2	....
		3	....

Place : ....

Date : ....

PRESENCE ACROSS INDIA



Jost's Engineering Company Limited

Since 1907

Registered Office: Great Social Building, 60, Sir Phirozeshah Mehta Road, Mumbai 400 001. India
CIN : L28100MH1907PLC000252, Tel. : +91 22 62378200, Fax : +91 22 62378201
E-mail : jostsho@josts.in Website : www.josts.com

ATTENDANCE SLIP

111TH ANNUAL GENERAL MEETING - 30TH JULY, 2018 AT 11.30 A.M.

Registered Folio/DP ID & Client ID	
Name and Address of the shareholder(s)	
Joint Holder 1 Joint Holder 2	

I/W e hereby record my/our presence at the Hundred and Eleventh ANNUAL GENERAL MEETING of the Company on Monday, the 30th July, 2018 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
180627011		

Note: Please read the instructions given under Note no. 8 of Notice dated 26th May, 2018 of 111th Annual General Meeting. The e-voting period commences on Friday, 27th July, 2018 at 10.00 a.m. and ends on Sunday,29th July, 2018 at 5.00 p.m. Thereafter the e-voting module shall be disabled by CDSL.

Jost's Engineering Company Limited

Since 1907

Registered Office: Great Social Building, 60, Sir Phirozeshah Mehta Road, Mumbai 400 001. India
CIN : L28100MH1907PLC000252, Tel. : +91 22 62378200, Fax : +91 22 62378201
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/her
2 Name	Address	
E-mail id	Signature	or failing him/her
3 Name	Address	
E-mail id	Signature	or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 111th Annual General Meeting of the Company, to be held on Monday, 30th July, 2018 at 11:30 a. 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:

1. Adoption of Standalone and Consolidated Financial Statements for the year ended 31st March, 2018 and reports of Directors and Auditors thereon.
2. Declaration of Dividend for the year ended 31st March, 2018.
3. Approval for re-appointment of Mrs. Shikha Jain (DIN 06778623) who retires by rotation.
4. Ratification of appointment of Messrs. Singhi & Co., Chartered Accountants, as the Statutory Auditors to hold office from the conclusion of 111th Annual General Meeting until the conclusion of the112th Annual General Meeting and to fix their remuneration.

Special Business:

5. Approval for appointment of Mr. Vishal Jain as Vice Chairman and Managing Director for a period of three years w.e.f. 4th October, 2017 and payment of remuneration to him.
6. Approval for giving loans, giving guarantees, providing securities and making investments upto an aggregate sum of Rs. 50 crores.
7. Approval for entering into material contracts or arrangements with related parties pursuant to section 188 of the Companies Act, 2013.

Signed this .... day of .... 2018.

Affix Re.1 Revenue Stamp

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.