



Jost's Engineering Company Limited

Annual Report 2009-10

Board of Directors

B. H. Reporter, Chairman
F. A. A. Jasdanwalla (upto 22nd October, 2009)
H. N. Sethna (upto 20th March, 2010)
S. Sheth
M. Wadia
F. K. Banatwalla
P. Bhargava (appointed w.e.f. 30th October, 2009)

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 : Monday, the 7th June, 2010
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

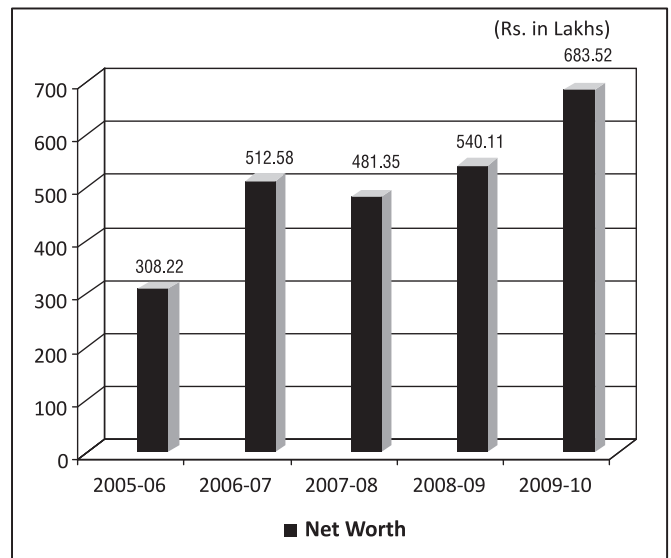
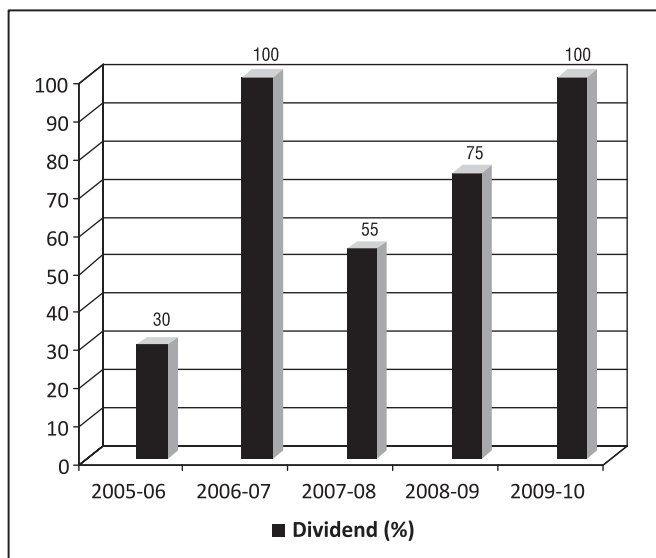
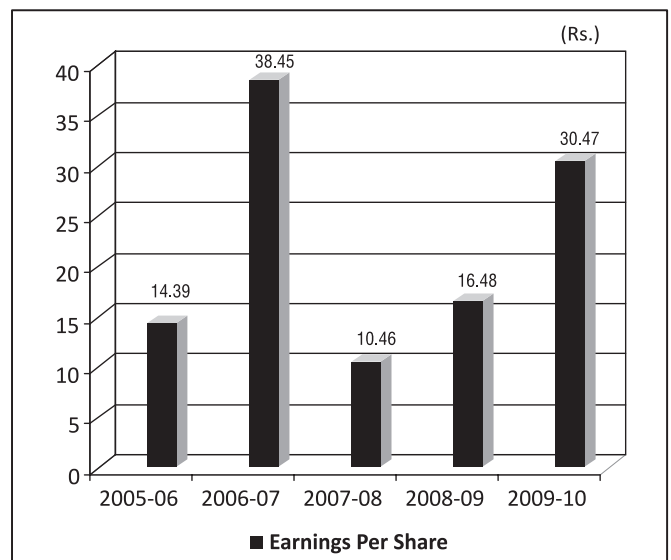
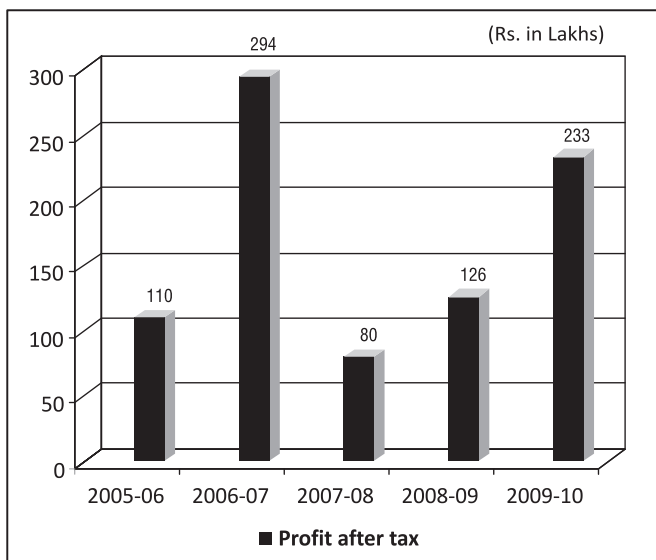
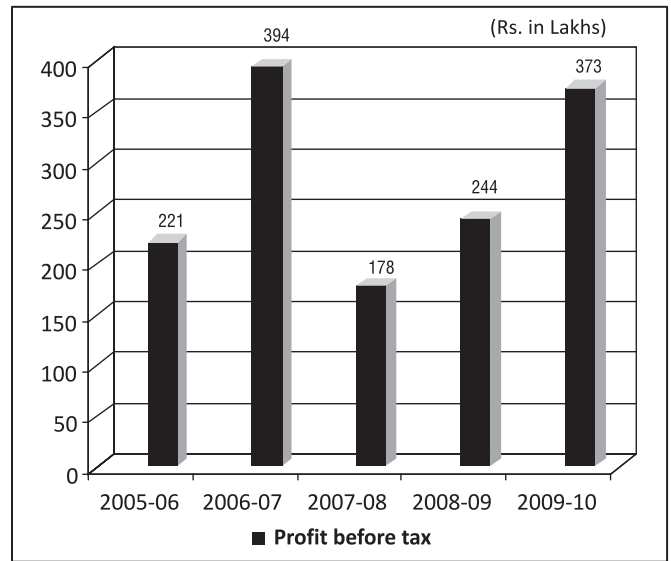
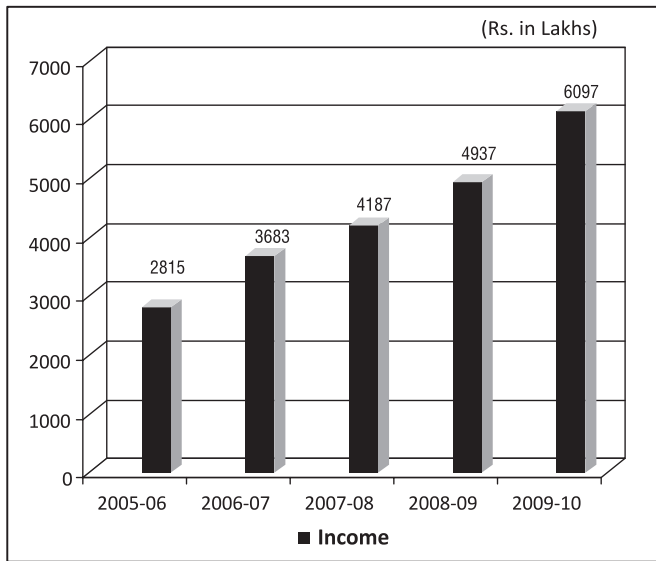
C-7, Wagle Industrial Estate,
Road No.12,
Thane - 400 604.
Tel. : 91-22-2582 1727 / 1746
Fax : 91-22-2582 3478

Branches

Bangalore
Baroda
Chennai
Kolkata
New Delhi
Pune
Secunderabad

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Financial Highlights



Notice

Notice is hereby given that the hundred and third 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 Monday, the 7th June, 2010 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, 2010 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. B. H. Reporter, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Shailesh Sheth, 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. Pradeep Bhargava, 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 30th October, 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 3rd June, 2010 to 7th June, 2010 (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 7th June, 2010. 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 2nd June, 2010.
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 and 31st March, 2009 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, 4th May, 2010.

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. Pradeep Bhargava as an Additional Director of the Company with effect from 30th October, 2009. Mr. Pradeep Bhargava holds the 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 under Section 257 of the Companies Act, 1956, from a member signifying his intention to propose Mr. Pradeep Bhargava as a candidate for the office of a Director liable to retire by rotation.

Mr. Pradeep Bhargava is a graduate in Electronics from IISC, Bangalore and holds a management degree from IIM, Ahmedabad. Presently, Mr. Bhargava is a Managing Director of Cummins Generator Technologies India Ltd. and he has held senior positions in both private and public sector organisations like Kalyani Group, Cummins India Ltd., Indian Space Research, Atomic Energy Commission, Bharat Heavy Electrical India, World Bank etc. Besides being involved in various social, industrial and educational causes he has held position of Chairman of CII, Pune, during 2004-05.

Your Board believes that Mr. Pradeep Bhargava's knowledge and experience would benefit the Company and recommends the resolution for approval.

Mr. Pradeep Bhargava 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, 4th May, 2010.

Registered Office:

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

Directors' Report

The Directors present herewith their Hundred and Second Annual Report with the Audited Statement of Accounts for the year ended 31st March, 2010.

	Year ended 31-3-2010 Rs. Lakhs	Previous Year ended 31-3-2009 Rs. Lakhs
1. Financial Results		
Profit/(Loss) before tax	372.86	243.69
Less: Provision for Income-tax	140.00	97.00
Provision for Fringe Benefit-Tax	–	23.70
(Excess)/Short Provisions for Income tax in respect of earlier years	–	(2.86)
Profit/(Loss) after tax	232.86	125.85
Balance brought forward from previous year	283.11	237.10
Amount available for appropriation	515.97	362.95
Less: Appropriations		
Proposed dividend	76.46	57.35
Tax on proposed dividend	12.99	9.74
General Reserve	23.29	12.75
Balance carried forward	403.23	283.11

2. Dividend

The Directors are pleased to recommend a dividend of Rs.10 (100%) per share for the financial year ended 31st March, 2010.

3. Operations

Sales for the year under review were Rs.5169 Lakhs as against Rs.3893 Lakhs in the previous year. The profit after tax was Rs.233 Lakhs as against Rs.126 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.A.A. Jasdanwalla resigned with effect from 22nd October, 2009 on account of advancing age after serving on the Board of the Company for 50 years. Unfortunately, he passed away on 6th April, 2010.

Mr. H. N. Sethna resigned with effect from 20th March, 2010 on account of ill-health after serving on the Board of the Company for 24 years.

The Board takes this opportunity to place on record its appreciation for the advice, guidance and valuable contributions from both these Directors.

Mr. Pradeep Bhargava was appointed as an Additional Director of the Company with effect from 30th October, 2009 who holds office upto the date of ensuing Annual General Meeting and being eligible offers 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. Pradeep Bhargava as Director of the Company.

In accordance with Article 122 of the Articles of Association of the Company, Mr. B. H. Reporter and Mr. Shailesh Sheth 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, 4th May, 2010.

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

The measures for energy conservation in areas of lighting and administrative controls on energy usage were implemented in factory and 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 was replaced by a 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

New DC forklift was developed and launched. High capacity (10 ton) tugger was developed for heavy applications.

2. Future Plan of Action

The Company has planned further product upgrades for next 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

II Technology absorption, adaptation and innovation:

1. Efforts made towards technology absorption, adaptation and innovation

Global markets are searched for sourcing so that products are cost effective and technologically advanced.

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

Customers are getting better value for their money as effect of above.

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 29.

On behalf of the Board of Directors

Mumbai, 4th May, 2010.

B. H. Reporter
Chairman

General Shareholder Information

Attendance of Directors at Board Meetings and last Annual General Meeting

Name of the Director	Attendance at Meetings during 2009-10	
	Board Meetings	Last AGM
Mr. B. H. Reporter	5	Yes
Mr. F.A.A. Jasdanwalla	3	Yes
Mr. H. N. Sethna	1	No
Mr. Marco Wadia	5	Yes
Mr. Shailesh Sheth	3	No
Mr. F. K. Banatwalla	5	Yes
Mr. Pradeep Bhargava	1	N.A.

Sitting Fees to Directors :

The following directors have been paid sitting fee during the year 2009-10.

Name	Sitting fees paid (Rs.)
Mr. B. H. Reporter	25,000
Mr. F.A.A. Jasdanwalla	15,000
Mr. H. N. Sethna	5,000
Mr. Marco Wadia	25,000
Mr. Shailesh Sheth	15,000
Mr. F. K. Banatwalla	25,000
Mr. Pradeep Bhargava	5,000

Listing :

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

Shareholding Pattern as on 31st March, 2010.

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	83830	10.96
(iii) Individuals	289305	37.84
Sub-Total	373730	48.88
GRAND TOTAL	764650	100.00

Shares held in physical / demat mode as on 31st March, 2010.

	Demat	Physical	Total
No. of Shares	579868	184782	764650
%	75.83	24.17	100.00
No. of Folios	1229	387	1616

To our Shareholders

On the 6th of April 2010 our Director, Mr. Faiz Jasdanwalla, passed away. On the 20th of March 2010 Mr. Homi Sethna resigned as a Director of the Company. The advice, guidance and valuable contributions from both these Directors have been greatly appreciated by our Board of Directors. They have both been with the Company for a large number of years and their experience and knowledge have been very helpful to us.

Our Company has performed reasonably well during the downturn in the economy. The Company's business has grown during this period. From the latter part of the financial year just completed, India's economic revival is taking place more rapidly than in most other countries. The Company has improved its performance in the financial year just completed.

Income for the year is Rs.6097 lakhs as against Rs.4954 lakhs in the previous year, an increase of 23%. The profit before tax is Rs.373 lakhs as against Rs.244 lakhs in the previous year, an increase of 53%. The Board of Directors has recommended a Dividend of Rs.10.00 per share (100%).

Our plans for the future are to concentrate on the addition of new Principals for technically advanced products. New products required by our customers to help them develop their own business are also being identified.

The Company continues to operate in three Divisions - Engineered Products, Material Handling and Industrial Finishing. Product lines in these Divisions that were partly affected by the economic slowdown have steadily progressed and are expected to improve their performance in this year. All our Product Managers have a priority in enhancing operational efficiencies and rendering better service to customers.

A new product line in the Engineered Products Division is the NTAS - Nano Technology and Analytical Solutions. This is a new frontier of technology and the Company is beginning this new business with nano-coatings and analytical instruments with additional representations.

The Electrical product line continues to grow with the expansion of new Power Projects and we are adding new products and services to the current range.

The Sound and Vibration department has received some good orders from Defence and is in the process of expanding services, repairs and calibration facilities in this department.

The Process Instrumentation business, the Components business and the Environmental Simulation line are all expected to generate additional business in the future with the addition of new products and new Principals.

Training activities covering lean manufacturing, promoting performance culture and productivity improvements are planned for all employees and will continue to be a thrust area for the coming year.

There has been an additional focus on the Services business and we are rebuilding the Service organisation by starting new Service centres providing a more comprehensive service to customers.

In the Industrial Finishing Division the Heat and Combustion line has done well and some of the delayed projects of the previous year have been completed.

The Material Handling Division has a similar performance as compared to the previous year and the business has improved significantly in the last few months. An Electric Fork Lift Truck designed by our Engineering team has been launched which should give better business in the coming year. The demand for Tuggers and Scissor Lifts has increased and service activities have strengthened with a greater focus on the availability of spares.

Pharma, Defence, Logistics, Engineering and Auto Ancillaries segments are expected to give a boost to the Material Handling business.

All these plans provide the right steps for an improvement in the business in the current year.

We thank all our employees who have contributed to our successful performance and for their encouragement and support. We also thank our Principals, Bankers, Suppliers and Shareholders and all the people associated with the Company, for their support and understanding throughout the year. We look forward to continued support for progress in the coming year.

Mumbai, 4th May, 2010.

B. H. Reporter
Chairman

REPORT OF THE AUDITORS TO THE MEMBERS OF JOST'S ENGINEERING COMPANY LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

We have audited the attached Balance Sheet of **JOST'S ENGINEERING COMPANY LIMITED** as at 31st March 2010, 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, 2010 and taken on record by the Board of Directors, we report that none of the said Directors are disqualified as on 31st March, 2010 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 the 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, 2010;
 - (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - (iii) in the case of 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
Firm Registration No.110417W

Mumbai: 4th May, 2010.

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 2010, 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>0.33</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>170.98</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, 2010 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
Firm Registration No.110417W

Mumbai: 4th May, 2010.

Balance Sheet as at 31st March, 2010

	Schedule	Rs. Lakhs	As at 31.03.2010 Rs. Lakhs	As at 31.03.2009 Rs. Lakhs
I. Sources of Funds				
1) Shareholders' Funds:				
(a) Share Capital	1	76.46		76.46
(b) Reserves and Surplus	2	607.06		463.65
			683.52	540.11
2) Loan Funds:				
(a) Secured Loans	3	10.71		31.35
(b) Unsecured Loans		-		-
			10.71	31.35
Total			694.23	571.46
II. Application of Funds				
1) Fixed Assets:	4			
(a) Gross Block			956.23	899.52
(b) Less : Depreciation			796.62	753.17
(c) Net Block			159.61	146.35
(d) Capital Work-in-Progress			-	-
			159.61	146.35
2) Investments	5		131.72	4.14
3) Current Assets, Loans & Advances :				
(a) Inventories	6	569.62		563.79
(b) Sundry Debtors	7	1,641.71		1,447.89
(c) Cash and Bank Balances	8	201.70		205.12
(d) Interest Accrued on Deposits		2.27		2.32
(e) Loans and Advances	9	270.60		251.02
			2,685.90	2,470.14
4) Less: Current Liabilities & Provisions:				
(a) Current Liabilities	10	1,935.25		1,716.91
(b) Provisions	11	347.75		332.26
			2,283.00	2,049.17
Net Current Assets			402.90	420.97
Total			694.23	571.46
Notes to the Accounts	14			

As per our report attached

For **SORAB S. ENGINEER & CO.**
Chartered Accountants

C. A. N. D. ANKLESARIA
Partner

Mumbai, 4th May, 2010

For and on behalf of the Board

B. H. Reporter Chairman
F. K. Banatwalla Director

C. B. Sagvekar Vice President and
Company Secretary

Mumbai, 4th May, 2010

Profit and Loss Account for the year ended 31st March, 2010

	Schedule	Rs. Lakhs	Year ended 31.03.2010 Rs. Lakhs	Year ended 31.03.2009 Rs. Lakhs
Income :				
Sales (Net of Discount)		5,280.96		4,079.88
Less: Excise Duty		112.21		187.14
Net Sales		5,168.75		3,892.74
Commission		617.20		829.72
Other	12	310.95		232.02
			6,096.90	4,954.48
Expenditure :				
Manufacturing, trading and other expenses	13	5,655.73		4,640.71
Interest on Fixed Loans		11.51		7.05
Interest on Others		1.58		3.22
Depreciation		55.22		59.81
			5,724.04	4,710.79
Profit/(Loss) before tax			372.86	243.69
Provision for Taxation :				
Income Tax			140.00	97.00
Fringe Benefit tax			-	23.70
(Excess) / Short Provisions for Income Tax in respect of earlier years			-	(2.86)
Profit after tax			232.86	125.85
Balance brought forward from last year			283.11	237.10
Available for appropriation			515.97	362.95
Less: Appropriations				
Proposed dividend		76.46		57.35
Tax on proposed dividend		12.99		9.74
General Reserve		23.29		12.75
			112.74	79.84
Balance carried forward			403.23	283.11
Notes to the Accounts	14			
Basic, as well as diluted, earnings per equity share (Rs.) (Refer Note No. 19)			30.45	16.46

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

C. A. N. D. ANKLESARIA
Partner

Mumbai, 4th May, 2010

For and on behalf of the Board

B. H. Reporter Chairman

F. K. Banatwalla Director

C. B. Sagvekar Vice President and
Company Secretary

Mumbai, 4th May, 2010



Cash Flow Statement for the year ended 31st March, 2010

	31st March, 2010 Rs. Lakhs	31st March, 2009 Rs. Lakhs
A) CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	372.86	243.69
ADJUSTMENTS FOR:		
DEPRECIATION	55.22	59.81
AMORTIZATION OF DEF REV EXP	-	-
DIVIDEND INCOME	(2.73)	(2.77)
INTEREST EXPENSES	13.09	10.27
INTEREST INCOMES	(7.74)	(7.96)
(PROFIT)/LOSS ON SALE OF INVESTMENT	-	-
(PROFIT)/LOSS ON SALE OF ASSETS	0.49	12.22
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	431.19	315.26
ADJUSTMENTS FOR:		
TRADE AND OTHER RECEIVABLES	(213.39)	(256.55)
INVENTORIES	(5.83)	(61.50)
TRADE PAYABLES	213.61	271.04
CASH GENERATED FROM OPERATIONS	425.58	268.25
DIRECT TAXES (FBT, Adv Tax & Tax Provisions)	(142.13)	(114.32)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	283.45	153.93
EXTRAORDINARY ITEMS	-	-
NET CASH FROM OPERATING ACTIVITIES	A 283.45	153.93
B) CASH FLOW FROM INVESTING ACTIVITIES:		
PURCHASE OF INVESTMENTS	(127.58)	(2.62)
PURCHASE/ADDITIONS TO FIXED ASSETS	(73.85)	(65.09)
SALE OF FIXED ASSETS	4.90	0.44
SALE OF INVESTMENTS	-	-
INTEREST RECEIVED	7.74	7.96
DIVIDEND RECEIVED	2.73	2.77
NET CASH USED IN INVESTING ACTIVITIES	B (186.06)	(56.54)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
PROCEEDS FROM (REPAYMENT OF) BORROWINGS	(20.63)	(58.20)
DIVIDENDS PAID - ON EQUITY SHARES INCLUDING TAX	(67.09)	(49.20)
INTEREST PAID	(13.09)	(10.27)
NET CASH USED IN FINANCING ACTIVITIES	C (100.81)	(117.67)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	A+B+C (3.42)	(20.28)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	205.12	225.40
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	201.70	205.12

- Notes :**
- Figures in brackets represent deductions/outflows.
 - 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, 4th May, 2010

For and on behalf of the Board

B. H. Reporter Chairman
F. K. Banatwalla Director

C. B. Sagvekar Vice President and
Company Secretary

Mumbai, 4th May, 2010

Schedules forming part of the Balance Sheet as at 31st March, 2010

	As at 31.03.2010 Rs. Lakhs	As at 31.03.2009 Rs. Lakhs
1 Share Capital		
Authorised:		
10,00,000 Equity Shares of Rs. 10 each	100.00	100.00
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		
	76.46	76.46
2 Reserves and Surplus		
Share Premium Account As per last Balance Sheet	115.79	115.79
General Reserve As per last Balance Sheet	64.75	52.00
Add: Transferred from Profit and Loss A/c	23.29	12.75
	88.04	64.75
Balance in Profit and Loss Account	403.23	283.11
	607.06	463.65
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	-	-
(ii) Auto Loans from Bank Secured by hypothecation of underlying vehicles	6.26	8.85
(iii) Term Loan from bank Secured by hypothecation of related items of Plant and Machinery	4.22	16.44
(iv) Term Loan from Bank Secured by hypothecation of Plant & Machinery and an equitable mortgage of the company's properties at Thane on a pari-passu basis	0.23	6.06
	10.71	31.35

Schedule forming part of the Balance Sheet as at 31st March, 2010

(Rs. Lakhs)

4 Fixed Assets

	Gross Block				Depreciation				Net Block	
	Cost or Book Value as at 31.03.2009	Cost of Additions during the year	Cost of Deductions during the year	Cost or Book Value as at 31.03.2010	upto 31.03.2009	for the year	on deductions during the year	upto 31.03.2010	Written down value as at 31.03.2010	Written down value as at 31.03.2009
Leasehold Land	1.02	–	–	1.02	0.49	0.01	–	0.50	0.52	0.53
Building on Leasehold Land	42.61	–	–	42.61	38.57	0.41	–	38.98	3.63	4.04
Plant and Machinery	526.33	49.57	2.82	573.08	446.11	32.64	0.41	478.34	94.74	80.22
Furniture, Fixtures and Equipment	81.56	8.38	–	89.94	66.76	6.38	–	73.14	16.80	14.80
Vehicles	58.00	6.89	14.34	50.55	35.81	6.93	11.36	31.38	19.17	22.19
INTANGIBLE ASSETS:										
–Software	87.97	9.03	–	97.00	63.40	8.87	–	72.27	24.73	24.57
–Trade Marks	0.02	–	–	0.02	0.02	(0.01)	–	0.01	0.01	–
–Technical Know-How	102.01	–	–	102.01	102.01	(0.01)	–	102.00	0.01	–
Total	899.52	73.87	17.16	956.23	753.17	55.22	11.77	796.62	159.61	146.35
Previous Year (Rs. Lakhs) As on 31.03.2009	851.18	65.09	16.75	899.52	697.45	59.81	4.09	753.17		

Schedules forming part of the Balance Sheet as at 31st March, 2010

	As at 31.03.2010		As at 31.03.2009	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
5 Investments				
Long Term Investments				
Trade (Unquoted)				
4,000 [as at 31.03.09: 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)				
3,752.994 Units [as at 31.03.09: 3625.493 Units] of Rs.10/- each in Reliance Liquid Fund- Treasury Plan-Retail Option- Daily Dividend Option, (Includes 127.501, Units reinvested during the year) (NAV as at 31.03.2010 Rs. 0.57 lakhs)		0.57		0.55
12,999.888 Units [as at 31.03.09: 258.771 Units] of Rs.10/- each in Reliance Money Manager Fund Institutional Option - Daily Dividend Plan, (Includes 25471.056, Units Purchased during the year, Units reinvested during the year 255.304 and Units redeemed during the year 12985.243) (NAV as at 31.03.2010 Rs. 130.17 lakhs)		130.15		2.59
		<u>131.72</u>		<u>4.14</u>
		131.72		4.14
6 Inventories				
Stores and Spare Parts		11.37		11.17
Stock-in-trade				
Raw Materials and Components (including Manufactured Components)	236.80		309.94	
Finished Goods (including goods for resale)	272.80		207.51	
Work-in-Progress	48.65		35.17	
		<u>558.25</u>		<u>552.62</u>
		569.62		563.79

Schedules forming part of the Balance Sheet as at 31st March, 2010

	As at 31.03.2010 Rs. Lakhs	As at 31.03.2009 Rs. Lakhs
7 Sundry Debtors		
Unsecured		
Debts outstanding for a period exceeding six months:		
Considered good	167.99	252.73
Considered doubtful	26.45	8.91
	<u>194.44</u>	<u>261.64</u>
Other Debts:		
Considered good	1,473.72	1,195.16
[Includes Rs.13.24 Lakhs; (2009 Rs.5.49 lakhs) due by private company in which a Director of the company is a director]	1,668.16	1,456.80
Less : Provision for Doubtful Debts	26.45	8.91
	<u>1,641.71</u>	<u>1,447.89</u>
8 Cash and Bank Balances		
Cash on Hand	0.33	0.64
Cheques on Hand	-	15.01
With Scheduled Banks :		
On Current Accounts	103.68	99.72
On Fixed / Margin Deposits	97.69	89.75
[lien has been created on fixed deposits of Rs.8.68 lakhs (2009 Rs.22.42 lakhs) in favour of the South Indian Bank Ltd against outstanding bank guarantees] and of Rs.67.10 lakhs (2009 Rs.58.42 lakhs) in favour of The Zoroastrian Co-Operative Bank Ltd against outstanding bank guarantees. Rs.21.91 lakhs (2009 Rs.8.91 lakhs) in favour of HDFC Bank Ltd. against outstanding bank guarantees.		
	<u>201.70</u>	<u>205.12</u>

Schedules forming part of the Balance Sheet as at 31st March, 2010

	Rs. Lakhs	As at 31.03.2010 Rs. Lakhs	Rs. Lakhs	As at 31.03.2009 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	259.42		237.69	
Considered doubtful	6.66		6.66	
		266.08		244.35
[Includes Rs.0.52 Lakhs; (2009 Rs.14.08 lakhs) due by private companies in which a Director of the company is a director]				
Less : Provision for Doubtful Debts		6.66		6.66
		259.42		237.69
Deposits with Excise		11.18		13.33
		270.60		251.02
10 Current Liabilities				
Sundry Creditors				
– Due to micro & Small Enterprises (See Note 15)	–		–	
– Others	1,228.88		970.18	
		1,228.88		970.18
Other Liabilities		542.94		549.15
Customers' credit balances and advances against services to be rendered		119.75		165.58
Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956, not due				
– unpaid dividends		4.12		2.92
Dealers/Earnest Money Deposit		39.56		29.08
		1,935.25		1,716.91
11 Provisions				
Provision for tax	570.34		430.34	
Less: Advance payment of income-tax	411.35		269.22	
		158.99		161.12
Leave Encashment		86.11		89.47
Provision for warranty claims		13.20		14.58
Proposed Dividend		76.46		57.35
Tax on Proposed Dividend		12.99		9.74
		347.75		332.26

**Schedule forming part of the Profit and Loss Account
for the year ended 31st March, 2010**

	Year ended 31.03.2010	Year ended 31.03.2009
	Rs. Lakhs	Rs. Lakhs
12 Other Income		
Service Income	257.26	179.25
Dividend :		
On Long term Non-trade Investments	2.73	2.77
Interest (Gross) :		
On Bank Fixed / Margin Deposits (Tax deducted at source Rs.0.10 Lakhs, (2009 Rs.Nil)	7.47	6.43
Others (Tax deducted at source Rs.Nil, 2009 Rs.0.01 Lakh)	0.27	1.54
	<hr/>	<hr/>
	7.74	7.97
Sales-tax Refunds and Set-offs	2.44	–
Sale of scrap	2.54	8.20
Warranty Claims	35.97	17.38
Miscellaneous Income	2.27	16.45
	<hr/>	<hr/>
	310.95	232.02
	<hr/> <hr/>	<hr/> <hr/>

**Schedule forming part of the Profit and Loss Account
for the year ended 31st March, 2010**

	Rs. Lakhs	Year ended 31.03.2010 Rs. Lakhs	Rs. Lakhs	Year ended 31.03.2009 Rs. Lakhs
13 Manufacturing, trading and other expenses				
1. Purchase of Goods for resale		2,358.50		980.48
2. Consumption of Raw Materials and Components		1,509.23		1,695.82
3. Payments to and Provisions for Employees :				
(a) Salaries, Wages and Bonus	854.48		829.67	
(b) Contribution to Provident and Other Funds	88.45		81.99	
(c) Staff Welfare Expenses	61.32		64.90	
		1,004.25		976.56
4. Other Expenses :				
(a) Sub-Contract and Labour Charges	39.92		30.12	
(b) Stores and Spare Parts consumed (indigenous)	20.59		90.81	
(c) Fuel and Power	29.39		29.35	
(d) Repairs to Buildings	1.68		(1.11)	
(e) Repairs to Machinery	3.03		5.52	
(f) Rent	54.17		62.71	
(g) Rates and Taxes	41.25		8.80	
(h) Insurance	6.19		8.95	
(i) Travelling Expenses	112.58		150.35	
(j) Postage, telephone and Telex	58.46		65.16	
(k) Printing and Stationery	16.79		15.34	
(l) Legal and Professional Charges (Refer Note No:13)	75.94		86.79	
(m) Conveyance Expenses	60.26		79.73	
(n) Provision for doubtful debts	17.53		8.13	
(o) Provision for doubtful advances	-		5.04	
(p) Bad debts written off	18.85		41.53	
(q) Lease Rentals	2.54		2.22	
(r) Freight on sales	74.39		72.91	
(s) Commission	47.47		51.77	
(t) Motor Vehicle expenses	10.28		14.99	
(u) Loss on foreign exchange(net)	8.07		10.97	
(v) Loss on Fixed Assets sold/ disposed off/discarded (net)	0.49		12.22	
(w) Commission to Directors	9.00		7.50	
(x) Directors Fees	1.15		1.10	
(y) Miscellaneous Expenses	152.50		161.83	
		862.52		1,022.73
5. Decrease/(Increase) in Finished Goods and Work-in-Progress				
Opening Stocks :				
Work-in-Progress	35.17		43.99	
Finished Goods (includes goods for resale)	207.51		163.81	
	242.68		207.80	
Less: Closing Stocks :				
Work-in-Progress	48.65		35.17	
Finished Goods (includes goods for resale)	272.80		207.51	
	321.45		242.68	
		(78.77) *		(34.88)
		5,655.73		4,640.71

* Includes increase in Excise Duty on closing stock of Finished Goods Rs.1.26 lakhs,
(Previous year decrease of Rs.1.19 lakhs)

Schedule forming part of the Accounts for the year ended 31st March, 2010

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, 2010

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 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 2010 - Rs. Nil. (31.03.09 Rs. Nil)

	As At 31.03.2010 Rs. Lakhs	As At 31.03.2009 Rs. Lakhs
3. Contingent Liabilities not provided for:		
i) Disputed Sales Tax matters	140.84	146.93
ii) Disputed Service Tax matters	5.52	5.52
iii) Bank Guarantees for performance contracts	357.91	206.71
iv) Other disputed matters	8.50	8.50
v) Central excise matters	170.98	6.67

Schedule forming part of the Accounts for the year ended 31st March, 2010

14 Notes to the Accounts (contd.)

	Qty. Nos.	March, 2010 Rs. Lakhs	Qty. Nos.	March, 2009 Rs. Lakhs
4. Sales:				
Material Handling Equipment	534	1707.74	581	1831.25
Other Equipment	884	1129.77	515	627.81
Components, accessories, spares, etc. (Including goods for resale)		2443.45		1620.82
		<u>5280.96</u>		<u>4079.88</u>
5. Opening 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>
6. Closing Stock of Finished Goods:				
Material Handling Equipment	05	16.12	03	5.45
Other Equipment	174	111.60	306	100.28
Components, accessories, spares, etc. (Including goods for resale)		145.08		101.78
		<u>272.80</u>		<u>207.51</u>
7. Purchase of goods for resale:				
Other Equipment	752	1092.00	515	571.12
Components, accessories, spares, etc.		1266.50		409.36
		<u>2358.50</u>		<u>980.48</u>
8. Consumption of raw materials and components:				
Steel	247 Tons	59.57	160 Tons	86.00
Batteries	588 Nos.	247.31	650 Nos.	270.92
Others		1202.35		1338.90
Value of raw materials and components consumed		<u>1509.23</u>		<u>1695.82</u>
Value of imported raw materials and components consumed	4.50%	68.06	3.45%	58.56
Value of indigenous raw materials and components consumed	95.49%	1441.17	96.55%	1637.26
	<u>100.00%</u>	<u>1509.23</u>	<u>100.00%</u>	<u>1695.82</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, 2010

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, 2010	Qty. March, 2009
		Nos. Rs. Lakhs	Nos. Rs. Lakhs
(c) Actual Production:			
Material Handling Equipment		536	581
10. C.I.F. value of imports in respect of:			
(i) Components		48.10	330.97
(ii) Finished goods for resale		599.76	613.97
11. Expenditure in Foreign Currency:			
(i) Subscription		0.20	0.06
(ii) Travelling		2.22	11.98
12. Earnings in Foreign Exchange:			
(i) Commission		617.20	827.23
(ii) Export of goods (F.O.B. value)		Nil	Nil
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	3.25
(d) Reimbursement of out-of-pocket expenses		0.26	0.27
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 (resigned w.e.f. 22nd October 2009)			
H. N. Sethna (resigned w.e.f. 20th March 2010)			
S. Sheth			
M. Wadia			
F. K. Banatwalla			
P. Bhargava (appointed w.e.f. 30th October 2009)			

Schedule forming part of the Accounts for the year ended 31st March, 2010

14 Notes to the Accounts (contd.)

14. (b) Nature of transactions:	March, 2010	March, 2009
Associate Companies:	Rs. Lakhs	Rs. Lakhs
Volume of transactions		
Funds Received		
Bullows Paint Equipment Private Limited	Nil	50.00
Phiroze Sethna Private Limited	Nil	Nil
Funds Paid		
Bullows Paint Equipment Private Limited	Nil	Nil
Purchase of Machinery / Goods		
Bullows Paint Equipment Private Limited	0.18	4.36
Sale of Goods		
Bullows Paint Equipment Private Limited	10.42	11.69
Phiroze Sethna Private Limited	Nil	Nil
Commission (Income)		
Bullows Paint Equipment Private Limited	Nil	1.80
Services Rendered		
Bullows Paint Equipment Private Limited	38.77	16.05
Phiroze Sethna Private Limited	Nil	7.74
Amount Received Against Expenses		
Phiroze Sethna Private Limited	3.07	11.41
Bullows Paint Equipment Private Limited	9.27	Nil
Receivable As At The End of The Year		
Bullows Paint Equipment Private Limited	13.53	Nil
Phiroze Sethna Private Limited	0.22	0.77
Payable As At The End of The Year		
Bullows India Private Limited	Nil	2.24
Bullows Paint Equipment Private Limited	Nil	31.74

Schedule forming part of the Accounts for the year ended 31st March, 2010

14 Notes to the Accounts (contd.)

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

	March, 2010		March, 2009	
	Rs. Lakhs		Rs. Lakhs	
Key Management Personnel; Volume of Transactions				
Names of the Directors	Commission	Sitting	Commission	Sitting
	Paid	fees paid	Paid	fees paid
B. H. Reporter	4.50	0.25	3.00	0.20
F. A. A. Jasdanwalla	0.75	0.15	0.50	0.25
H. N. Sethna	0.75	0.05	0.50	0.25
S. Sheth	0.75	0.15	0.50	0.15
M. Wadia	0.75	0.25	0.50	0.25
F. K. Banatwalla	–	0.25	–	–
Pradeep Bhargava	–	0.05	–	–

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, 2009 Rs. Lakhs	Credit/(charge) for the year Rs. Lakhs	Deferred tax (Liability)/asset As At 31st March, 2010 Rs. Lakhs
Deferred Tax Assets (DTA)			
(a) Provision for doubtful debts	5.29	5.96	11.25
(b) Disallowances U/S 43B	113.21	0.44	113.65
Sub-total	<u>118.50</u>	<u>6.40</u>	<u>124.90</u>
Deferred Tax Liabilities (DTL)			
(a) On Depreciation	(9.12)	3.21	(5.90)
Sub-total	<u>(9.12)</u>	<u>3.21</u>	<u>(5.90)</u>
As a measure of prudence DTA has been restricted to the extent of DTL.	9.12	(3.21)	5.90
Net Amount	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>

Schedule forming part of the Accounts for the year ended 31st March, 2010

14 Notes to the Accounts (contd.)

17. Segment Information

(i) Primary Segments - Business Segment	Material Handling	Engineered Products	31.03.2010 Rs. Lakhs Total
A REVENUE:			
Segment revenue			
- Sales to external customers	3064.10 [3020.67]	2104.65 [872.07]	5168.75 [3892.74]
- Commission income	97.49 [116.02]	519.71 [713.70]	617.20 [829.72]
- Other income	182.20 [143.17]	117.70 [78.11]	299.90 [221.28]
	<u>3343.79</u> [3279.86]	<u>2742.06</u> [1663.88]	<u>6085.85</u> [4943.74]
- Income from Interest / Dividend	-	-	10.47 [10.74]
Unallocated income	-	-	0.58 [-]
Total			<u>6096.90</u> <u>[4954.48]</u>
B RESULTS:			
Segment results/operating (loss)/profit	381.95 [349.30]	304.35 [234.64]	686.30 [583.94]
Unallocated income (Including income from Interest/Dividend)			11.05 [10.74]
Unallocated expenses			311.40 [340.70]
Interest Expenses			13.09 [10.29]
(Loss)/profit before tax			372.86 [243.69]
Provision for taxation - current tax			140.00 [97.00]
Provision for FBT			- [23.70]
Income Tax Paid in respect of earlier years			- [(2.86)]
Profit after tax			<u>232.86</u> <u>[125.85]</u>

Schedule forming part of the Accounts for the year ended 31st March, 2010

14 Notes to the Accounts (contd.)

17. Segment Information (contd.)

			31.03.2010
(i) Primary Segments - Business Segment (contd.)	Material Handling	Engineered Products	Rs. Lakhs Total
C OTHER INFORMATION:			
a) Segment assets	1710.06 [1006.55]	763.46 [953.95]	2473.52 [1960.50]
b) Unallocated assets			503.71 [660.11]
Total assets			2977.23 [2620.61]
c) Segment liabilities	2319.70 [1024.73]	2068.72 [430.28]	4388.42 [1455.01]
d) Unallocated liabilities (Including share capital and reserves)			-1411.19 [1165.60]
Total liabilities			2977.23 [2620.61]
e) Cost incurred during the financial year to acquire segment fixed assets	13.66 [18.55]	37.43 [13.95]	51.09 [32.50]
f) Cost incurred during the financial year to acquire segment fixed assets (Unallocated)			22.76 [32.59]
g) Depreciation	15.23 [14.87]	20.77 [24.33]	36.00 [39.20]
h) Depreciation (Unallocated)			19.22 [20.60]
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, 2010

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, 2010.

	Rs. Lakhs	31-03-2010 Rs. Lakhs
Profit after Tax as per Profit & Loss Account		232.86
Add:		
Provision for taxation	140.00	
Depreciation as per accounts	55.22	
Provision for Doubtful Debts / Advance (Net)	17.53	
Remuneration to Directors including Directors Fees	10.15	
Loss on fixed assets sold / disposed off/discarded	00.49	223.39
	<u> </u>	<u>456.25</u>
Less:		
Depreciation under Section 350		43.68
Net Profit as per Section 349 & 350 of the Companies Act 1956		<u>412.57</u>
Commission @ 3% of the Net Profit		12.38
Restricted by the Board of Directors to		9.00
The company has been legally advised that the above Commission does not require Central Government Approval.		

19. Earning per Share	Year ended March '2010	Year ended March '2009
i. Profit after tax (Rs. in lakhs)	232.86	125.85
ii. Weighted average number of Equity shares (Nos)	764650	764650
iii. Earning per share (Rs.) (Basic and Diluted)	30.45	16.46
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:

Particulars	2009-10	2008-09
Opening provision	14.58	11.72
Provision reversed during the year on account of expiry of warranty period	14.58	11.72
Fresh provision made for current year	13.20	14.58
Closing Provision	13.20	14.58

22. During the Year the Company has provided Rs.25.42 Lacs (Previous Year Rs. 17.97 Lacs) on account of Gratuity and Rs.20.52 Lacs (Previous Year Rs. 20.41 Lacs) on account of Superannuation Payable to its employees. The amounts due as on 31st March 2010 to the Gratuity Fund and Superannuation Fund are Rs. 162.91 Lacs (Previous Year Rs. 157.76 Lacs) and Rs. 76.45 Lacs (Previous Year Rs. 73.99 Lacs) respectively.

Schedule forming part of the Accounts for the year ended 31st March, 2010

14 Notes to the Accounts (contd.)

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:

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, 2010 and relied upon by the auditors.

I. Components of Employer Expenses:

	Particulars	31.03.2010 Rs. Lakhs	31.03.2009 Rs. Lakhs
(a)	Current Service Cost	11.67	10.98
(b)	Interest Cost	15.69	14.27
(c)	Expected Return on Plan Assets	2.93	2.49
(d)	Curtailment Cost/Credit	–	–
(e)	Past service Cost	–	–
(f)	Settlement Cost	–	–
(g)	Actuarial Losses/(Gains)	(6.59)	(6.17)
(h)	Total Expense recognised in Profit & Loss Account under payments to and Provisions for Employees	25.42	16.60

II. Net Liability/(Asset) recognised in Balance Sheet as at 31st March, 2010

	Particulars	Rs. Lakhs	Rs. Lakhs
(a)	Present Value of obligation as at 31st March 2010	211.45	196.11
(b)	Fair Value of Plan Assets as at 31st March, 2010	(36.28)	(33.75)
(c)	Liability/(Asset) recognised in the Balance Sheet	175.17	162.36

III. Change in Defined Benefit Obligation (DBO) during the year ended on 31st March, 2010

	Particulars	Rs. Lakhs	Rs. Lakhs
(a)	Present Value of Obligation as at 31st March, 2009	196.11	178.49
(b)	Current Service Cost	11.67	10.98
(c)	Interest Cost	15.69	14.28
(d)	Curtailment Cost / credit	–	–
(e)	Settlement Cost /Credit	–	–
(f)	Plan Amendments	–	–
(g)	Acquisitions	–	–
(h)	Actuarial Loss/(Gain)	(6.59)	(6.17)
(i)	Benefit Paid	05.43	1.47
(j)	Present value of Obligation as at 31st March, 2010	211.45	196.11

Schedule forming part of the Accounts for the year ended 31st March, 2010

14 Notes to the Accounts (contd.)

DEFINED BENEFIT PLANS (contd.)

IV. Change in the fair value of Plan Assets

	Particulars	31.03.2010 Rs. Lakhs	31.03.2009 Rs. Lakhs
(a)	Present value of Plan Assets as at 31st March 2009	33.75	11.73
(b)	Acquisition Adjustment	–	–
(c)	Expected Returns on Plan Assets	2.93	2.49
(d)	Actuarial Gain/(Loss)	–	–
(e)	Actual Company contribution	05.03	21.00
(f)	Benefits Paid	05.43	01.47
(g)	Fair Value of Plan Assets as at 31st March, 2010	36.28	33.75

V. Actuarial assumptions:

	Particulars	31.03.2010	31.03.2009
(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. 0.89 Lacs (Previous Year Rs. 2.53 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	31.03.2010 Rs. Lakhs	31.03.2009 Rs. Lakhs
Provident Fund (State Plan)	39.67	42.30
Employees State Insurance (State Plan)	1.50	1.07
Superannuation Fund	20.52	20.41

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, 4th May, 2010

Signatures to Schedules 1 to 14

For and on behalf of the Board
B. H. Reporter Chairman

F. K. Banatwalla Director

C. B. Sagvekar Vice President and
Company Secretary

Mumbai, 4th May, 2010

Schedule forming part of the Accounts for the year ended 31st March, 2010

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. K. Banatwalla Director

C. B. Sagvekar Vice President and
Company Secretary

Mumbai, 4th May, 2010



Jost's Engineering Company Limited

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

Attendance Slip

To be handed over at the entrance of Meeting Hall

I hereby record my presence at the hundred and third Annual General Meeting of the Company at Great Social Building, 60, Sir Phirozeshah Mehta Road, Mumbai - 400 001 on Monday, 7th June, 2010 at 4.30 p.m.

Name of the Member
Folio / Client ID No.

Name of the Proxy / Representative (in Block Letter)
(To be filled in if the Proxy / Representative attends instead of the Member)

Signature of the Member or Proxy / Representative



Jost's Engineering Company Limited

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

Proxy

Folio No./Client ID:

No. of Shares:

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/her ofin the district of
..... as my/our proxy to attend and vote for me/us on my/our behalf at the
103rd Annual General Meeting of the Company to be held at Great Social Building, 60, Sir Phirozeshah Mehta Road, Mumbai - 400 001 on Monday, 7th June, 2010 and at any adjournment thereof.

Signed this day of 2010.

Signature



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.