



Jost's Engineering Company Limited
Annual Report 2008-09



Jost's Engineering Company Limited

Annual Report 2008-09

Board of Directors

B. H. Reporter, Chairman
F. A. A. Jasdanwalla
H. N. Sethna
S. Sheth
M. Wadia
F. K. Banatwalla

Company Secretary

C. B. Sagvekar

Bankers

The South Indian Bank Ltd.
Standard Chartered Bank
The Zoroastrian Co-operative Bank Ltd.
HDFC Bank Ltd.

Solicitors

M/s. Crawford Bayley and Company

Auditors

M/s. Sorab S. Engineer & Co.
Chartered Accountants

Registrar and Share Transfer Agents

M/s. Computech Sharecap Limited
Tampelbar Bldg.,
147, Mahatma Gandhi Road,
3rd Floor, Opp. Jehangir Art Gallery,
Fort, Mumbai - 400 001.
Tel. : 91-22-2263 5000 / 01 / 02
Fax : 91-22-2263 5005

Annual General Meeting

Date : Friday, the 22nd May, 2009
Venue : Great Social Building,
60 Sir Phirozeshah Mehta Road,
Mumbai - 400 001.
Time : 4.30 P.M.

Registered Office

Great Social Building,
60, Sir Phirozeshah Mehta Road,
Mumbai - 400 001.
Tel. : 91-22-2266 1150 / 2266 1166
Fax : 91-22-2266 1951

Factory

C-7, Wagle Industrial Estate,
Road No.12,
Thane - 400 604.
Tel. : 91-22-2582 1727 / 1746
Fax : 91-22-2582 3478

Branches

Bangalore
Baroda
Chennai
Kolkata
New Delhi
Pune
Secunderabad

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Notice

Notice is hereby given that Hundred and Second 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 Friday, the 22nd May, 2009 at 4.30 p.m. to transact the following business :

1. To receive and adopt the Profit and Loss Account for the year ended 31st March, 2009 and the Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Marco Wadia, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. H. N. Sethna, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED that Mr. F. K. Banatwalla, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 109 of the Articles of Association of the Company with effect from 21st April, 2009 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed a Director of the Company liable to retire by rotation.”

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
The Proxies to be effective, should be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 20th May, 2009 to 22nd May, 2009 (both days inclusive).
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item No.6 of the Notice set out above, is annexed hereto.
4. The Dividend, after declaration, will be paid to those shareholders whose names appear on the Register of Members on 22nd May, 2009. 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 19th May, 2009.
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 established by the Central Government. Shareholders who have not encashed their dividend warrant(s)

so far, for the financial years ended 31st March, 2004, 31st March, 2006, 31st March, 2007 and 31st March, 2008 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 the Investor Education and Protection Fund, as above, no claim shall lie in respect thereof against the Fund or the Company.

6. The Company has appointed M/s. Computech Sharecap Limited, Tampilbar Building, 147 Mahatma Gandhi Road, 3rd Floor, Opp. Jehangir Art Gallery, Fort, Mumbai - 400 001 as the Registrar and Share Transfer Agents for share registry work both for physical and electronic mode. The Members are therefore, requested to address the correspondence relating to the share registry both in physical and electronic mode to the said Registrar and Share Transfer Agents. Members may also please note that the Company's shares are available for demat with both the depositories, namely, Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL).
7. 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, Tampilbar Building, 147 Mahatma Gandhi Road, 3rd Floor, Opp. Jehangir Art Gallery, Fort, Mumbai - 400 001 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.

By Order of the Board

C. B. Sagvekar

Vice President and Company Secretary

Mumbai, 21st April, 2009.

Registered Office:

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

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 6

The Board has appointed Mr. F. K. Banatwalla as an Additional Director of the Company with effect from 21st April, 2009. Mr. F. K. Banatwalla holds the office upto the date of ensuing Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and Article 109 of the Articles of Association of the Company.

The Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member signifying his intention to propose Mr. F. K. Banatwalla as a candidate for the office of a Director liable to retire by rotation.

Mr. F. K. Banatwalla is B.Com., LLB, CAIIB(I). He held senior positions in various banks and has wide ranging experience of over 40 years in the banking industry.

Your Board believes that Mr. F. K. Banatwalla's knowledge and experience would benefit the Company and recommends the adoption of the resolution.

Mr. F. K. Banatwalla may be deemed to be concerned or interested in the resolution.

By Order of the Board

C. B. Sagvekar

Vice President and Company Secretary

Mumbai, 21st April, 2009.

Registered Office:

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

Directors' Report

The Directors present herewith their Hundred and First Annual Report with the Audited Statement of Accounts for the year ended 31st March, 2009.

	Rs. Lakhs	Year ended 31-3-2009 Rs. Lakhs	Previous Year ended 31-3-2008 Rs. Lakhs
1. Financial Results			
Profit/(Loss) before tax		243.69	178.23
Less: Provision for Income-tax	97.00		70.00
Provision for Fringe Benefit-Tax	23.70		24.79
(Excess)/Short Provisions for Income tax in respect of earlier years	(2.86)		-
Income Tax paid in respect of earlier years	-	117.84	3.41
Profit/(Loss) after tax		125.85	80.03
Balance brought forward from previous year	237.10		276.33
Less: Provision for Leave encashment in terms of transitional provisions of AS 15 (Revised)	-		36.91
Provision for Gratuity in terms of transitional provisions of AS 15 (Revised)	-	237.10	25.15
Amount available for appropriation		362.95	294.30
Less: Appropriations			
Proposed dividend	57.35		42.05
Tax on proposed dividend	9.74		7.15
General Reserve	12.75	79.84	8.00
Balance carried forward		283.11	237.10

2. Dividend

The Directors are pleased to recommend a dividend of Rs.7.50 (75%) per share for the financial year ended 31st March, 2009.

3. Operations

Sales for the year under review were Rs.3893 Lakhs as against Rs.3263 Lakhs in the previous year. The profit after tax was Rs.126 Lakhs as against Rs.80 Lakhs in the previous year. Generally business should continue to progress. Barring unforeseen circumstances, there should be improved results in the current year.

4. Auditors' Report

The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

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

Information pursuant to Section 217(1)(e) of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure "A" to the Directors' Report.

6. Particulars of employees

Statement pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, as amended, is not annexed to this report as no employee was in receipt of the remuneration in excess of the prescribed sum during the year.

7. Directors' Responsibility Statement pursuant to Section 217 (2AA) of the Companies Act, 1956.

It is hereby confirmed that

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the directors had prepared the annual accounts on a going concern basis.

8. Directors

Mr. F. K. Banatwalla was appointed as an Additional Director of the Company with effect from 21st April, 2009 who holds office upto the date of ensuing Annual General Meeting and being eligible has offered himself for reappointment. The Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose the appointment of Mr. F. K. Banatwalla as Director of the Company.

In accordance with Article 122 of the Articles of Association of the Company, Mr. Marco Wadia and Mr. H. N. Sethna retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

9. Auditors

Messrs. Sorab S. Engineer & Co., Chartered Accountants, the Auditors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

On behalf of the Board of Directors

B. H. Reporter
Chairman

Mumbai, 21st April, 2009.

Annexure “A” to Directors’ Report

Information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

(A) Conservation of Energy

a) Energy Conservation Measures taken

Last year the measures for energy conservation in areas of lighting and administrative controls on energy usage were started in HO. Now these measures are taken to Regional Offices.

b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy.

In factory, generator is used when power is not available. Old generator has been replaced by new greener generator which will save diesel substantially.

c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

Good savings in energy usage and cost of power was achieved during the year.

d) Total energy consumption and energy consumption per unit of production as per Form A of the annexure in respect of industries specified in the schedule thereto.

As the Company is not covered under the list of specified industries, Form A is not attached.

(B) Technology Absorption

I Research and Development (R&D)

1. Specific areas in which R&D carried out by the Company

During the year, the Company has started developing new AC Technology stacker.

2. Future Plan of Action

The Company expects to carry out product upgradation on different models.

3. Expenditure on R&D

a) Capital Rs. Nil

b) Recurring Rs. Nil

c) Total Rs. Nil

d) Total R&D expenditure as a percentage of total turnover: Nil

II Technology absorption, adaptation and innovation:

1. Efforts made towards technology absorption, adaptation and innovation

Strong efforts are being made towards the local availability of components for the products manufactured. Global markets are searched for sourcing so that products are cost effective and technologically advanced.

Considerable savings in foreign exchange are effected as a result of local availability of the products and the indigenisation programme. Customers are getting better value for their money.

3. Technology imported during the last 5 years:

No technology has been imported during the last 5 years.

(C) Foreign Exchange Earnings and Outgo

(a) Activities related to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

The Company is currently focussing on local markets.

(b) Total foreign exchange used and earned

The information is contained in Schedule 14 on Page 28.

On behalf of the Board of Directors

B. H. Reporter
Chairman

Mumbai, 21st April, 2009.

General Shareholder Information

Attendance of Directors at Board Meetings and last Annual General Meeting

Name of the Director	Attendance of Meetings during 2008-09	
	Board Meetings	Last AGM
Mr. B. H. Reporter	4	Yes
Mr. F.A.A. Jasdanwalla	5	Yes
Mr. H. N. Sethna	5	Yes
Mr. Marco Wadia	5	Yes
Mr. Shailesh Sheth	3	Yes

Sitting Fees to Directors :

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

Name	Sitting fees paid (Rs.)
Mr. B. H. Reporter	20,000
Mr. F.A.A. Jasdanwalla	25,000
Mr. H. N. Sethna	25,000
Mr. Marco Wadia	25,000
Mr. Shailesh Sheth	15,000

Listing :

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

Shareholding Pattern as on 31st March, 2009.

A. Shareholding of Promoter and Promoter group	No. of Shares	%
(i) Indian	354920	46.41
(ii) Foreign (NRI)	36000	4.71
Sub-Total	390920	51.12
B. Public Shareholding		
(i) Financial Institutions/Banks	595	0.08
(ii) Bodies Corporate	84741	11.08
(iii) Individuals	288394	37.72
Sub-Total	373730	48.88
GRAND TOTAL	764650	100.00

Shares held in physical / demat mode as on 31st March, 2009.

	Demat	Physical	Total
No. of Shares	570641	194009	764650
%	74.63	25.37	100.00
No. of Folios	1221	415	1636

To our Shareholders

Our Company's sales income and contributions have shown a significant increase over the previous year. This has been achieved in the face of difficult situations which arose due to the downturn in the economy and has been possible because of the use of innovative ideas by our people to overcome conditions over which we have no control.

Income for the year is Rs.4937 lakhs as against Rs.4187 lakhs in the previous year, an increase of 18%. The profit before tax is Rs.244 lakhs as against Rs.178 lakhs, an increase of 37%. The Board of Directors has recommended a Dividend of Rs.7.50 per share (75%).

The Company continues to operate in three business Divisions - Engineered Products, Material Handling and Industrial Finishing.

The **Engineered Products Division** has done well in all market segments and product lines in which it operates.

The Electrical product line continues to do good business especially in power projects. We are in the process of adding new products in our current range.

Our Sound and Vibration business has shown good growth. The dip from the automobile market was more than compensated by business from aerospace and power. Two major orders were received for Acoustic Holography Systems.

The Process Instrumentation product line has added Multiphase Flow Meters in their range. The product line continues to do well in the oil and gas markets. It received good orders from the coal-bed methane project and is working on several offshore projects.

The Components product line has excelled this year and has achieved its best-ever performance. This product line did its major selling in the space market. Efforts are being made to promoting business in the rail and defence markets.

New areas of representation with products of new technologies are continuously being looked into. Three have already been located and negotiations are in progress for finalizing arrangements.

The **Materials Handling Division** achieved a good overall performance although the business was affected seriously in the second half of the year due to the slowdown in the private sector and the economic downturn. Our focus is heightened on our service activities. The Division was certified as 'A Class Dealer' by our principals Jungheinrich A/G of Germany for our service quality. Improved business is expected from the warehousing, pharmaceutical, railways and defence sectors as soon as the economy revives.

The **Industrial Finishing Division** saw significant growth in the projects business. In spite of the downturn in the automobile market, the Division received good orders from the capital goods and the auto ancillary manufacturers. The initiative of building in-house strengths to offer total solutions to customers for their product finishing requirement, has taken firm shape in the Division and major orders are being executed successfully to ensure future business. Continuous repeat orders from various customers have reinforced the acceptability of our finishing systems in the market.

The Company continues to identify healthy future potential business in anticipation of the change in the economic situation. It is also concentrating on the further development of key customers, improving relationships with them, and being passionate about serving them with new technologies and after-sales services.

There is a strong emphasis on management and administration, with an encouragement to all our employees for working together to successfully overcome the existing downturn by strengthening our own organization. Training and development programmes and performance management systems are being constantly reviewed to provide additional responsibility to our people to use improved procedures and systems and to widen their scope to look at overall business.

The Company will continue its efforts to increase productivity, to improve its finances and to control its expenses, in preparation for the change to a favourable economic situation.

The Directors thank all our employees for their efforts to have improved results in the difficult year completed. With their continued co-operation and the support of all those associated with the Company, particularly our *shareholders and bankers*, we look forward to a further progressive year.

B. H. Reporter
Chairman

Mumbai, 21st April, 2009.

REPORT OF THE AUDITORS TO THE MEMBERS OF JOST'S ENGINEERING COMPANY LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009

We have audited the attached balance sheet of **JOST'S ENGINEERING COMPANY LIMITED**, as at 31st March 2009, the profit and loss account and also the cash flow statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2) Further to our comments in the Annexure referred to in paragraph 1) above, we report that:
 - a) We have 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - c) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the said directors are disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) Subject to our comments in Annexure referred to in paragraph 1 above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the balance sheet, of the state of affairs of the company as at 31st March 2009;
 - ii. In the case of the profit & loss account, of the profit for the year ended on that date; and
 - iii. In the case of the cash flow statement, of the cash flows for the year ended on that date.

For **Sorab S. Engineer & Co.**
Chartered Accountants

C. A. N. D. Anklesaria
Partner

Membership No. 10250

Mumbai: 21st April, 2009.

ANNEXURE TO THE AUDITORS' REPORT
Referred to in paragraph 1 of our Report of even date.

- i. (a) The Company has 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. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the company has not disposed off substantial part of its fixed assets during the year.
- ii. (a) The inventory has been physically verified by the management during the year other than inventory lying with certain third parties in respect of which confirmations have been obtained. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the clauses 4 (iii) (b) to (d) of the Order are not applicable.
- (e) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the clauses 4 (iii) (f) and (g) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in the internal controls *Attention is invited to the matters stated in Note no. 24, Schedule 14.*
- v. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In respect of transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 in respect of any party, the same have been made at prices which are reasonable having regard to the prevailing market prices or at prices for which similar transactions have been made with other parties, except for transactions of special nature where comparable alternative quotations were not available or where a comparison of prices could not be made since there were no similar transactions with other parties.
- vi. The company has not accepted any deposits from the public to which the provisions of Section 58A, 58AA or any other relevant provisions of Companies Act 1956 and the rules framed there under would apply.

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our Report of even date. (contd.)

- vii. In our opinion and according to the information and explanations given to us, the company has an internal audit system commensurate with its size and nature of its business.
- viii. We are informed that the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for any products manufactured by the company.
- ix. (a) The Company is regular in depositing undisputed statutory dues, including the Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues with the appropriate authorities and there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) *According to the records of the company as at 31st March 2009, 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)	Forum where dispute is pending.
<i>The Andhra Pradesh General Sales Tax, 1956</i>	<i>Works Contract Tax</i>	<i>19.78</i>	<i>Assistant commissioner of Sales Tax (Appeals) Kanchipuram</i>
<i>Maharashtra Sales Tax</i>	<i>Sales Tax MST</i>	<i>6.42</i>	<i>Jt. Commissioner of Sales Tax (Appeals), Maharashtra.</i>
<i>Service Tax</i>	<i>Service Tax</i>	<i>5.52</i>	<i>Deputy Commissioner & Assistant Commissioner of Central Excise</i>
<i>Central Excise</i>	<i>Central Excise</i>	<i>6.67</i>	<i>Commissioner & Assistant Commissioner of Central Excise.</i>
<i>The Tamil Nadu General Sales Tax, 1959.</i>	<i>Sales Tax</i>	<i>120.73</i>	<i>Deputy Commissioner (CT) Sales Tax Appellate Tribunal, Chennai.</i>

- x. The company has no accumulated losses as at 31st March, 2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given by the management, during the year there is no default in the repayment of dues to any financial institutions or banks.
- xii. In our opinion and according to the information and explanations given by the management, the company has not granted any loans and advances on the basis of security by way of pledge of Shares, Debentures or any other security.
- xiii. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable.
- xiv. In our opinion, the company is not dealing or trading in shares, securities, Debentures and any other investments. Therefore, the provisions of clause 4(xiv) of the Order are not applicable.
- xv. In our opinion and according to the information and explanations given by the management, the company has not given any guarantee for loans taken by others from banks or financial institutions.

ANNEXURE TO THE AUDITORS' REPORT
Referred to in paragraph 1 of our Report of even date. (contd.)

- xvi. On the basis of the records examined by us, and relying on the information compiled by the Company for co-relating the funds raised to the end use of the Term Loan, we state that the Company has, prima facie, applied the Term Loan for the purpose for which it was obtained.
- xvii. According to the information and explanations given to us, and on an overall examination of the financial statements and after placing reliance on the reasonable assumptions made by the company for classification of Short term and Long term usage of the funds, we are of the opinion that, prima facie, no funds raised on short term basis have been utilized for long term investment.
- xviii. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us, the company has not issued any debentures during the year.
- xx. The company has not made any public issues during the year.
- xxi. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For Sorab S. Engineer & Co.
Chartered Accountants

C. A. N. D. Anklesaria
Partner

Membership No. 10250

Mumbai: 21st April, 2009.

Balance Sheet as at 31st March, 2009

	Schedule	Rs. Lakhs	As at 31.03.2009 Rs. Lakhs	As at 31.03.2008 Rs. Lakhs
I. Sources of Funds				
1) Shareholders' Funds:				
(a) Share Capital	1	76.46		76.46
(b) Reserves and Surplus	2	463.65		404.89
			540.11	481.35
2) Loan Funds:				
(a) Secured Loans	3	31.35		89.55
(b) Unsecured Loans		-		-
			31.35	89.55
Total			571.46	570.90
II. Application of Funds				
1) Fixed Assets:	4			
(a) Gross Block			899.52	851.18
(b) Less : Depreciation			753.17	697.45
(c) Net Block			146.35	153.73
(d) Capital Work-in-Progress			-	-
			146.35	153.73
2) Investments	5		4.14	1.52
3) Current Assets, Loans & Advances :				
(a) Inventories	6	563.79		502.29
(b) Sundry Debtors	7	1,447.89		1,264.67
(c) Cash and Bank Balances	8	205.12		225.40
(d) Interest Accrued on Deposits		2.32		1.80
(e) Loans and Advances	9	251.02		178.18
			2,470.14	2,172.34
4) Less: Current Liabilities & Provisions:				
(a) Current Liabilities	10	1,716.91		1,445.09
(b) Provisions	11	332.26		311.60
			2,049.17	1,756.69
Net Current Assets			420.97	415.65
Total			571.46	570.90
Notes to the Accounts	14			

As per our report attached
For **SORAB S. ENGINEER & CO.**
Chartered Accountants

C. A. N. D. ANKLESARIA
Partner

Mumbai, 21st April, 2009

For and on behalf of the Board

B. H. Reporter Chairman
F.A.A. Jasdhanwalla Director

C. B. Sagvekar Vice President and
Company Secretary

Mumbai, 21st April, 2009

Profit and Loss Account for the year ended 31st March, 2009

	Schedule	Rs. Lakhs	Year ended 31.03.2009 Rs. Lakhs	Year ended 31.03.2008 Rs. Lakhs
Income :				
Sales (Net of Discount)		4,079.88		3,520.68
Less: Excise Duty		187.14		257.76
Net Sales		3,892.74		3,262.92
Commission		829.72		701.64
Other	12	214.64		222.85
			4,937.10	4,187.41
Expenditure :				
Manufacturing, trading and other expenses	13	4,623.33		3,918.84
Interest on Fixed Loans		7.05		8.39
Interest on Others		3.22		19.32
Depreciation		59.81		62.63
			4,693.41	4,009.18
Profit/(Loss) before tax			243.69	178.23
Provision for Taxation :				
Income Tax			97.00	70.00
Fringe Benefit tax			23.70	24.79
(Excess) / Short Provisions for Income Tax in respect of earlier years			(2.86)	-
Income Tax paid in respect of earlier years			-	3.41
Profit after tax			125.85	80.03
Balance brought forward from last year		237.10		276.33
Less: Provision for Leave Encashment (Note No:23)		-		36.91
Less: Provision for Gratuity (Note No: 23)		-		25.15
			237.10	214.27
Available for appropriations			362.95	294.30
Less: Appropriations				
Proposed dividend		57.35		42.05
Tax on proposed dividend		9.74		7.15
Geneal Reserve		12.75		8.00
			79.84	57.20
Balance carried forward			283.11	237.10
Notes to the Accounts	14			
Basic, as well as diluted, earnings per equity share (Rs.) (Refer Note No. 19)			16.46	10.47

As per our report attached
For **SORAB S. ENGINEER & CO.**
Chartered Accountants

C. A. N. D. ANKLESARIA
Partner

Mumbai, 21st April, 2009

For and on behalf of the Board

B. H. Reporter Chairman
F.A.A. Jasdanwalla Director

C. B. Sagvekar Vice President and
Company Secretary

Mumbai, 21st April, 2009

Schedules forming part of the Balance Sheet as at 31st March, 2009

	As at 31.03.2009 Rs. Lakhs	As at 31.03.2008 Rs. Lakhs
1 Share Capital		
Authorised:		
10,00,000 Equity Shares of Rs. 10 each	<u>100.00</u>	<u>100.00</u>
Issued and Subscribed:		
7,64,650 Equity Shares of Rs. 10 each	76.47	76.47
Less : Calls Unpaid (other than by Directors) Of the above shares:	0.01	0.01
(a) 10,000 Shares are allotted as fully paid-up pursuant to a contract without payment being received in cash; and		
(b) 2,10,000 Shares are allotted as fully paid-up by way of Bonus Shares by Capitalisation of Reserves		
	<u>76.46</u>	<u>76.46</u>
2 Reserves and Surplus		
Share Premium Account		
As per last Balance Sheet	115.79	115.79
General Reserve		
As per last Balance Sheet	52.00	44.00
Add: Transferred from Profit and Loss A/c	<u>12.75</u>	8.00
	64.75	52.00
Balance in Profit and Loss Account	<u>283.11</u>	<u>237.10</u>
	<u>463.65</u>	<u>404.89</u>
3 Secured Loans		
(i) Cash credit from banks Secured by hypothecation of stock and book debts and an equitable mortgage of the Company's properties at Thane on a pari-passu basis	-	27.59
(ii) Auto Loans from Bank Secured by hypothecation of underlying vehicles	8.85	17.24
(iii) Term Loan from bank Secured by hypothecation of related items of Plant and Machinery	16.44	28.66
(iv) Term Loan from Bank To be secured by hypothecation of Plant & Machinery & an equitable mortgage of the company's properties at Thane on a pari-passu basis	6.06	16.06
	<u>31.35</u>	<u>89.55</u>

Schedule forming part of the Balance Sheet as at 31st March, 2009

(Rs. Lakhs)

4 Fixed Assets

	Gross Block				Depreciation				Net Block	
	Cost or Book Value as at 31.03.2008	Cost of Additions during the year	Cost of Deductions during the year	Cost or Book Value as at 31.03.2009	upto 31.03.2008	for the year	on deductions during the year	upto 31.03.2009	Written down value as at 31.03.2009	Written down value as at 31.03.2008
Leasehold Land	1.02	—	—	1.02	0.48	0.01	—	0.49	0.53	0.54
Building on Leasehold Land	42.61	—	—	42.61	38.12	0.45	—	38.57	4.04	4.49
Plant and Machinery	512.80	28.77	15.24	526.33	419.57	29.39	2.85	446.11	80.22	93.23
Furniture, Fixtures and Equipment	74.83	6.74	0.01	81.56	62.23	4.54	0.01	66.76	14.80	12.60
Vehicles	55.16	4.34	1.50	58.00	29.22	7.82	1.23	35.81	22.19	25.94
INTANGIBLE ASSETS:										
–Software	62.73	25.24	—	87.97	45.80	17.60	—	63.40	24.57	16.93
–Trade Marks	0.02	—	—	0.02	0.02	—	—	0.02	—	—
–Technical Know-How	102.01	—	—	102.01	102.01	—	—	102.01	—	—
Total	851.18	65.09	16.75	899.52	697.45	59.81	4.09	753.17	146.35	153.73
Previous Year (Rs. Lakhs) As on 31.03.2008	764.01	99.52	12.35	851.18	645.23	62.63	10.41	697.45		

Schedules forming part of the Balance Sheet as at 31st March, 2009

	As at 31.03.2009 Rs. Lakhs	As at 31.03.2008 Rs. Lakhs
5 Investments		
Long Term Investments		
Trade (Unquoted)		
4,000 [as at 31.03.08: 4000] fully paid-up Equity Shares of Rs.25/- each of Zoroastrian Co-operative Bank Limited	<u>1.00</u>	<u>1.00</u>
	1.00	1.00
Current Investments (Quoted)		
3625.493 Units [as at 31.03.08 3400.575 Units] of Rs.10/- each in Reliance Liquid Fund- Treasury Plan-Retail Option- Daily Dividend Option, (Includes 224.918, Units Purchased during the year) (NAV as at 31.03.2009 Rs.0.55 Lakhs)	0.55	0.52
258.771 Units [as at 31.03.08 Nil Units] of Rs.10/- each in Reliance Money Manager Fund Institutional Option - Daily Dividend Plan, Purchased during the year. (NAV as at 31.03.2009 Rs.2.59 Lakhs)	2.59	-
	<u>4.14</u>	<u>1.52</u>
	<u>552.62</u>	<u>495.59</u>
	<u>563.79</u>	<u>502.29</u>
6 Inventories		
Stores and Spare Parts	11.17	6.70
Stock-in-trade		
Raw Materials and Components (including Manufactured Components)	309.94	287.79
Finished Goods (including goods for resale)	207.51	163.81
Work-in-Progress	35.17	43.99
	<u>552.62</u>	<u>495.59</u>
	<u>563.79</u>	<u>502.29</u>

Schedules forming part of the Balance Sheet as at 31st March, 2009

	As at 31.03.2009 Rs. Lakhs	As at 31.03.2008 Rs. Lakhs
7 Sundry Debtors		
Unsecured		
Debts outstanding for a period exceeding six months:		
Considered good	252.73	165.32
Considered doubtful	8.91	10.28
	<u>261.64</u>	<u>175.60</u>
Other Debts:		
Considered good	1,195.16	1,099.35
[Includes Rs.5.49 Lakhs; (2008 Rs.4.37 lakhs) due by private company in which a Director of the company is a director]	<u>1,456.80</u>	<u>1,274.95</u>
Less : Provision for Doubtful Debts	8.91	10.28
	<u><u>1,447.89</u></u>	<u><u>1,264.67</u></u>
 8 Cash and Bank Balances		
Cash on Hand	0.64	0.81
Cheques on Hand	15.01	-
With Scheduled Banks :		
On Current Accounts	99.72	137.00
On Fixed / Margin Deposits	89.75	87.59
[lien has been created on fixed deposits of Rs.22.42 lakhs (2008 Rs.7.35 lakhs) in favour of the South Indian Bank Ltd. against outstanding bank guarantees] and of Rs.58.42 lakhs (2008 Rs.52.16 lakhs) in favour of The Zoroastrian Co-operative Bank Ltd. against outstanding bank guarantees.		
	<u><u>205.12</u></u>	<u><u>225.40</u></u>

Schedules forming part of the Balance Sheet as at 31st March, 2009

	Rs. Lakhs	As at 31.03.2009 Rs. Lakhs	Rs. Lakhs	As at 31.03.2008 Rs. Lakhs
9 Loans and Advances				
(Unsecured, considered good unless otherwise stated)				
Advances recoverable in cash or in kind or for value to be received				
Considered good	237.69		153.54	
Considered doubtful	6.66		1.62	
		244.35		155.16
[Includes Rs.14.08 Lakhs; (2008 Rs.30.65 lakhs) due by private companies in which a Director of the company is a director]				
Less : Provision for Doubtful Debts		6.66		1.62
		237.69		153.54
Deposits with Excise		13.33		24.64
		251.02		178.18
10 Current Liabilities				
Sundry Creditors				
– Due to micro & Small Enterprises (See Note 15)	–		–	
– Others	970.18		902.92	
		970.18		902.92
Other Liabilities		549.15		425.42
Customers' credit balances and advances against services to be rendered		165.58		82.13
Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956, not due				
– unpaid dividends		2.92		3.52
– unpaid interest on deposits		–		0.06
Dealers/Earnest Money Deposit		29.08		31.04
		1,716.91		1,445.09
11 Provisions				
Provision for tax	430.34		317.20	
Less: Advance payment of income-tax	269.22		159.62	
		161.12		157.58
Leave Encashment		89.47		93.10
Provision for warranty claims		14.58		11.72
Proposed Dividend		57.35		42.05
Tax on Proposed Dividend		9.74		7.15
		332.26		311.60

**Schedule forming part of the Profit and Loss Account
for the year ended 31st March, 2009**

	Year ended 31.03.2009 Rs. Lakhs	Year ended 31.03.2008 Rs. Lakhs
12 Other Income		
Service Income	179.25	155.10
Dividend :		
On Long term Non-trade Investments	2.77	4.56
Interest (Gross) :		
On Bank Fixed / Margin Deposits (Tax deducted at source Rs.Nil, 2008 Rs. 1.27 lakh)	6.43	9.74
Others (Tax deducted at source Rs.0.01 lakh, 2008 Rs.0.44 Lakh)	1.54	10.38
	7.97	20.12
Sales-tax Refunds and Set-offs	-	1.01
Sale of scrap	8.20	11.19
Profit on sale of Investments	-	23.58
Miscellaneous Income	16.45	7.29
	214.64	222.85

**Schedule forming part of the Profit and Loss Account
for the year ended 31st March, 2009**

	Rs. Lakhs	Year ended 31.03.2009 Rs. Lakhs	Year ended 31.03.2008 Rs. Lakhs
13 Manufacturing, trading and other expenses			
1. Purchase of Goods for resale		980.48	887.31
2. Consumption of Raw Materials and Components		1,678.44	1,326.92
3. Payments to and Provisions for Employees :			
(a) Salaries, Wages and Bonus	829.67		733.21
(b) Contribution to Provident and Other Funds	81.99		96.03
(c) Staff Welfare Expenses	64.90		54.80
		<u>976.56</u>	<u>884.04</u>
4. Other Expenses :			
(a) Sub-Contract and Labour Charges	30.12		20.89
(b) Stores and Spare Parts consumed (indigenous)	90.81		41.86
(c) Fuel and Power	29.35		27.06
(d) Repairs to Buildings	(1.11)		23.73
(e) Repairs to Machinery	5.52		4.81
(f) Rent	62.71		39.61
(g) Rates and Taxes	8.80		7.55
(h) Insurance	8.95		9.03
(i) Travelling Expenses	150.35		165.43
(j) Postage, telephone and Telex	65.16		61.06
(k) Printing and Stationery	15.34		20.76
(l) Legal and Professional Charges (Refer Note No:13)	86.79		88.61
(m) Conveyance Expenses	79.73		72.83
(n) Provision for doubtful debts	8.13		10.27
(o) Provision for doubtful advances	5.04		1.62
(p) Bad debts written off	41.53		32.81
(q) Lease Rentals	2.22		3.04
(r) Freight on sales	72.91		60.77
(s) Commission	51.77		41.50
(t) Motor Vehicle expenses	14.99		14.36
(u) Loss on foreign exchange (net)	10.97		5.05
(v) Loss on Fixed Assets sold/ disposed off/discarded (net)	12.22		0.10
(w) Commission to Directors	7.50		5.00
(x) Directors Fees	1.10		0.95
(z) Miscellaneous Expenses	161.83		181.80
		<u>1,022.73</u>	<u>940.50</u>
5. Decrease/(Increase) in Finished Goods and Work-in-Progress			
Opening Stocks :			
Work-in-Progress	43.99		18.48
Finished Goods (includes goods for resale)	163.81		69.39
	<u>207.80</u>		<u>87.87</u>
Less: Closing Stocks :			
Work-in-Progress	35.17		43.99
Finished Goods (includes goods for resale)	207.51		163.81
	<u>242.68</u>		<u>207.80</u>
		<u>(34.88) *</u>	<u>(119.93)</u>
		<u>4,623.33</u>	<u>3,918.84</u>

* Includes decrease in Excise Duty on closing stock of Finished Goods Rs.1.19 lakhs

Schedule forming part of the Accounts for the year ended 31st March, 2009

14 Notes to the Accounts

1. Significant Accounting Policies:

(a) Basis of accounting:

The Financial statements are prepared under the historical cost convention on an accrual basis and are in accordance with the requirements of the Companies Act, 1956 and comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the said Act.

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

(b) Fixed assets and depreciation:

(1) All fixed assets are at cost of acquisition less depreciation.

(2) Depreciation has been provided on the written down value method at the rates specified in Schedule XIV to the Companies Act, 1956 except as stated hereunder:

- | | | |
|---|---|--|
| (i) Leasehold land | : | 1% on the straight line method. |
| (ii) Furniture and fixtures | : | 25% on Office Equipment in Factories and service centres on written down value method. |
| (iii) Intangible assets being SAP software including implementation charges | : | 20% on the straight line method. |

Depreciation on additions to assets has been provided for the full year.

(c) Borrowing costs:

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

(d) Inventories:

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

(e) Investments:

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

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

(f) Impairment of Assets:

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

(g) Retirement Benefits:

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

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

Schedule forming part of the Accounts for the year ended 31st March, 2009

14 Notes to the Accounts (contd.)

(h) Foreign currency transactions:

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

(i) Taxation:

Provision for taxation including for Fringe Benefit Tax has been made in accordance with the Income-tax laws and rules prevailing at the time of the relevant assessment years. Deferred tax has not been recognised in view of the position stated in Note 16.

(j) Earning per share:

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

(k) Contingent Liabilities:

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

2. Estimated amount of contracts to be executed on capital account and not provided for as at 31st March 2009 - Rs. Nil. (31.03.08 Rs. Nil)

	As At 31.03.09 Rs. Lakhs	As At 31.03.08 Rs. Lakhs
3. Contingent Liabilities not provided for:		
i) Disputed Sales Tax matters	146.93	26.20
ii) Disputed Service Tax matters	5.52	5.52
iii) Bank Guarantees for performance contracts	206.71	127.92
iv) Other disputed matters	8.50	8.50
v) Central excise matters	6.67	6.67

- vi) The adjudicating Officer (A.O.) of Securities Exchange Board of India (SEBI) had passed an Order dated 20/07/2005 against four entities / persons, namely, M/s. Phiroze Sethna Private Limited (PSPL), Mr. B. H. Reporter, Mrs. Aloo B. Reporter and the company (Jost's Engineering Co. Ltd.) levying a consolidated penalty of Rs. 84.55 Lacs on them for an alleged violation of Regulation 11(1) and 14(1) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations 1997 in the matter of acquisition of 16000 shares of Kerry Jost Engineering Limited by PSPL from one of the promoters. The said entities/persons had filed appeals before the Securities Appellate Tribunal (SAT) on 19/08/2005. Thereafter, SAT disposed of the appeals and directed the A.O. to pass a fresh order after examining the entire material on record. After hearing the matter afresh, the A.O. passed an order on 17/03/2006 levying a consolidated penalty of Rs.84.55 Lacs on all the four aforesaid entities / persons.

On filing the appeal no.64 of 2006, before SAT, against the order dated 17/03/2006 of A.O., SAT passed an order on 15/11/2007 setting aside the A.O.'s order dated 17/03/2006.

Thereafter, SEBI has filed a Civil Appeal bearing No.1552 of 2008 in the Supreme Court of India against SAT's order dated 15/11/2007. By an order dtd. 01/10/2008, the Supreme Court of India incorporated the clarification given by the Learned Solicitor General appearing on behalf of SEBI that ultimately even if SEBI was to succeed, SEBI will not recover any amount from the Respondents therein including the Company. The Supreme Court of India further stated that it was required to construe Regulation 11 of the Takeover Regulations framed by SEBI. The said appeal is pending before the Supreme Court of India.

In view of the above, there will not be any liability on the Company on final disposal of the Civil Appeal.

Schedule forming part of the Accounts for the year ended 31st March, 2009

14 Notes to the Accounts (contd.)

	Qty. Nos.	March, 2009 Rs. Lakhs	Qty. Nos.	March, 2008 Rs. Lakhs
4. Sales:				
Material Handling Equipment	581	1831.25	503	1558.97
Other Equipment	515	627.81	970	552.38
Components, accessories, spares, etc. (Including goods for resale)		1620.82		1409.33
		<u>4079.88</u>		<u>3520.68</u>
5. Opening Stock of Finished Goods:				
Material Handling Equipment	03	10.65	Nil	Nil
Other Equipment	306	65.38	94	30.67
Components, accessories, spares, etc. (Including goods for resale)		87.78		38.72
		<u>163.81</u>		<u>69.39</u>
6. Closing Stock of Finished Goods:				
Material Handling Equipment	03	5.45	03	10.65
Other Equipment	306	100.28	306	65.38
Components, accessories, spares, etc. (Including goods for resale)		101.78		87.78
		<u>207.51</u>		<u>163.81</u>
7. Purchase of goods for resale:				
Other Equipment	515	571.12	1182	558.56
Components, accessories, spares, etc.		409.36		328.75
		<u>980.48</u>		<u>887.31</u>
8. Consumption of raw materials and components:				
Steel	160 Tons	86.00	182 Tons	62.14
Batteries	650 Nos.	270.92	527 Nos.	233.07
Others		1321.52		1031.71
Value of raw materials and components consumed		<u>1678.44</u>		<u>1326.92</u>
Value of imported raw materials and components consumed	3.49%	58.56	8.20%	108.86
Value of indigenous raw materials and components consumed	96.51%	1619.88	91.80%	1218.06
	<u>100.00%</u>	<u>1678.44</u>	<u>100.00%</u>	<u>1326.92</u>

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

Schedule forming part of the Accounts for the year ended 31st March, 2009

14 Notes to the Accounts (contd.)

9. (a) Licensed Capacity	Not applicable.			
(b) Installed Capacity	The Company manufactures various products on versatile machines and hence the installed capacity cannot be ascertained.			
	Qty.	March, 2009	Qty.	March, 2008
	Nos.	Rs. Lakhs	Nos.	Rs. Lakhs
(c) Actual Production:				
Material Handling Equipment	581		506	
10. C.I.F. value of imports in respect of:				
(i) Components		330.97		587.26
(ii) Finished goods for resale		613.97		255.35
11. Expenditure in Foreign Currency:				
(i) Subscription		0.06		Nil
(ii) Travelling		11.98		7.09
12. Earnings in Foreign Exchange:				
(i) Commission		827.23		643.85
(ii) Export of goods (F.O.B. value)		Nil		3.84
13. Details of Auditors' Remuneration:				
(a) Audit fees		5.50		5.50
(b) Report under Section 44AB of Income-tax Act, 1961		2.00		2.00
(c) Other services		3.25		3.27
(d) Reimbursement of out-of-pocket expenses		0.27		0.24
14. Transactions with related parties as identified by the Company and relied upon by the Auditors:				
(a) Names of related parties and nature of relationship:				
Bullows India Private Limited			}	Associate Companies
Bullows Paint Equipment Private Limited				
Phiroze Sethna Pvt. Ltd.				
B. H. Reporter, Chairman			}	Board of Directors, being Key Management Personnel
F. A. A. Jasdanwalla				
H. N. Sethna				
S. Sheth				
M. Wadia				

Schedule forming part of the Accounts for the year ended 31st March, 2009

14 Notes to the Accounts (contd.)

14. (b) Nature of transactions:	March, 2009	March, 2008
Associate Companies:	Rs. Lakhs	Rs. Lakhs
Volume of transactions		
Funds Received		
Bullows Paint Equipment Private Limited	50.00	159.61
Phiroze Sethna Private Limited	Nil	2.94
Funds Paid		
Bullows Paint Equipment Private Limited	Nil	12.73
Purchase of Machinery / Goods		
Bullows Paint Equipment Private Limited	4.36	0.86
Sale of Goods		
Bullows Paint Equipment Private Limited	11.69	4.04
Phiroze Sethna Private Limited	Nil	8.07
Commission (Income)		
Bullows Paint Equipment Private Limited	1.80	57.79
Services Rendered		
Bullows Paint Equipment Private Limited	16.05	3.62
Phiroze Sethna Private Limited	7.74	2.08
Amount Received Against Expenses		
Phiroze Sethna Private Limited	11.41	-
Receivable As At The End of The Year		
Bullows India Private Limited	Nil	2.11
Bullows Paint Equipment Private Limited	Nil	32.41
Phiroze Sethna Private Limited	0.77	0.50
Payable As At The End of The Year		
Bullows India Private Limited	2.24	-
Bullows Paint Equipment Private Limited	31.74	-

Schedule forming part of the Accounts for the year ended 31st March, 2009

14 Notes to the Accounts (contd.)

14. (b) Nature of transactions: (contd.)

Key Management Personnel; Volume of Transactions Names of the Directors	March, 2009 Rs. Lakhs		March, 2008 Rs. Lakhs	
	Commission Paid	Sitting fees paid	Commission Paid	Sitting fees paid
B. H. Reporter	3.00	0.20	Nil	0.20
F. A. A. Jasdanwalla	0.50	0.25	Nil	0.25
H. N. Sethna	0.50	0.25	Nil	0.20
S. Sheth	0.50	0.15	Nil	0.10
M. Wadia	0.50	0.25	Nil	0.20

15. Micro & Small Enterprises Dues

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures regarding:

- Amount due and outstanding to suppliers as at the end of the accounting year.
- Interest paid during the year.
- Interest payable at the end of the accounting year.
- Interest accrued and unpaid at the end of the accounting year have not been given.

The company is making efforts to get the confirmations from the suppliers as regards their status under the Act.

16. Deferred Tax :

Nature of timing difference	Deferred tax (Liability)/asset As At 31st March, 2008 Rs. Lakhs	Credit/(charge) for the year Rs. Lakhs	Deferred tax (Liability)/asset As At 31st March, 2009 Rs. Lakhs
Deferred Tax Assets (DTA)			
(a) Provision for doubtful debts	3.49	1.80	5.29
(b) Disallowances U/S 43B	119.32	(6.11)	113.21
Sub-total	122.81	(4.31)	118.50
Deferred Tax Liabilities (DTL)			
(a) On Depreciation	(14.64)	5.52	(9.12)
Sub-total	(14.64)	5.52	(9.12)
As a measure of prudence DTA has been restricted to the extent of DTL.	14.64	(5.52)	9.12
Net Amount	Nil	Nil	Nil

Schedule forming part of the Accounts for the year ended 31st March, 2009

14 Notes to the Accounts (contd.)

17. Segment Information

(i) Primary Segments - Business Segment	Material Handling	Engineered Products	31.03.2009 Rs. Lakhs Total
A REVENUE:			
Segment revenue			
- Sales to external customers	3020.67 [2463.72]	872.07 [799.20]	3892.74 [3262.92]
- Commission income	116.02 [141.66]	713.70 [559.98]	829.72 [701.64]
- Other income	125.79 [92.69]	78.11 [81.85]	203.90 [174.54]
	<u>3262.48</u> [2698.07]	<u>1663.88</u> [1441.03]	<u>4926.36</u> [4139.10]
- Income from Interest / Dividend	-	-	10.74 [24.68]
Unallocated income	-	-	- [23.63]
Total			<u>4937.10</u> <u>[4187.41]</u>
B RESULTS:			
Segment results/operating (loss)/profit	349.30 [336.21]	234.64 [147.44]	583.94 [483.65]
Unallocated income (Including income from Interest/Dividend)			10.74 [48.31]
Unallocated expenses			340.70 [326.02]
Interest Expenses			10.29 [27.71]
(Loss)/profit before tax			243.69 [178.23]
Provision for taxation - current tax			97.00 [70.00]
Provision for FBT			23.70 [24.79]
Income Tax Paid in respect of earlier years			(2.86) [3.41]
Profit after tax			<u>125.85</u> <u>[80.03]</u>

Schedule forming part of the Accounts for the year ended 31st March, 2009

14 Notes to the Accounts (contd.)

17. Segment Information (contd.)

(i) Primary Segments - Business Segment (contd.)	Material Handling	Engineered Products	31.03.2009 Rs. Lakhs Total
C OTHER INFORMATION:			
a) Segment assets	1006.55 [1018.27]	953.95 [855.44]	1960.50 [1873.71]
b) Unallocated assets			660.11 [453.88]
Total assets			2620.61 [2327.59]
c) Segment liabilities	1024.73 [916.04]	430.28 [527.25]	1455.01 [1443.29]
d) Unallocated liabilities (Including share capital and reserves)			1165.60 [884.30]
Total liabilities			2620.61 [2327.59]
e) Cost incurred during the financial year to acquire segment fixed assets	18.55 [41.86]	13.95 [50.19]	32.50 [92.05]
f) Cost incurred during the financial year to acquire segment fixed assets (Unallocated)			32.59 [7.47]
g) Depreciation	14.87 [17.30]	24.33 [31.14]	39.20 [48.44]
h) Depreciation (Unallocated)			20.60 [14.19]
i) Non-cash expenses other than depreciation	- [-]	- [-]	- [-]

Note:

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

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

Schedule forming part of the Accounts for the year ended 31st March, 2009

14 Notes to the Accounts (contd.)

18. Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956, for calculation of commission payable to Directors as on 31st March, 2009.

	Rs. Lakhs	31-03-2009 Rs. Lakhs
Profit after Tax as per Profit & Loss Account		125.85
Add:		
Provision for taxation	120.70	
Depreciation as per accounts	59.81	
Provision for Doubtful Debts / Advance (Net)	8.16	
Remuneration to Directors including Directors Fees	8.60	
Loss on fixed assets sold / disposed off/discarded	12.23	209.50
	<u> </u>	<u>335.35</u>
Less:		
Depreciation under Section 350		58.30
Net Profit as per Section 349 & 350 of the Companies Act 1956		<u>277.05</u>
Commission @ 3% of the Net Profit		8.31
Restricted by the Board of Directors to		7.50
The company has been legally advised that the above Commission does not require Central Government Approval.		

19. Earning per Share	Year ended March '2009	Year ended March '2008
i. Profit after tax (Rs. in lakhs)	125.85	80.03
ii. Weighted average number of Equity shares (Nos)	764650	764650
iii. Earning per share (Rs.) (Basic and Diluted)	16.46	10.47
iv. Face value per share (Rs.)	10	10

20. Impairment

As per Accounting Standard 28 - 'Impairment of Assets', issued by the Institute of Chartered Accountants of India, no provision for impairment of assets is required.

21. Disclosure in respect of:

Provision for Warranty Claims: The company has made provision for Warranty Claims amounting to Rs. 2.86 Lacs, (Previous Year 11.72 Lacs) the liability for which may arise in the future, the quantum whereof will be determined as and when the claims arise.

22. During the Year the Company has provided Rs.17.97 Lacs (Previous Year Rs. 34.00 Lacs) on account of Gratuity and Rs.20.41 Lacs (Previous Year Rs. 19.33 Lacs) on account of Superannuation Payable to its employees. The amounts due as on 31st March 2009 to the Gratuity Fund and Superannuation Fund are Rs. 157.76 Lacs (Previous Year Rs. 177.20 Lacs) and Rs. 73.99 Lacs (Previous Year Rs. 54.99 Lacs) respectively.

23. Employee Benefits:

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

Schedule forming part of the Accounts for the year ended 31st March, 2009

14 Notes to the Accounts (contd.)

23. Employee Benefits (contd.)

DEFINED BENEFIT PLANS

A. CONTRIBUTION TO GRATUITY FUND

The details of the Company's Gratuity Fund for its employees are given below which have been certified by Life Insurance Corporation of India as on 31st March, 2009 and relied upon by the auditors.

I. Components of Employer Expenses:

	Particulars	31.03.2009 Rs. Lakhs	31.03.2008 Rs. Lakhs
(a)	Current Service Cost	10.98	24.12
(b)	Interest Cost	14.27	12.01
(c)	Expected Return on Plan Assets	2.49	0.27
(d)	Curtailment Cost/Credit	-	-
(e)	Past service Cost	-	-
(f)	Settlement Cost	-	-
(g)	Actuarial Losses/(Gains)	(6.17)	(5.34)
(h)	Total Expense recognised in Profit & Loss Account under payments to and Provisions for Employees	16.60	34.00

II. Net Liability/(Asset) recognised in balance Sheet as at 31st March, 2009

	Particulars	31.03.2009 Rs. Lakhs	31.03.2008 Rs. Lakhs
(a)	Present Value of obligation as at 31st March, 2009	196.11	178.49
(b)	Fair Value of Plan Assets as at 31st March, 2009	(33.75)	(11.73)
(c)	Liability/(Asset) recognised in the Balance sheet	162.36	166.76

III. Change in Defined Benefit Obligation (DBO) during the year ended on 31st March, 2009

	Particulars	31.03.2009 Rs. Lakhs	31.03.2008 Rs. Lakhs
(a)	Present Value of Obligation as at 31st March, 2008	178.49	160.14
(b)	Current Service Cost	10.98	24.12
(c)	Interest Cost	14.28	12.01
(d)	Curtailment Cost / credit	-	-
(e)	Settlement Cost /Credit	-	-
(f)	Plan Amendments	-	-
(g)	Acquisitions	-	-
(h)	Actuarial Loss/(Gain)	(6.17)	(5.34)
(i)	Benefit Paid	1.47	12.44
(j)	Present value of Obligation as at 31st March, 2009	196.11	178.49

Schedule forming part of the Accounts for the year ended 31st March, 2009

14 Notes to the Accounts (contd.)

DEFINED BENEFIT PLANS (contd.)

IV. Change in the fair value of Plan Assets

	Particulars	31.03.2009 Rs. Lakhs	31.03.2008 Rs. Lakhs
(a)	Present value of Plan Assets as at 31st March, 2008	11.73	0.89
(b)	Acquisition Adjustment	–	–
(c)	Expected Returns On Plan Assets	2.49	0.27
(d)	Actuarial Gain/(Loss)	–	–
(e)	Actual Company contribution	21.00	23.00
(f)	Benefits Paid	1.47	12.44
(g)	Fair Value of Plan Assets as at 31st March, 2009	33.75	11.73

V. Actuarial assumptions:

	Particulars	31.03.2009	31.03.2008
(a)	Discount Rate	8%	8%
(b)	Salary Escalation	3%	3%

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

B. LEAVE ENCASHMENT

Payments to and Provisions for Employees includes Rs. 2.53 Lacs (Previous Year Rs. 18.78 Lacs) towards provision made as per Actuarial Valuation in respect of accumulated Leave Encashment.

DEFINED CONTRIBUTION PLANS

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

Particulars	31.03.2009 Rs. Lakhs	31.03.2008 Rs. Lakhs
Provident Fund (State Plan)	42.30	40.93
Employees State Insurance (State Plan)	1.07	1.60
Superannuation Fund	20.41	19.33

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

25. The figures for the previous year have been regrouped wherever necessary.

As per our report attached
For **SORAB S. ENGINEER & CO.**
Chartered Accountants

C. A. N. D. ANKLESARIA
Partner

Mumbai, 21st April, 2009

Signatures to Schedules 1 to 14

For and on behalf of the Board

B. H. Reporter Chairman

F.A.A. Jasdhanwalla Director

C. B. Sagvekar Vice President and
Company Secretary

Mumbai, 21st April, 2009

Schedule forming part of the Accounts for the year ended 31st March, 2009

14 Notes to the Accounts (contd.)

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. - State Code

Balance Sheet Date

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue Rights Issue

Bonus Issue Private Placement

III. Position of Mobilisation and deployment of funds (Amount in Rs. Thousands)

Total Liabilities Total Assets

Source of Funds

Paid up Capital Reserves & Surplus

Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets Investments

Net Current Assets

IV. Performance of Company (Amount in Rs. Thousands)

Income Total Expenditure

Profit/(Loss) before Tax Profit/(Loss) after Tax

(Please tick appropriate Box + for Profit - for Loss)

Earning per Share in Rs. . Dividend Rate %

V. Generic Names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code) Item Code No. (ITC Code)

Product Description : Material Handling Equipment Product Description : Agency Services

For and on behalf of the Board

B. H. Reporter Chairman

F.A.A. Jasdanwalla Director

C. B. Sagvekar Vice President and
Company Secretary

Mumbai, 21st April, 2009

Cash Flow Statement for the year ended 31st March, 2009

		31st March, 2009 Rs. Lakhs	31st March, 2008 Rs. Lakhs
A) CASH FLOW FROM OPERATING ACTIVITIES:			
NET PROFIT BEFORE TAX		243.69	178.23
ADJUSTMENTS FOR:			
DEPRECIATION		59.81	62.63
AMORTIZATION OF DEF REV EXP		-	-
DIVIDEND INCOME		(2.77)	(4.56)
INTEREST EXPENSES		10.27	27.71
INTEREST INCOME		(7.96)	(20.12)
(PROFIT) /LOSS ON SALE OF INVESTMENT		-	(23.58)
(PROFIT) /LOSS ON SALE OF ASSETS		12.22	0.10
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		315.26	220.41
ADJUSTMENTS FOR:			
TRADE AND OTHER RECEIVABLES		(256.55)	(73.83)
INVENTORIES		(61.50)	(242.78)
TRADE PAYABLES		271.04	310.68
CASH GENERATED FROM OPERATIONS		268.25	214.48
DIRECT TAXES (FBT, Adv Tax & Tax Provisions)		(114.32)	(55.18)
CASH FLOW BEFORE EXTRAORDINARY ITEMS		153.93	159.30
EXTRAORDINARY ITEMS		-	-
NET CASH FROM OPERATING ACTIVITIES	A	153.93	159.30
B) CASH FLOW FROM INVESTING ACTIVITIES:			
PURCHASE OF INVESTMENTS		(2.62)	(0.50)
PURCHASE/ADDITIONS TO FIXED ASSETS		(65.09)	(99.52)
SALE OF FIXED ASSETS		0.44	1.85
SALE OF INVESTMENTS		-	177.80
INTEREST RECEIVED		7.96	20.12
DIVIDEND RECEIVED		2.77	4.56
NET CASH USED IN INVESTING ACTIVITIES	B	(56.54)	104.31
C) CASH FLOW FROM FINANCING ACTIVITIES:			
PROCEEDS FROM (REPAYMENT OF) BORROWINGS		(58.20)	(114.50)
DIVIDENDS PAID - ON EQUITY SHARES INCLUDING TAX		(49.20)	(89.46)
INTEREST PAID		(10.27)	(27.71)
NET CASH USED IN FINANCING ACTIVITIES	C	(117.67)	(231.67)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	A+B+C	(20.28)	31.94
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		225.40	193.46
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		205.12	225.40

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

As per our report attached
For **SORAB S. ENGINEER & CO.**
Chartered Accountants

C. A. N. D. ANKLESARIA
Partner

Mumbai, 21st April, 2009

For and on behalf of the Board

B. H. Reporter Chairman
F.A.A. Jasdanwalla Director

C. B. Sagvekar Vice President and
Company Secretary

Mumbai, 21st April, 2009



Jost's Engineering Company Limited

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

Proxy Form

Folio No.

I/We
 of
 in the district of
 being a member/s of Jost's Engineering Company Limited hereby appoint
 of
 in the district of
 or failing him of
 in the district of

as my/our proxy to vote for me/us on my/our behalf at the 102nd Annual General Meeting of the Company to be held at Great Social Building, 60, Sir Phirozeshah Mehta Road, Mumbai 400 001 on Friday, 22nd May, 2009 and at any adjournment thereof.

Signed this day of 2009.

Notes:

1. The form should be signed across the stamp as per specimen signature registered with the Company.
2. The proxy form duly completed must reach the Registered Office of the Company not less than 48 hours before the time of the Meeting.
3. A proxy need not be a member.



