
Josts



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

Mumbai, 21st April, 2009.

Vice President and Company Secretary

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