



Jost's Engineering Company Limited

Annual Report - 2006-07



Report Junction





Jost's Engineering Company Limited

Annual Report 2006-2007

Board of Directors

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

Company Secretary

C. B. Sagvekar

Bankers

Oman International Bank S.A.O.G.
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

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

Registrar and Share Transfer Agents

M/s. Computech Sharecap Limited
Tampelbar Building,
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

Notice

Notice is hereby given that the Hundredth 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 13th July, 2007 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, 2007 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. H. N. Sethna, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. B. H. Reporter 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.

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 11th July, 2007 to 13th July, 2007 (both days inclusive).
3. The Dividend, after declaration, will be paid to those shareholders whose names appear on the Register of Members on 13th July, 2007. 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 for this purpose as on 10th July, 2007.
4. 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 and 31st March, 2006 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.
5. 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).



6. The Members who continue to hold shares in physical form are requested to intimate any change in their address immediately to the Company's Registrars 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, 30th May, 2007.

Registered Office:

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





Directors' Report

The Directors present herewith their Ninety-ninth Annual Report with the Audited Statement of Accounts for the year ended 31st March, 2007.

	Year ended 31-3-2007 Rs. Lakhs	Previous Year ended 31-3-2006 Rs. Lakhs
1. Financial Results		
Profit/(Loss) before tax	394.35	221.06
Provision for Income-tax	85.00	84.00
Provision for Fringe Benefit-Tax	15.50	27.00
Income Tax paid in respect of earlier years	0.03	-
Profit/(Loss) after tax	293.82	110.06
Balance brought forward from previous year	101.47	29.07
Amount available for appropriation	395.29	139.13
Less: Appropriations		
Proposed dividend	76.46	22.94
Tax on proposed dividend	13.00	3.22
General Reserve	29.50	11.50
Balance carried forward	276.33	101.47

2. Dividend

The Directors are pleased to recommend a dividend of Rs.5/- (50%) per share for the financial year ended 31st March, 2007 and Rs.5/- (50%) per share as a special dividend for the Centenary Year, making total dividend of Rs.10/- (100%) per share.

3. Operations

Sales for the year under review were Rs.2509 Lakhs as against Rs.1815 Lakhs in the previous year. The profit for the year was Rs.294 Lakhs as against Rs.110 Lakhs for 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

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, as amended, is given in Annexure "B" to the Directors' Report.

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

In accordance with Article 122 of the Articles of Association of the Company, Mr. H. N. Sethna and Mr. B. H. Reporter 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, 30th May, 2007.

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

During the year, the Company has introduced the use of CFL Lamps and Electronic Ballasts in the factory and also taken administrative measures so as to reduce electricity consumption. The Company continues to take all available measures for the conservation of energy in the production process and reduce the costs thereof. The Company's products are being constantly improved so as to be more efficient in the use of power.

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

No additional investments are being considered. However, continued efforts are made to instill an awareness in all departments to conserve power and fuel.

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.

Efforts are being made to reduce the cost of power and fuel and conserve energy.

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, no Research and Development programmes were carried out by the Company.

2. Future Plan of Action

The Company expects to carry out the R&D activities and widen the scope so as to improve on existing products and wherever possible reduce the import content.

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.

2. Benefits derived as a result of the above efforts

Considerable savings in foreign exchange are effected as a result of local availability of the products and the indigenisation programme.

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 making efforts to create an export market for its products.

(b) Total foreign exchange used and earned

The Information is contained in Schedule 15 on Page 26.

On behalf of the Board of Directors

B. H. Reporter
Chairman

Mumbai, 30th May, 2007.



Annexure "B" to Directors' Report

Statement pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2007.

Name	Designation and Nature of Duties	Gross Remuneration Rs.	Qualifications	Date of Commencement of employment	Exp. yrs.	Age yrs.	Last Employment
Mr. D. S. Purohit	President	26,99,300	M.Sc. (Elect.)	22-7-80	27	49	None

Notes :

1. The employee is in full time employment of the Company.
2. The employment is subject to the rules and regulations of the Company in force from time to time.
3. The employee is not related to any director of the Company.
4. Gross remuneration includes salary, allowances, bonus and Company's contribution to Provident and Superannuation Funds.

On behalf of the Board of Directors

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Mumbai, 30th May, 2007.

B. H. Reporter
Chairman

To our Shareholders

On 9th May, 2007 Josts completed 100 years in business. Due to the efforts put in by Mr. D. S. Purohit, our President, and his team, record results have been achieved for the year just completed. Sales have increased by 38% from Rs.1815 lakhs in the previous year to Rs.2509 lakhs. The profit before tax is Rs.394 lakhs as against Rs.221 lakhs last year - an increase of 78%. The Board has recommended a Dividend of Rs.10 per share - 100%. This includes a special Dividend of Rs.5 per share - 50% for our Centenary year.

The Company has produced two brochures describing the Company's origin, its history and some of the developments that have taken place over the years. These are enclosed with our Annual Report.

A number of the programmes that have been initiated are coming to fruition.

SAP is now fully implemented at various functional levels in the Company. Immediate benefits of this are seen with the availability of detailed information and reports, which are required to carry out the business effectively. Attention is now given to other functional areas where SAP can increase efficiencies.

Training is a major activity throughout the organisation. All employees are going through various programmes to develop their skills in leadership, management and customer service to enable the Company as a whole to serve customers better.

A number of new products are being launched based on properly identified customer requirements.

A performance related management system and pay plan are now in place.

These are ongoing processes.

The Material Handling Division has substantially increased its market presence in the country. New markets such as retail and warehousing have been identified and these are now the focus of its activities, apart from the traditional markets. A number of new products have been introduced in the Division such as dock levellers, scissor lifts and upgraded models of existing products.

The Industrial Finishing Division saw a significant growth in Heat and Combustion and Painting projects. Major orders for entire systems including pre-treatment, conveyorised paint booths and ovens have been received for the new Automobile and Industrial Projects coming up in various parts of the country. Providing complete solutions in Industrial Finishing is being re-established.

The Engineered Products Division continues to serve its customers in Automobile, Aerospace, Defence, Education, Oil and Gas and Power by providing customers with various innovative solutions. The Sound and Vibration and Process Instrumentation product lines led the growth in the Engineered Products Division. Significant repeat orders were received demonstrating the confidence customers have in the products and services provided by the Company.

It is the intention of the Company to continue introducing new products and technologies to assist our customers in improving the performance of their products and processes. This is the focus of all the three Divisions in the Company. Automation, electronic manufacturing, retail, energy and water conservation, pollution control and noise abatement are some of the high potential areas that have been identified. Specific requirements of customers in these markets are being investigated. Association with organisations and companies with advanced technologies in these areas are being developed. Innovative products and solutions to address new application areas in existing markets are also being developed. These actions with various internal initiatives taken by the Company will keep it in the forefront in its business.

The Directors thank the dedicated and loyal staff of the Company who have demonstrated their ability and enthusiasm in producing the extraordinary results for the year. With their continued co-operation and the support of our principals, our customers, our bankers, our shareholders and all the people associated with the Company, one can look forward to further growth and progress in the years to come.

B. H. Reporter
Chairman

Mumbai, 30th May, 2007.