



Jost's Engineering Company Limited

Annual Report 2010-11



Jost's Engineering Company Limited

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Board of Directors

B. H. Reporter, Chairman
S. Sheth
M. Wadia
F. K. Banatwalla
P. Bhargava

Company Secretary

C. B. Sagvekar

Bankers

HDFC Bank Ltd.
The Zoroastrian Co-operative Bank Ltd.
Standard Chartered Bank
The South Indian 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 : Wednesday, the 1st June, 2011
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. : 91-22-6120 2300
Fax : 91-22-6120 2345

Factory

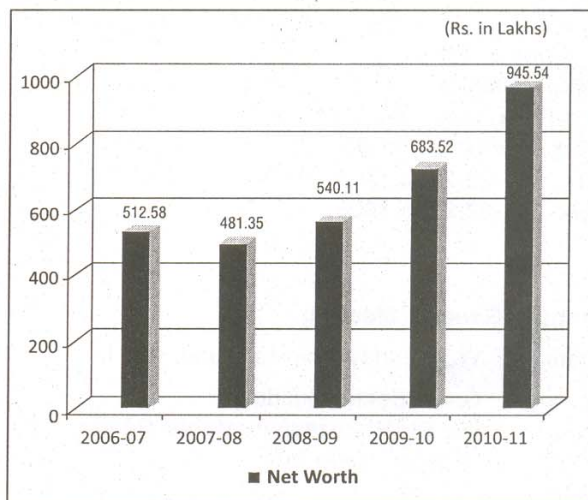
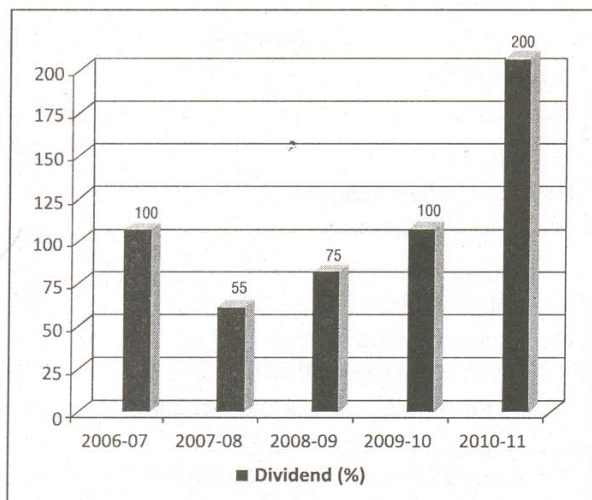
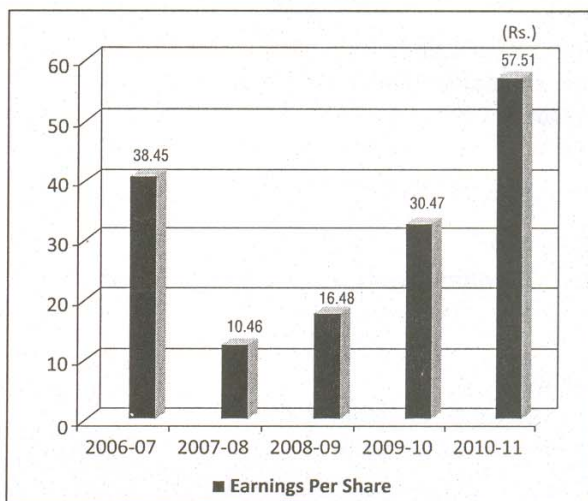
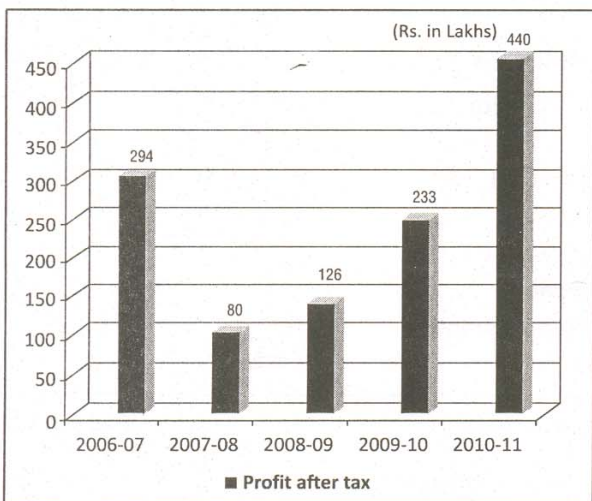
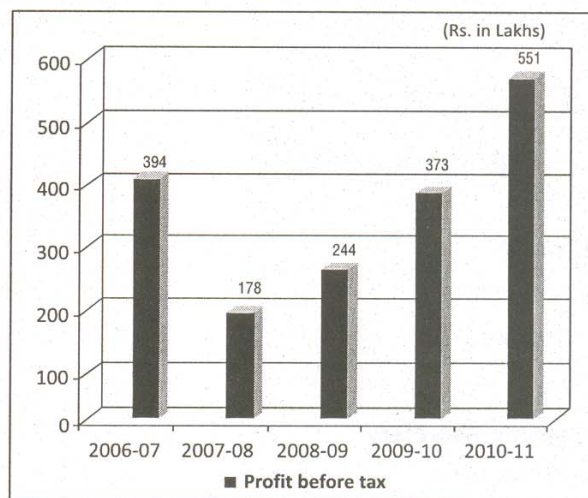
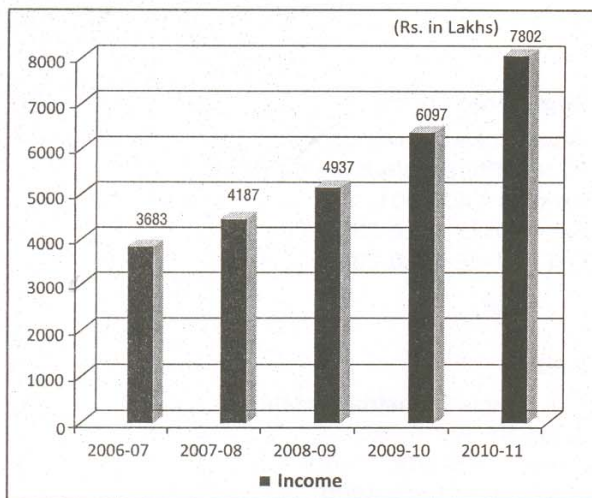
C-7, Wagle Industrial Estate,
Road No.12,
Thane - 400 604.
Tel. : 91-22-6117 4000
Fax : 91-22-6117 4020

Branches

Bangalore
Baroda
Chennai
Kolkata
New Delhi
Pune
Secunderabad

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Financial Highlights



Notice

Notice is hereby given that the hundred and fourth 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 Wednesday, the 1st June, 2011 at 4.30 p.m. to transact the following business :

Ordinary Business

1. To receive and adopt the Profit and Loss Account for the year ended 31st March, 2011 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. F. K. Banatwalla 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.

Special Business

6. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

"RESOLVED THAT in accordance with the provisions of Section 309(4) and other applicable provisions, if any, of the Companies Act, 1956, the Directors (excluding the Wholetime Director) be paid for a period of five years commencing from 1st April, 2011 a commission (to be distributed among them in such manner as the Board of Directors may from time to time determine) of such amount as may be determined by the Board of Directors, but not exceeding an amount equal to one percent of the net profits of the Company if the Company has a Managing or a Wholetime Director or a Manager and three percent of the net profits of the Company in any other case and that the net profits of the Company shall be calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary, desirable or expedient to give effect to the Resolution".

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 30th May, 2011 to 1st June, 2011 (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 1st June, 2011. 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 28th May, 2011.
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, 31st March, 2008, 31st March, 2009 and 31st March, 2010 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 400001 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, 6th May, 2011.

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

In the light of the services rendered by the non-executive Directors for the business of the Company, it is considered desirable that they should be paid commission upto the scale laid down in Section 309(4) and other provisions contained in the Companies Act, 1956.

Section 309 (4) of the Companies Act, 1956 provides that a Director of a company who is neither in the whole time employment of the company nor a Managing Director can be paid remuneration by way of commission, if the Company by special resolution authorises such payment and such remuneration does not exceed one percent of the net profits of the company where the company has a Managing Director or a Whole time Director or a Manager and three percent of the net profits of the company in any other case and that the net profits of the company shall be calculated in accordance with Section 198, 349 and 350 of the Companies Act, 1956. Therefore, the Special Resolution is proposed at item No.6 which authorises payment of commission to Directors, for a period of five financial years commencing from 1st April, 2011.

All the Directors of the Company are concerned or interested in the resolution to the extent of the remuneration that may be received by them.

The Shareholders' approval is solicited for resolution at item No.6 of the accompanying Notice as a Special Resolution.

By Order of the Board

C. B. Sagvekar

Vice President and Company Secretary

Mumbai, 6th May, 2011.

Registered Office:

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

Directors' Report

The Directors present herewith their Hundred and Third Annual Report with the Audited Statement of Accounts for the year ended 31st March, 2011.

	Year ended 31-3-2011 Rs. Lakhs	Previous Year ended 31-3-2010 Rs. Lakhs
1. Financial Results		
Profit/(Loss) before tax	550.73	372.86
Less: Provision for Income-tax	210.00	140.00
	<u>340.73</u>	<u>232.86</u>
Excess Provisions for Income tax in respect of earlier years written back	99.03	—
	<u>439.76</u>	<u>232.86</u>
Profit/(Loss) after tax	439.76	232.86
Balance brought forward from previous year	403.23	283.11
	<u>842.99</u>	<u>515.97</u>
Amount available for appropriation		
Less: Appropriations		
Proposed dividend	152.93	76.46
Tax on proposed dividend	24.81	12.99
General Reserve	43.98	23.29
	<u>621.27</u>	<u>403.23</u>
Balance carried forward		

2. Dividend

The Directors are pleased to recommend a dividend of Rs.20/- (200%) per share for the financial year ended 31st March, 2011.

3. Operations

Sales for the year under review were Rs.6942 Lakhs as against Rs.5169 Lakhs in the previous year. The profit after tax was Rs.440 Lakhs as against Rs.233 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

In accordance with Article 122 of the Articles of Association of the Company, Mr. Marco Wadia and Mr. F. K. Banatwalla 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, 6th May, 2011.

Annexure "A" to the 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**

Energy Conservation measures in areas of electricity / use of diesel for generators / water and air were undertaken in factory and offices. Close monitoring of these was done continuously. As a result of these measures, our power factor for factory is practically 0.99 and we are trying to take it near to unity. In factory, natural light and ventilation is used to the maximum. Lights and Air Conditioners are switched off when not required by constant vigilance by all the concerned.

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

This has been done by putting new energy efficient generator, energy efficient tube lights, stopping air and water leakages etc. New effluent treatment system for factory paint shop has been installed. Efforts on these are being put on continuous basis.

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 saving has been achieved during the year which has helped to hold the energy costs of factory and offices.

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**

Product upgrades and new technology applications are continuously carried out by Engineering Dept of material handling division. AC Technology is now developed for products like stackers and the same is under development for other trucks. Product upgrade was carried out for most popular three-wheeler truck-JUMBO- and other products are in the line for upgrade.

2. Future Plan of Action

Other products of Material handling division are next in line for upgrades which is planned in coming year.

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

Currently, all expenditure incurred for above developments is considered as part of manufacturing expenses. We are planning to start separate R&D entity in coming years.

II Technology absorption, adaptation and innovation:**1. Efforts made towards technology absorption, adaptation and innovation**

New areas of customisation based on customer applications are searched and adaptations and innovations are planned. This year for cold storage applications, material handling products are developed which should be in good demand in future. New products in material handling division have been planned which will be in the market in coming year.

2. Benefits derived as a result of the above efforts:

We are able to reach new customers to help them with solutions and also help existing customers for better automation in handling activities.

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 No. 29.

On behalf of the Board of Directors

B. H. Reporter
Chairman

Mumbai, 6th May, 2011.