



Since 1907
CBS/NI/St.Exc

Jost's Engineering Company Limited

Registered Office : Great Social Building, 60 Sir Phirozeshah Mehta Road, Mumbai - 400 001, India
CIN : L28100MH1907PLC000252 Phone : +91-22-62378200 Fax : +91-22-62378201
E-mail : jostsho@josts.in Website : www.josts.com

15th May, 2017.

The Secretary,
BSE Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI-400 001.

Dear Sir,

Sub: Audited Financial Results for the
year ended 31st March, 2017.

Further to our letter CBS/NI/St.Exc dated 5th May, 2017, enclosed please find the Audited Financial Results for the year ended 31st March, 2017, alongwith the Auditor's Report. The said results have been taken on record by the Board of Directors at their Meeting held today.

Please note that the Extract of the Audited Financial Results under reference will be published in the Newspapers within the stipulated time as required by Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

Yours faithfully,
for Jost's Engineering Company Limited,

(C. B. Sagvekar)
Vice President and Company Secretary

Encl: As above.



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AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2017

PART-I

		(Rs.in Lakhs)				
Particulars	3 months ended 31.03.2017	Preceding 3 Months ended 31.12.2016	Corresponding 3 months ended 31.03.2016 in the previous year	Year to date figures for current year ended 31.03.2017	Previous year ended 31.03.2016	
	Unaudited	Unaudited	Unaudited	Audited	Audited	
1	Income from Operations					
(a)	Net sales/income from operations (Net of Excise Duty)	2469.67	1734.72	1761.86	7294.03	7337.11
(b)	Other operating income	332.58	219.89	271.08	1030.30	831.40
	Total income from operations (net)	2802.25	1954.61	2032.94	8324.33	8168.51
2	Expenses					
(a)	Cost of materials consumed	1377.06	876.46	962.57	3990.19	3470.38
(b)	Purchases of stock-in-trade	186.09	445.41	125.52	1081.80	1850.21
(c)	Changes in inventories of finished goods, work-in-progress and stock- in- trade	166.24	(119.50)	185.78	53.22	(4.86)
(d)	Employee benefits expense	418.84	425.98	401.64	1607.88	1496.46
(e)	Depreciation and amortisation expense	25.88	22.75	22.00	85.08	67.59
(f)	Other expenses(Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	393.88	325.87	381.18	1376.95	1430.68
	Total Expenses	2567.99	1976.97	2078.69	8195.12	8310.46
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	234.26	(22.36)	(45.75)	129.21	(141.95)
4	Other Income	(0.33)	(1.20)	6.75	11.42	38.67
5	Profit / (Loss) from ordinary activities before Finance costs and exceptional items (3+4)	233.93	(23.56)	(39.00)	140.63	(103.28)
6	Finance Costs	64.62	21.14	34.29	123.32	91.32
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	169.31	(44.70)	(73.29)	17.31	(194.60)
8	Exceptional items (Refer Note No.3)	(0.60)	125.04	0	216.72	0
9	Profit / (Loss) from ordinary activities before tax (7-8)	169.91	(169.74)	(73.29)	(199.41)	(194.60)
10	A. Tax Expense	0.00	0.00	0.00	0.00	0.00
	B. (Excess)/Short Provisions for Income Tax in respect of earlier ears	0.00	0.00	0.00	0.00	0.00
11	Net Profit / (Loss) from ordinary activities after tax(9-10)	169.91	(169.74)	(73.29)	(199.41)	(194.60)
12	Extraordinary items (net of tax expense Rs.0.00 Lakhs)	0	0	0	0	0
13	Net Profit / (Loss) for the period (12 - 13)	169.91	(169.74)	(73.29)	(199.41)	(194.60)



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Particulars	3 months ended 31.03.2017	Preceding 3 Months ended 31.12.2016	Corresponding 3 months ended 31.03.2016 in the previous year	Year to date figures for current year ended 31.03.2017	Previous year ended 31.03.2016
	Unaudited	Unaudited	Unaudited	Audited	Audited
14 Paid-up equity share capital (Face Value of Rs.10/- per Share)	76.46	76.46	76.46	76.46	76.46
15 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				1038.67	1238.08
16 i Earnings per share (before extraordinary items) (of 10/-each)(not annualised):					
(a) Basic	(22.14)	(22.20)	(9.58)	(26.08)	(25.45)
(b) Diluted	(22.14)	(22.20)	(9.58)	(26.08)	(25.45)
16 ii Earnings per share (after extraordinary items) (of 10/-each)(not annualised):					
(a) Basic	(22.14)	(22.20)	(9.58)	(26.08)	(25.45)
(b) Diluted	(22.14)	(22.20)	(9.58)	(26.08)	(25.45)
See accompanying note to the financial results					



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STATEMENT OF ASSETS & LIABILITIES

(Rs.in Lakhs)

Sr. No.	Particulars	As at (current year end) 31.03.2017 Audited	As at (previous year end) 31.03.2016 Audited
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	a) Share capital	76.46	76.46
	b) Reserves and surplus	1038.67	1238.08
	c) Money received against share warrants		
	Sub-total - Shareholders' funds	1115.13	1314.54
2	Share application money pending allotment	0	0
3	Minority interest *	0	0
4	Non-current liabilities		
	a) Long-term borrowings	20.29	0
	b) Deferred tax liabilities (net)		
	c) Other long-term liabilities	29.56	21.96
	d) Long-term provisions	352.05	362.39
	Sub-total - Non-current liabilities	401.90	384.35
5	Current liabilities		
	a) Short-term borrowings	1316.99	715.42
	b) Trade payables	1660.90	1917.54
	c) Other current liabilities	519.64	542.42
	d) Short-term provisions	49.19	69.91
	Sub-total - Current liabilities	3546.72	3245.29
	TOTAL - EQUITY AND LIABILITIES	5063.75	4944.18
B	ASSETS		
1	Non-current assets		
	a) Property, Plant and Equipment	319.38	255.55
	b) Goodwill on consolidation *		
	c) Non-current investments	1.00	1.00
	d) Deferred tax assets (net)		
	e) Long-term loans and advances	55.64	44.44
	f) Other non-current assets		
	Sub-total - Non-current assets	376.02	300.99
2	Current assets		
	a) Current investments	10.97	10.41
	b) Inventories	941.66	1086.76
	c) Trade receivables	3040.48	2767.64
	d) Cash and cash equivalents	212.53	211.98
	e) Short-term loans and advances	475.59	560.47
	f) Other current assets	6.50	5.93
	Sub-total - Current assets	4687.73	4643.19
	TOTAL - ASSETS	5063.75	4944.18

* Applicable in the case of consolidated statement of assets and liabilities.



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Segment wise Revenue, Results and Capital Employed

(Rs.in Lakhs)

Particulars	3 months ended 31.03.2017	3 months ended 31.12.2016	Corresponding 3 months ended in the 31.03.2016 previous year	Year to date figures for the current year ended 31.03.2017	Previous Accounting Year ended 31.03.2016
	Unaudited	Unaudited	Unaudited	Audited	Audited
1 Segment Revenue					
a Material Handling	2176.88	1357.90	1630.59	6187.91	5245.49
b Engineered Products	624.11	592.86	401.00	2135.82	2942.91
c Un-allocated	0.93	2.65	8.10	12.02	18.78
Total	2801.92	1953.41	2039.69	8335.75	8207.18
Less: Inter segment revenue	0	0	0	0	0
Net sales / Income From Operations	2801.92	1953.41	2039.69	8335.75	8207.18
2 Segment Results					
Profit (+)/Loss(-) before tax and interest from each segment					
a Material Handling	185.04	7.94	(13.38)	209.65	(102.03)
b Engineered Products	136.96	80.39	51.59	331.20	391.29
Total	322.00	88.33	38.21	540.85	289.26
Less: I) Interest	64.62	21.14	34.29	123.32	91.32
ii) Other unallocable expenditure	88.40	239.58	85.31	628.96	411.32
Add: iii) Un-allocable income	0.93	2.65	8.10	12.02	18.78
Total Profit / (Loss) Before Tax	169.91	(169.74)	(73.29)	(199.41)	(194.60)
3 Capital Employed (Segment assets-segment Liabilities)					
a Material Handling	1818.19	1246.22	837.14	1818.19	837.14
b Engineered Products	285.59	542.94	885.52	285.59	885.52
c Un-allocated	(988.65)	(844.19)	(408.12)	(988.65)	(408.12)
Total	1115.13	944.97	1314.54	1115.13	1314.54

Notes:

- The above results were reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held on 15th May, 2017.
- The figures for the three months ended 31st March, 2017 and 31st March, 2016 represent the difference between the audited figures for the full financial years and the published year to date figures upto the third quarter of the respective financial years.
- Exceptional items for the year ended 31.03.2017 includes payment of arrears in dispute - Central Sales Tax amount of Rs.194.98 lakhs (Rs.-0.60 lakh for the period of three months ended 31.03.2017) and Interest amount of Rs.21.74 lakhs (Rs.0.00 lakhs for the period of three months ended 31.03.2017) in respect of earlier Assessment years pursuant to Government of Maharashtra Amnesty Scheme, 2016.
- The Board of Directors have recommended dividend of Re.1/- Per equity share of Rs.10/- each (10%) on the paid-up share capital of the company for the financial year ended 31st March, 2017
- The previous year's figures have been regrouped wherever necessary.

for Jost's Engineering Company Limited

Jai Prakash Agarwal

Chairman

Mumbai

Date : 15th May, 2017



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JOST'S ENGINEERING COMPANY LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

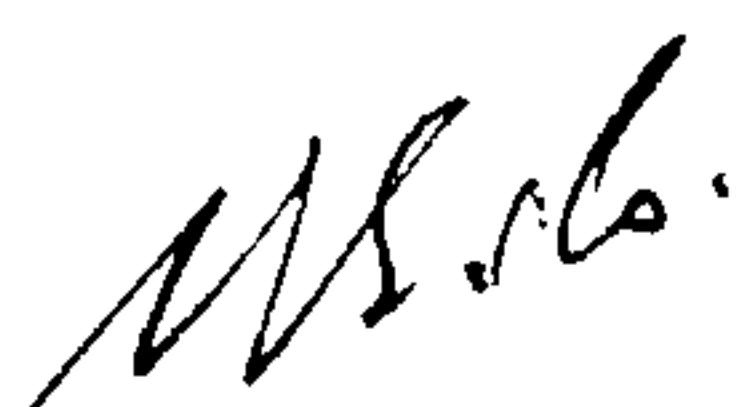
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2017 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, Read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;



SORAB S. ENGINEER & CO. (Regd.)

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the financial statements as regards its holdings and dealings in Specified Bank Notes as defined in the Notification S.O. 3407 (E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on the management representation, we report that such disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management-Refer Note 48 to the financial statements.

M.S. 16.

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

N. D. Anklesaria.

CA. N. D. Anklesaria
Partner
Membership No. 10250

Mumbai
May 15, 2017

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

Re: JOST'S ENGINEERING COMPANY LIMITED

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

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

M.S. & Co.

b. According to the records of the Company as at 31st March 2017, the following are the particulars of disputed dues on account of Income Tax, Sales Tax, Service Tax, Custom Duty and Excise Duty matters which have not been deposited.

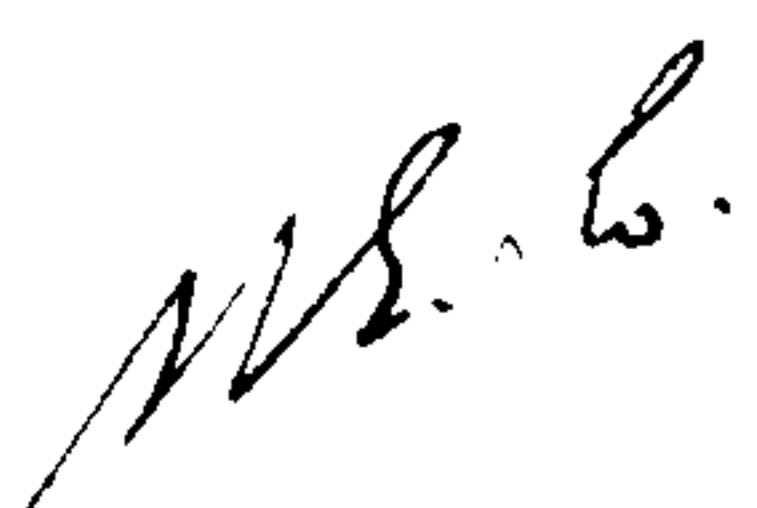
Name Of The Statute	Nature Of Dues	Amount (Rs. In Lakhs)	Period to which matter relates	Forum Where Dispute Is Pending
The Central Sales Tax Act, 1956 and Bombay Sales Tax Act, 1956.	Sales Tax.	0.33	A.Y. 2005-06	Deputy Commissioner of Sales Tax, Mazgaon Mumbai.
MVAT Act, 2002	Sales Tax.	3.05	A.Y. 2008-09	Asst. Commissioner of Sales Tax Business Audit I Mumbai
MVAT Act, 2002/ The Central Sales Tax Act 1956	Sales Tax.	930.46	A.Y. 2009-10	Deputy Commissioner of Sales Tax, Mazgaon Mumbai.
The Central Sales Tax Act 1956	Sales Tax.	324.86	A.Y. 2010-11	Joint Commissioner of Sales Tax, Mumbai
The Central Sales Tax Act 1956	Sales Tax.	3.08	A.Y. 2010-11	Assistant Commissioner of Sales Tax, Mumbai
The Central Sales Tax Act 1956	Sales Tax.	1.26	A.Y. 2012-13	Sales Tax Officer, Mumbai
Central Excise Act	Central Excise	42.00	1.4.08 to 26.2.10.	CESTAT, Mumbai.
Central Excise Act	Central Excise	60.44	29.4.08 to 31.7.2008	CESTAT, Mumbai.
Central Excise Act	Central Excise	101.09	1.11.12 to 31.10.13.	CESTAT, Mumbai.
Central Excise Act	Central Excise	289.86	27.2.10 to 31.10.12.	CESTAT, Mumbai.
Central Excise Act	Central Excise	660.29	1.5.08 to 31.3.13.	CESTAT, Mumbai.
Central Excise Act	Central Excise	137.69	1.10.11 to 31.3.13.	CESTAT, Mumbai.
Central Excise Act	Central Excise	37.46	1.12.11 to 31.3.13.	Additional Commissioner of Central Excise, Pune III Commissionerate.
Central Excise Act	Central Excise	50.81	1.11.13 to 31.3.14.	Additional Commissioner of Central Excise, Mumbai III Commissionerate.
Central Excise Act	Central Excise	48.94	1.4.13 to 31.10.14.	CESTAT, Mumbai.
Central Excise Act	Central Excise	11.00	1.11.14 to 31.07.2015	CESTAT, Mumbai.

MS. Co.

SORAB S. ENGINEER & CO. (Regd.)

Finance Act.	Service Tax	4.27	1.1.99 to 31.3.2002.	Assistant Commissioner of Service Tax, Mulund Division, Mumbai – III.
Finance Act.	Service Tax	0.39	1.4.02 to 31.3.2003.	Assistant Commissioner of Service Tax, Mulund Division, Mumbai – III.
Finance Act.	Service Tax	0.78	1.4.05 to 30.9.2005.	Assistant Commissioner of Service Tax Division VI, Mumbai.
Finance Act.	Service Tax	5.09	1.7.2000 to 31.3.03.	CESTAT, Mumbai.

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



SORAB S. ENGINEER & CO. (Regd.)

- (xvi) According to the nature of the business, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

SS. Co.

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

N. D. Anklesaria

CA. N. D. Anklesaria
Partner
Membership No. 10250

Mumbai
May 15, 2017

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

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

We have audited the internal financial controls over financial reporting of JOST'S ENGINEERING COMPANY Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

M.S. Co.

Meaning of Internal Financial Controls over Financial Reporting

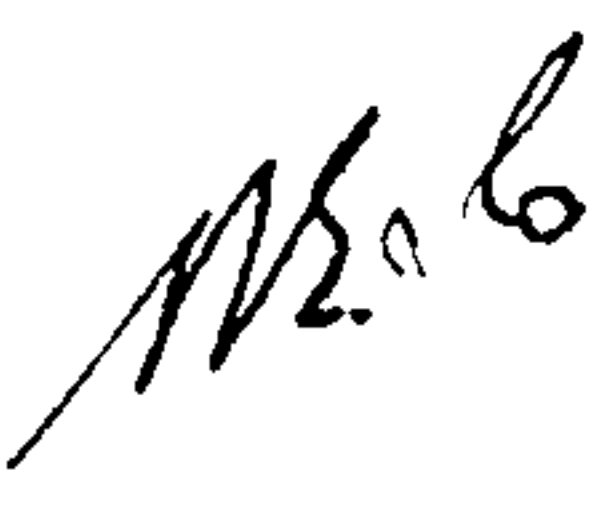
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".


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


CA. N. D. Anklesaria
Partner
Membership No. 10250

Mumbai
May 15, 2017