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Josts

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Jost's Engineering Company Limited
Annual Report 1997-98





Jost's Engineering Company Limited

Annual Report 1997-98

Directors

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

Company Secretary

C. B. Sagvekar

Bankers

ANZ Grindlays Bank p.l.c.
Central Bank of India
Bank of Maharashtra
Oman International Bank S.A.O.G.
The South Indian Bank Ltd.
Oriental Bank of Commerce

Solicitors

Crawford Bayley and Company

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Registered Office

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





Notice

Notice is hereby given that the Ninety-Second Annual General Meeting of the members of Jost's Engineering Company Limited will be held at the Registered Office of the Company at Great Social Building, 60, Sir Phirozeshah Mehta Road, Mumbai 400001, on Friday, 29th January, 1999 at 4.30 P.M. to transact the following business:

1. To receive and adopt the Profit and Loss Account for the period ended 30th September, 1998 and the Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. B. H. Reporter who retires by rotation and being eligible offers himself for reappointment.
3. 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.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED that Mr. Shailesh Sheth, 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 27th November, 1997 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."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED that Mr. Marco Wadia, 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 2nd June, 1998 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."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED that pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company disposing of the whole or substantially the whole, of the undertaking and assets of the Faridabad Factory for such consideration of not less than Rs. 1 Crore (Rupees One Crore) and on such other terms as the Directors in their discretion consider beneficial to the Company."

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE 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. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item Nos. 4 to 6 of the Notice set out above, is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 25th January, 1999 to 29th January, 1999 (both days inclusive).
4. Pursuant to the Provisions of Section 205A of the Companies Act, 1956, Unclaimed Dividends relating to the Financial Year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government. Those members who have not claimed the said Dividends so far may claim the same from the Registrar of Companies, Hakoba Compound, 2nd Floor, Dattaram Lad Marg, Chinchpokli, Mumbai - 400 033, by submitting an application in the prescribed form. The members who have not encashed dividend warrants for the financial years 1994-95, 1995-96 and 1996-97 are requested to write to the Company for issuance of duplicate dividend warrants mentioning relevant Registered Folio No.(s) and year for which the dividend warrant is not received/encashed.
5. Members are requested to notify immediately to the Company any change in their addresses quoting Registered Folio Number.

By order of the Board
C. B. Sagvekar
Company Secretary

Mumbai, 31st December, 1998.

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. 4

Mr. Shailesh Sheth was appointed a Director of the Company by the Board of Directors on 27th November 1997, who holds office upto the date of this 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 from a member of the Company under Section 257 of the Companies Act, 1956 together with a deposit of Rs. 500/-, notifying his intention to propose Mr. S. Sheth as a candidate for the office of a Director liable to retire by rotation.

Mr. Shailesh Sheth is an MBA from the Indian Institute of Management (IIM), Ahmedabad. He has wide ranging experience of over 25 years in the machine tool industry. He is a consultant and also a Director on the Board of various Companies.

Your Board believes that Mr. Shailesh Sheth's knowledge and experience would benefit the Company and recommends the adoption of the resolution.

Mr. Shailesh Sheth may be deemed to be concerned or interested in the resolution.

Item No. 5

Mr. Marco Wadia was appointed a Director of the Company by the Board of Directors on 2nd June 1998, who holds office upto the date of this 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 from a member of the Company under Section 257 of the Companies Act, 1956 together with a deposit of Rs. 500/-, notifying his intention to propose Mr. Marco Wadia as a candidate for the office of a Director liable to retire by rotation.

Mr. Marco Wadia is an Advocate having considerable experience and is working with Messrs. Crawford Bayley & Company, a reputed firm of Solicitors. He is also a Director on the Board of various Companies.

Your Board believes that Mr. Marco Wadia's knowledge and experience would benefit the Company and recommends the adoption of the resolution.

Mr. Marco Wadia may be deemed to be concerned or interested in the resolution.

Item No. 6

Under the present economic conditions, it is essential for the Company to review all its business activities and concentrate on profitable operations and discontinue non-profitable operations.

The Factory at Faridabad was purchased to supply components for industrial finishing equipment to customers in the northern area. When our joint venture Company, Haden Josts Engineering India Limited was formed, Haden Josts Engineering India Limited continued to place orders on the Faridabad Factory. In view of Haden Josts having discontinued placing orders on this factory, this factory cannot be kept gainfully employed. It is therefore proposed that the Board of Directors be authorised to dispose of the Faridabad Factory for a consideration of not less than Rs. 1 Crore (Rupees One Crore).

Section 293 (1)(a) of the Companies Act, 1956 provides that the Board of Directors shall not without the consent of the Company in General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of the Undertaking of the Company. Hence the Directors recommend the enabling resolution at Item No. 6 of the Notice for the approval of the Members.

Mr. B. H. Reporter, Mr. F.A.A. Jasdanwalla and Mr. H.N. Sethna who are Directors of the Company are also Members of the Company and may be said to be considered or interested in the passing of the Resolution.

By order of the Board
C. B. Sagvekar
Company Secretary

Mumbai, 31st December, 1998.

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



Directors' Report

The Directors present herewith their Ninety-first Annual Report with the Audited Statement of Accounts for the period ended 30th September, 1998 (1-4-1997 to 30-9-1998).

	Period ended 30-9-1998 Rs. Lakhs	Previous Year Rs. Lakhs
1. Financial Results		
Profit / (Loss) before Tax	(156.79)	198.17
Provision for Income-tax	—	105.00
Taxation adjustments relating to earlier years	61.26	—
Profit / (Loss) after tax	(95.53)	93.17
Add balance brought forward from previous year	24.70	25.32
Amount available for appropriation	(70.83)	118.49
Appropriations :		
Dividend	—	30.58
Provision for Tax on Dividends	—	3.06
Transferred to General Reserve	—	60.15
	—	93.79
Balance carried forward	(70.83)	24.70

2. Dividend :

In view of the loss incurred by the Company, the Directors do not recommend the payment of a dividend for the period 1997-98.

3. Operations :

- i) The Company has extended its Financial Year to 30th September, 1998 (18 months).
- ii) During the period under review, the Company incurred a Net Loss of Rs. 95.53 lakh as against a Net Profit of Rs. 93.17 lakhs in the last year. The loss can be attributed to the following main reasons:
 - a) The prolonged economic slow-down which has resulted in a deep and sustained recession in several business areas particularly affecting the engineering and capital goods industries.
 - b) Lack of orders and higher operating costs in the Material Handling Division, the Company's main business.
- iii) As a part of its programme to discontinue unprofitable business areas the Company has closed down its Faridabad Factory and the said Factory is being considered for sale.
- iv) After the end of financial year under review the Company has paid an amount of Rs. 32.94 lakhs, under the Kar Vivad Samadhan Scheme, 1998 in settlement of the Excise case pertaining to Spare Parts.

4. ISO - 9001 :

During the period under review the Company has been awarded the ISO-9001 Certificate by Bureau Veritas Quality International in respect of the quality Standards of the Company's Material Handling Division. This will help further enhance the Company's reputation as a manufacturer and supplier of quality products and services.

5. Public Deposits :

As on 30th September, 1998 there were 29 deposits unclaimed totalling Rs. 2.38 lakhs out of which 19 deposits totalling Rs. 1.63 lakhs have since been renewed/repaid.

6. 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.



7. 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.

8. Personnel

As required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 a statement containing particulars of employees is given in Annexure 'B' to the Directors' Report..

9. Directors

Mr. G. Jacob resigned as a Director of the Company with effect from 25th April 1998. The Board placed on record its appreciation of the valuable advice and guidance given to the Company by Mr. G. Jacob.

Mr. Shailesh Sheth and Mr. Marco Wadia were appointed as Directors of the Company with effect from 27th November, 1997 and 2nd June, 1998 respectively who hold office upto the date of the Annual General Meeting and being eligible have offered themselves for reappointment. The Company has received notices in writing from members under Section 257 of the Companies Act, 1956 signifying their intentions to propose the appointment of Mr. S. Sheth and Mr. M. Wadia as Directors of the Company.

In accordance with the terms of Article 122 of the Articles of Association of the Company Mr. B. H. Reporter will retire by rotation. He is eligible and offers himself for reappointment.

10. Auditors

Messrs. A. F. Ferguson & Co., Chartered Accountants have intimated their willingness to continue in office as Auditors of the Company. Their reappointment for the ensuing year is recommended.

On behalf of the Board of Directors

Mumbai, 31st December, 1998.

B. H. Reporter
Chairman



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 92nd Annual General Meeting of the
 Company to be held at Great Social Building, 60, Sir Phirozeshah Mehta Road, Mumbai 400 001
 on Friday, 29th January, 1999 and at any adjournment thereof.
 Signed this day of 1999.

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.

**Affix 30 ps.
Revenue
Stamp**

