



DELIVERING ENGINEERING EXCELLENCE



Since 1907

Annual Report 2017-18

HOW TO READ

CORPORATE OVERVIEW

At the forefront of
India's industrial development

1

Meet Josts

2-3

Chairman's Message

4

Financial Highlights

5

Delivering engineering excellence

6-7

Board of Directors &
Management Team

8

STATUTORY REPORTS

9-30

FINANCIALS SECTIONS

Standalone Financials

32-81

Consolidated Financials

82-122

Notice

123-136

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

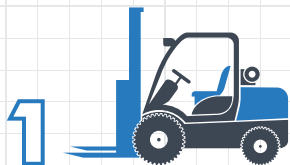
JOST'S ENGINEERING COMPANY LIMITED (ALSO TERMED AS JOSTS OR THE COMPANY ACROSS THE REPORT) IS AMONGST THE LARGEST MANUFACTURER OF MATERIAL HANDLING EQUIPMENT AND WIDE RANGE OF ENGINEERING PRODUCTS SOLUTIONS THAT ADDS VALUE TO SOME OF THE DEMAND INDUSTRIAL APPLICATIONS.

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.

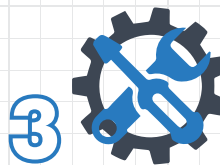
Josts runs three self-sustaining business divisions viz. Material Handling division, Engineered Products Division and Technical Services Division.





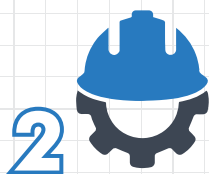
Material Handling Division:

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



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.



Engineered Product Division:

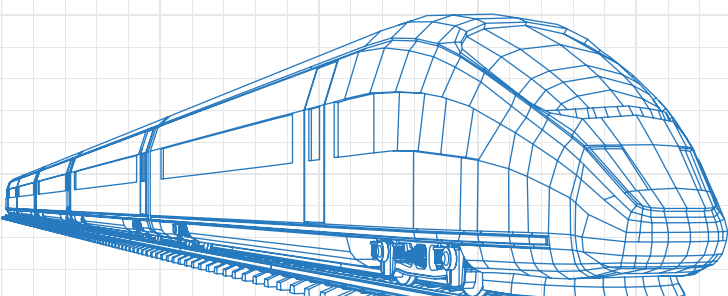
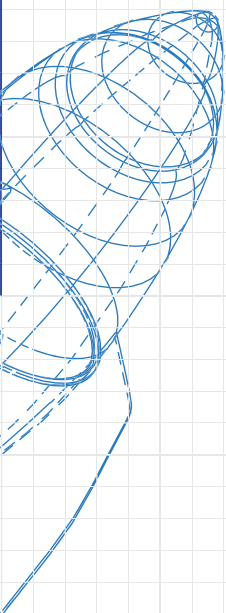
Provides innovative environment-friendly technologies and solutions to enhance performance of their process and products. The Engineered Products Division, in association with some of the leading manufacturers of the world, provides advanced engineering solutions for some very demanding industrial applications.



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

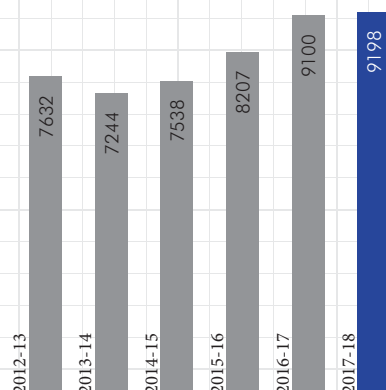
Jai Prakash Agarwal

Chairman

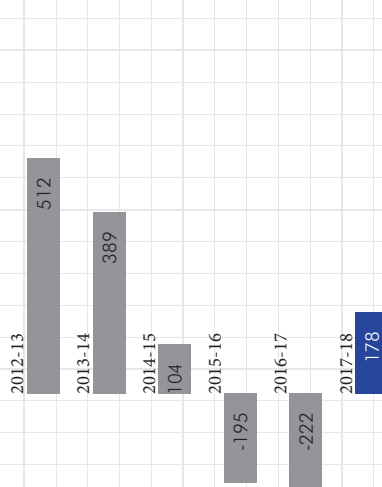
Mumbai, 26th May, 2018

FINANCIAL HIGHLIGHTS

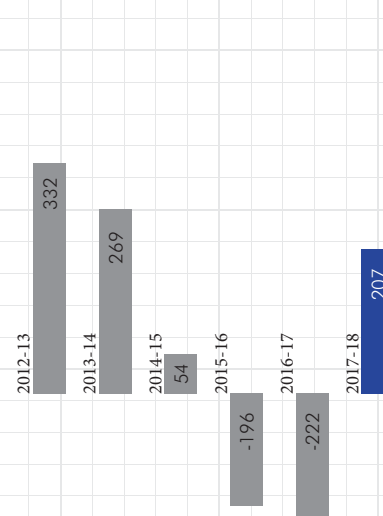
Income (₹ Lakhs)



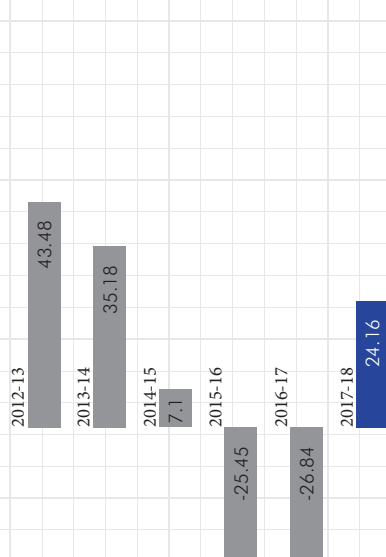
Profit Before Tax (₹ Lakhs)



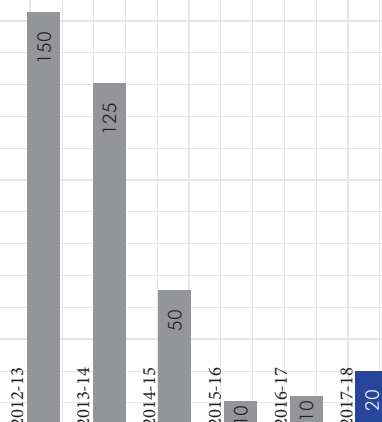
Profit After Tax (₹ Lakhs)



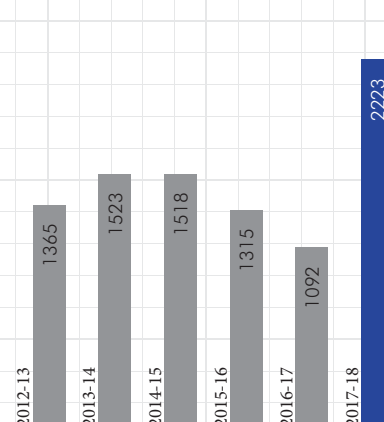
Earnings per share (₹ Lakhs)



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:

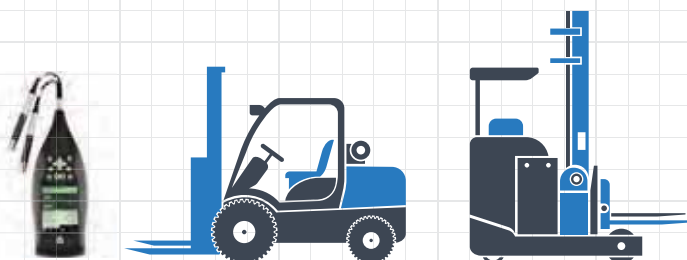
- | | |
|------------------------------|--------------------------|
| ■ Auto and auto-ancillaries | ■ Paints |
| ■ Airports | ■ Chemicals |
| ■ Consumer Goods | ■ Defence establishments |
| ■ Electrical and electronics | ■ Food processing units |
| ■ Logistics and warehousing | ■ Paper and packaging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