



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

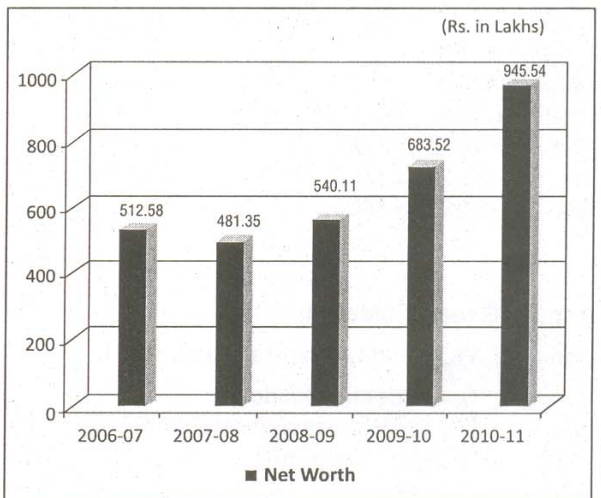
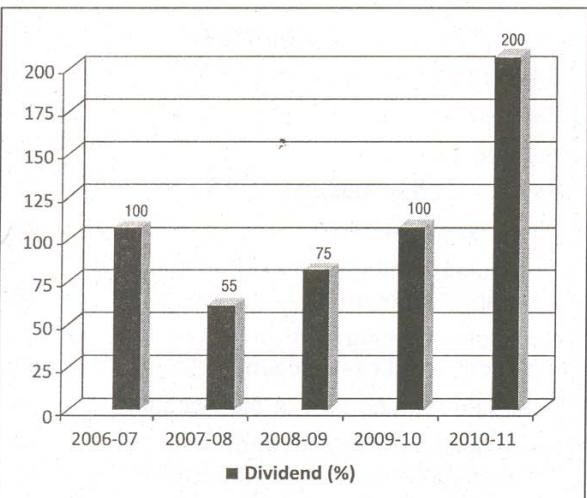
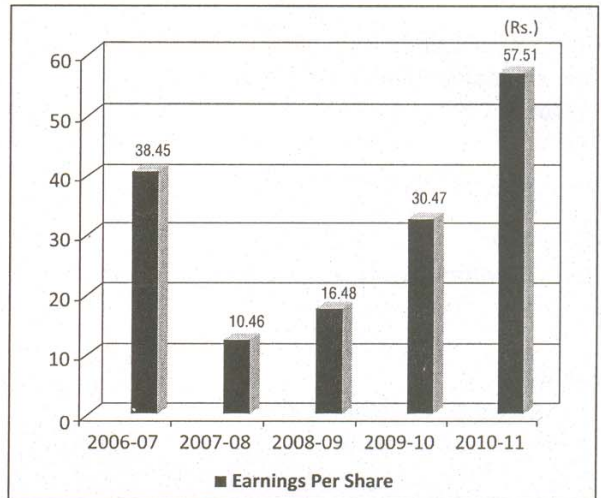
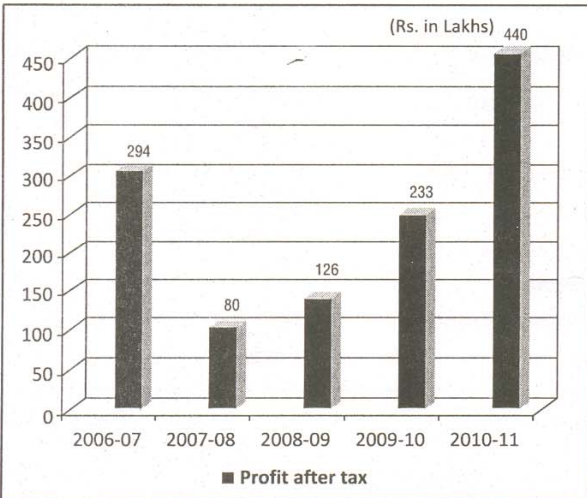
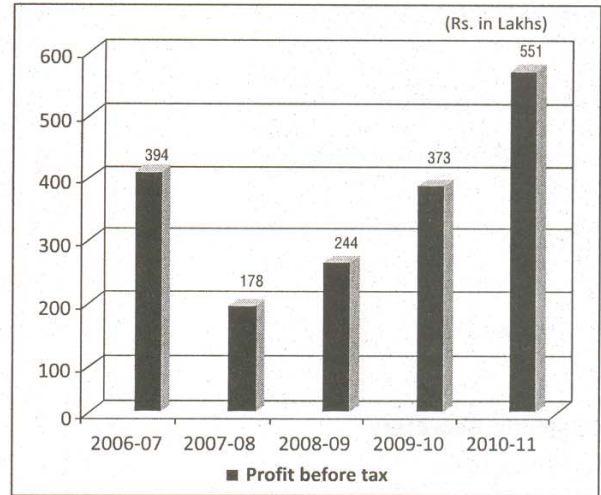
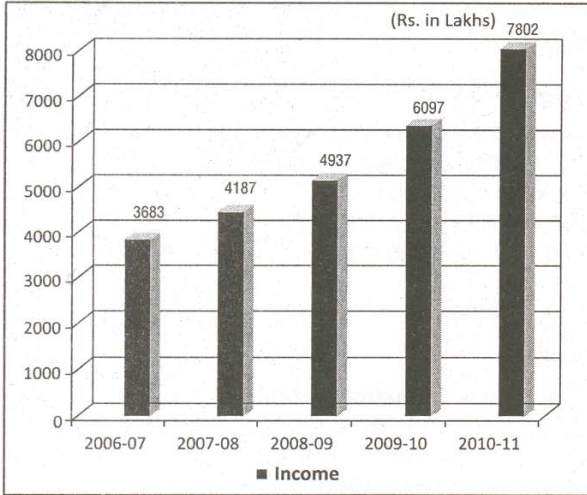
Branches

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	-
Profit/(Loss) after tax	439.76	232.86
Balance brought forward from previous year	403.23	283.11
Amount available for appropriation	842.99	515.97
Less: Appropriations		
Proposed dividend	152.93	76.46
Tax on proposed dividend	24.81	12.99
General Reserve	43.98	23.29
Balance carried forward	<u>621.27</u>	<u>403.23</u>

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.

General Shareholder Information

Attendance of Directors at Board Meetings and last Annual General Meeting

Name of the Director	Attendance at Meetings during 2010-11	
	Board Meetings	Last AGM
Mr. B. H. Reporter	5	Yes
Mr. Marco Wadia	5	Yes
Mr. Shailesh Sheth	4	Yes
Mr. F. K. Banatwalla	5	Yes
Mr. Pradeep Bhargava	4	Yes

Sitting Fees to Directors :

The following directors have been paid sitting fee during the year 2010-11.

Name	Sitting fees paid (Rs.)
Mr. B. H. Reporter	25,000
Mr. Marco Wadia	25,000
Mr. Shailesh Sheth	20,000
Mr. F. K. Banatwalla	25,000
Mr. Pradeep Bhargava	20,000

Listing :

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

Shareholding Pattern as on 31st March, 2011.

	No. of Shares	%
A. Shareholding of Promoter and Promoter group		
(i) Indian	3,33,910	43.67
(ii) Foreign (NRI)	36,000	4.71
Sub-Total	3,69,910	48.38
B. Public Shareholding		
(i) Financial Institutions/Banks	595	0.08
(ii) Bodies Corporate	80,531	10.53
(iii) Individuals	3,13,614	41.01
Sub-Total	3,94,740	51.62
GRAND TOTAL	7,64,650	100.00

Shares held in physical / demat mode as on 31st March, 2011.

	Demat	Physical	Total
No. of Shares	5,99,628	1,65,022	7,64,650
%	78.42	21.58	100.00
No. of Folios	1268	366	1634

To our Shareholders

The results for the year are favourable as compared to the previous year. Sales have increased in all our Three Divisions.

Income for the year is Rs.7,802 lakhs as compared to Rs.6,097 lakhs in the previous year, showing an increase of 28%. Profit before tax is Rs.551 lakhs as compared to Rs.373 lakhs in the previous year, an increase of 48%. The Board of Directors has recommended a dividend of Rs.20.00 per share (200%).

All Divisions of the Company have generally done well. Segments which we serve like Auto, Power, R & D Establishments, Logistics and Pharma have helped us to do better.

In the Engineered Products Division, we have done well in the Electrical product-line, thanks to the booming Power Sector and efforts put in by the Electrical Team.

We are also entering the Solar Energy segment where there is a synergy with our existing business lines like inter-connectivity solutions and instrumentation.

Last year, we started new product lines - NTAS - Nano Technology and Analytical Solutions. This is the new frontier of technology. We have made small beginnings. We are planning to consolidate the same in the coming year.

Our Sound and Vibration business which has been affected by a general slow-down, is expected to pick up in the coming year.

The Process Instrumentation business showed considerable improvement in product business.

The Components business was relatively subdued as 'space' buying continued to be slow.

The Environmental Simulation line has been strengthened by the addition of new Principals and Products and good business is expected in the coming years.

We have started focussing on technical services business where we offer service products like repairs and calibrations, measurements and analysis, training and consultancy. We plan to consolidate these activities in the coming years.

In Industrial Finishing, heat and combustion lines have performed satisfactorily. With the Auto sector reviving, we hope to do better business in temperature profiling, furnace calibration and flow measurements in gas.

The Material Handling Division has come up with an excellent performance with markets taking an upward turn. Warehousing, logistics, service providers, auto and pharma are showing significant growth which is helping material handling opportunities.

Our Engineering Team has worked on several fronts - AC technology electric forklifts and stackers, high capacity tuggers and stackers for cold storage are some of the key achievements. Currently, Reach Trucks are under development which could find good applications as warehouses are becoming larger and taller.

Service activities have been strengthened with more focus on availability of spares.

We thank our Employees, Principals, Bankers, Suppliers, Shareholders and all the people associated with the Company, for their total cooperation and support.

B. H. Reporter
Chairman

Mumbai, 6th May, 2011.

REPORT OF THE AUDITORS TO THE MEMBERS OF JOST'S ENGINEERING COMPANY LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

We have audited the attached Balance Sheet of **JOST'S ENGINEERING COMPANY LIMITED**, as at 31st March, 2011, 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, 2011 and taken on record by the Board of Directors, we report that none of the said directors are disqualified as on 31st March, 2011 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 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, 2011
 - ii. In the case of the profit & loss account, of the profit for the year ended on that date; and
 - iii. In the case of the cash flow statement, of the cash flows for the year ended on that date.

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Registration No. 110417W

C. A. N. D. Anklesaria
Partner

Membership No. 10250

Mumbai: 6th May, 2011.

ANNEXURE TO THE AUDITORS' REPORT
Referred to in paragraph 1 of our Report of even date.

- 1) 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.
- 2) 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.
- 3) 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. During the year, the Company had taken an unsecured loan, from a Company, covered in the register maintained under section 301 of the Companies Act, 1956 amounting to Rs 50 lacs which has been repaid during the year. In respect of the said loan, the maximum balance outstanding during the year was Rs. 50 Lacs.
- f. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which the loan has been taken from the Company referred to in paragraph 4(iii)(e) above, is not, prima facie, prejudicial to the interest of the Company.
- g. According to the information and explanations given to us, the Company has been regular in repayment of principal amount as stipulated and has been regular in payment of interest.
- 4) 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.*
- 5) 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.
- 6) 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.)

- 7) 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.
- 8) 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.
- 9) a. The Company is generally 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. The following are the outstanding statutory dues as at the last day of the financial year which were outstanding for a period of more than six months from the date they became payable.

Particulars	Amount (Rs. in Lakhs)
Service Tax	2.20
Professional Tax	0.67

- b. According to the records of the Company as at 31st March 2011, 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.
The Andhra Pradesh General Sales Tax Act, 1956	Works Contract Tax	19.78	Assistant Commissioner of Sales Tax (Appeals) Kanchipuram
The Tamil Nadu General Sales Tax, 1959.	Sales Tax	120.73	Deputy Commissioner (CT) Sales Tax Appellate Tribunal, Chennai.
The Central Sales Tax Act, 1956 & Bombay Sales Tax Act, 1956	Sales Tax 2005-06	0.33	Deputy Commissioner of Sales Tax, Mazgaon, Mumbai.
The Central Sales Tax Act, 1956	Sales Tax Asst. Year 2002-03	155.96	Jt. Commissioner of Sales Tax (Appeal)
The Central Sales Tax Act, 1956	Sales Tax Asst. Year 2003-04	138.66	Jt. Commissioner of Sales Tax (Appeal)
The Bombay Sales Tax Act, 1956	Sales Tax Asst. Year 2003-04	211.78	Jt. Commissioner of Sales Tax (Appeal)
Central Excise Act	Service Tax	5.52	Deputy Commissioner & Asst. Commissioner of Central Excise
Central Excise Act	Central Excise	170.98	Commissioner & Asst. Comm. of Central Excise

ANNEXURE TO THE AUDITORS' REPORT
Referred to in paragraph 1 of our Report of even date. (contd.)

- 10) The Company has no accumulated losses as at 31st March, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- 11) 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.
- 12) 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.
- 13) 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.
- 14) 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.
- 15) 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.
- 16) 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.
- 17) 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.
- 18) 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.
- 19) According to the information and explanations given to us, the Company has not issued any debentures during the year
- 20) The Company has not made any public issues during the year.
- 21) 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
Firm Registration No. 110417W

C. A. N. D. Anklesaria
Partner

Membership No. 10250

Mumbai: 6th May, 2011.



Balance Sheet as at 31st March, 2011

	Schedule	Rs. Lakhs	As at 31.03.2011 Rs. Lakhs	As at 31.03.2010 Rs. Lakhs
I. Sources of Funds				
1) Shareholders' Funds:				
(a) Share Capital	1	76.46		76.46
(b) Reserves and Surplus	2	869.08		607.06
			945.54	683.52
2) Loan Funds:				
(a) Secured Loans	3	2.55		10.71
(b) Unsecured Loans		-		-
			2.55	10.71
Total			948.09	694.23
II. Application of Funds				
1) Fixed Assets:	4			
(a) Gross Block			1,017.50	956.23
(b) Less : Depreciation			840.52	796.62
(c) Net Block			176.98	159.61
(d) Capital Work-in-Progress			-	-
			176.98	159.61
2) Investments	5		2.16	131.72
3) Current Assets, Loans & Advances :				
(a) Inventories	6	594.44		569.62
(b) Sundry Debtors	7	2,071.63		1,641.71
(c) Cash and Bank Balances	8	346.32		201.70
(d) Interest Accrued on Deposits		2.50		2.27
(e) Loans and Advances	9	319.06		270.60
			3,333.95	2,685.90
4) Less: Current Liabilities & Provisions:				
(a) Current Liabilities	10	2,214.51		1,935.25
(b) Provisions	11	350.49		347.75
			2,565.00	2,283.00
Net Current Assets			768.95	402.90
Total			948.09	694.23
Notes to the Accounts	14			

As per our report attached
 For **SORAB S. ENGINEER & CO.**
Chartered Accountants
 Firm Registration No.110417W
C. A. N. D. ANKLESARIA
Partner
 Mumbai, 6th May, 2011

For and on behalf of the Board
 B. H. Reporter Chairman
 F. K. Banatwalla Director
 C. B. Sagvekar Vice President and
 Company Secretary

Mumbai, 6th May, 2011

Profit and Loss Account for the year ended 31st March, 2011

	Schedule	Rs. Lakhs	Year ended 31.03.2011 Rs. Lakhs	Year ended 31.03.2010 Rs. Lakhs
Income :				
Sales (Net of Discount)		7,146.65		5,280.96
Less: Excise Duty		204.50		112.21
Net Sales		6,942.15		5,168.75
Commission		535.53		617.20
Other	12	323.90		310.95
			7,801.58	6,096.90
Expenditure :				
Manufacturing, trading and other expenses	13	7,183.60		5,655.73
Interest on Fixed Loans		6.99		11.51
Interest on Others		7.12		1.58
Depreciation		53.14		55.22
			7,250.85	5,724.04
Profit/(Loss) before tax			550.73	372.86
Provision for Taxation :				
Income Tax			210.00	140.00
Excess Provisions for Income Tax in respect of earlier years written back			99.03	-
Profit after tax			439.76	232.86
Balance brought forward from last year			403.23	283.11
Available for appropriation			842.99	515.97
Less: Appropriations				
Proposed dividend		152.93		76.46
Tax on proposed dividend		24.81		12.99
General Reserve		43.98		23.29
			221.72	112.74
Balance carried forward			621.27	403.23
Notes to the Accounts	14			
Basic, as well as diluted, earnings per equity share (Rs.) (Refer Note No. 19)			57.51	30.45

As per our report attached
For **SORAB S. ENGINEER & CO.**
Chartered Accountants
Firm Registration No.110417W
C. A. N. D. ANKLESARIA
Partner
Mumbai, 6th May, 2011

For and on behalf of the Board
B. H. Reporter Chairman
F. K. Banatwalla Director
C. B. Sagvekar Vice President and
Company Secretary

Mumbai, 6th May, 2011

Cash Flow Statement for the year ended 31st March, 2011

	31st March, 2011 Rs. Lakhs	31st March, 2010 Rs. Lakhs
A) CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	550.73	372.86
ADJUSTMENTS FOR:		
DEPRECIATION	53.14	55.22
AMORTIZATION OF DEF REV EXP	-	-
DIVIDEND INCOME	(3.19)	(2.73)
INTEREST EXPENSES	14.11	13.09
INTEREST INCOMES	(7.12)	(7.74)
(PROFIT)/LOSS ON SALE OF INVESTMENT	-	-
(PROFIT)/LOSS ON SALE OF ASSETS	(0.76)	0.49
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	606.91	431.19
ADJUSTMENTS FOR:		
TRADE AND OTHER RECEIVABLES	(478.61)	(213.39)
INVENTORIES	(24.82)	(5.83)
TRADE PAYABLES	283.06	213.61
CASH GENERATED FROM OPERATIONS	386.54	425.58
DIRECT TAXES (FBT, Adv Tax & Tax Provisions)	(200.31)	(142.13)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	186.23	283.45
EXTRAORDINARY ITEMS	-	-
NET CASH FROM OPERATING ACTIVITIES	A 186.23	283.45
B) CASH FLOW FROM INVESTING ACTIVITIES:		
PURCHASE OF INVESTMENTS	-	(127.58)
PURCHASE/ADDITIONS TO FIXED ASSETS	(73.16)	(73.85)
SALE OF FIXED ASSETS	3.42	4.90
SALE OF INVESTMENTS	129.55	-
INTEREST RECEIVED	7.12	7.74
DIVIDEND RECEIVED	3.19	2.73
NET CASH USED IN INVESTING ACTIVITIES	B 70.12	(186.06)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
PROCEEDS FROM (REPAYMENT OF) BORROWINGS	(8.16)	(20.63)
DIVIDENDS PAID - ON EQUITY SHARES INCLUDING TAX	(89.46)	(67.09)
INTEREST PAID	(14.11)	(13.09)
NET CASH USED IN FINANCING ACTIVITIES	C (111.73)	(100.81)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	A+B+C 144.62	(3.42)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	201.70	205.12
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	346.32	201.70

- Notes :** 1. Figures in brackets represent deductions/outflows.
2. The figures for the previous year have been regrouped wherever necessary.

As per our report attached
For **SORAB S. ENGINEER & CO.**
Chartered Accountants
Firm Registration No.110417W
C. A. N. D. ANKLESARIA
Partner
Mumbai, 6th May, 2011

For and on behalf of the Board
B. H. Reporter Chairman
F. K. Banatwalla Director
C. B. Sagvekar Vice President and
Company Secretary

Mumbai, 6th May, 2011

Schedules forming part of the Balance Sheet as at 31st March, 2011

	As at 31.03.2011 Rs. Lakhs	As at 31.03.2010 Rs. Lakhs
1 Share Capital		
Authorised:		
10,00,000 Equity Shares of Rs. 10 each	<u>100.00</u>	<u>100.00</u>
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		
	<u>76.46</u>	<u>76.46</u>
2 Reserves and Surplus		
Share Premium Account		
As per last Balance Sheet	115.79	115.79
General Reserve		
As per last Balance Sheet	88.04	64.75
Add: Transferred from Profit and Loss Account	<u>43.98</u>	<u>23.29</u>
	132.02	88.04
Balance in Profit and Loss Account	<u>621.27</u>	<u>403.23</u>
	<u>869.08</u>	<u>607.06</u>
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	2.55	6.26
(iii) Term Loan from bank Secured by hypothecation of related items of Plant and Machinery	-	4.22
(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
	<u>2.55</u>	<u>10.71</u>

Schedule forming part of the Balance Sheet as at 31st March, 2011

(Rs. Lakhs)

4 Fixed Assets

	Gross Block			Depreciation			Net Block			
	Cost or Book Value as at 31.03.2010	Cost of Additions during the year	Cost of Deductions during the year	Cost or Book Value as at 31.03.2011	upto 31.03.2010	for the year	on deductions during the year	upto 31.03.2011	Written down value as at 31.03.2011	Written down value as at 31.03.2010
Leasehold Land	1.02	-	-	1.02	0.50	0.01	-	0.51	0.51	0.52
Building on Leasehold Land	42.61	-	-	42.61	38.98	0.36	-	39.34	3.27	3.63
Plant and Machinery	573.08	69.83	7.56	635.35	478.34	35.75	6.89	507.20	128.15	94.74
Furniture, Fixtures and Equipment	89.94	2.83	-	92.77	73.14	4.00	-	77.14	15.63	16.80
Vehicles	50.55	-	4.34	46.21	31.38	4.74	2.35	33.77	12.44	19.17
INTANGIBLE ASSETS:										
-Software	97.00	0.51	-	97.51	72.27	8.28	-	80.55	16.96	24.73
-Trade Marks	0.02	-	-	0.02	0.01	-	-	0.01	0.01	0.01
-Technical Know-How	102.01	-	-	102.01	102.00	-	-	102.00	0.01	0.01
Total	956.23	73.17	11.90	1,017.50	796.62	53.14	9.24	840.52	176.98	159.61
Previous Year (Rs. Lakhs) As on 31.03.2010	899.52	73.87	17.16	956.23	753.17	55.22	11.77	796.62		

Schedules forming part of the Balance Sheet as at 31st March, 2011

	As at 31.03.2011		As at 31.03.2010	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
5 Investments				
Long Term Investments				
Trade (Unquoted)				
4,000 [as at 31.03.10: 4000] fully paid-up Equity Shares of Rs.25/- each of Zoroastrian Co-operative Bank Limited	1.00		1.00	
		1.00		1.00
Current Investments (Quoted)				
NIL Units [as at 31.03.10: 3752.994 Units] of Rs.10/- each in Reliance Liquid Fund- Treasury Plan-Retail Option- Daily Dividend Option		-		0.57
116.332 Units [as at 31.03.10: 12999.888 Units] of Rs.10/- each in Reliance Money Manager Fund Institutional Option - Daily Dividend Plan, (Includes 10485.619, Units Purchased during the year, Units reinvested during the year 298.366 and Units redeemed during the year 23667.541) (NAV as at 31.03.2011 Rs. 1.16 Lakhs)		1.16		130.15
		2.16		131.72
		<u>2.16</u>		<u>131.72</u>
6 Inventories				
Stores and Spare Parts		1.46		11.37
Stock-in-trade				
Raw Materials and Components (including Manufactured Components)	279.36		236.80	
Finished Goods (including goods for resale)	283.68		272.80	
Work-in-Progress	29.94		48.65	
		<u>592.98</u>		<u>558.25</u>
		<u>594.44</u>		<u>569.62</u>

Schedules forming part of the Balance Sheet as at 31st March, 2011

	As at 31.03.2011 Rs. Lakhs	As at 31.03.2010 Rs. Lakhs
7 Sundry Debtors		
Unsecured		
Debits outstanding for a period exceeding six months:		
Considered good	264.21	167.99
Considered doubtful	16.09	26.45
	<u>280.30</u>	<u>194.44</u>
Other Debts:		
Considered good	1,807.42	1,473.72
[Includes Rs.18.95 Lakhs; (2010 Rs.13.24 lakhs) due by private company in which a Director of the company is a director]	<u>2,087.72</u>	<u>1,668.16</u>
Less : Provision for Doubtful Debts	16.09	26.45
	<u>2,071.63</u>	<u>1,641.71</u>
8 Cash and Bank Balances		
Cash on Hand	1.20	0.33
With Scheduled Banks :		
On Current Accounts	246.68	103.68
On Fixed / Margin Deposits	98.44	97.69
[lien has been created on fixed deposits of Rs.5.45 lakhs (2010 Rs.8.68 lakhs) in favour of the South Indian Bank Ltd. against outstanding bank guarantees] and of Rs.23.67 lakhs (2010 Rs.67.10 lakhs) in favour of The Zoroastrian Co-Operative Bank Ltd. against outstanding bank guarantees. Rs.69.31 lakhs (2010 Rs.21.91 lakhs) in favour of HDFC Bank Ltd. against outstanding bank guarantees.		
	<u>346.32</u>	<u>201.70</u>

Schedules forming part of the Balance Sheet as at 31st March, 2011

	As at 31.03.2011 Rs. Lakhs	As at 31.03.2010 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	311.40	259.42
Considered doubtful	9.96	6.66
	<u>321.36</u>	266.08
[Includes Rs.0.30 Lakhs; (2010 Rs.0.52 Lakhs) due by private companies in which a Director of the company is a director]		
Less : Provision for Doubtful Advances	9.96	6.66
	<u>311.40</u>	259.42
Deposits with Excise	7.66	11.18
	<u>319.06</u>	<u>270.60</u>
10 Current Liabilities		
Sundry Creditors		
- Due to micro & Small Enterprises (See Note 15)	-	-
- Others	1,439.40	1,228.88
	1,439.40	1,228.88
Other Liabilities	595.77	542.94
Customers' credit balances and advances against services to be rendered	144.57	119.75
Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956, not due		
- unpaid dividends	5.87	4.12
Dealers/Earnest Money Deposit	28.90	39.56
	<u>2,214.51</u>	<u>1,935.25</u>
11 Provisions		
Provision for tax	565.49	570.34
Less: Advance payment of income-tax	495.85	411.35
	69.64	158.99
Leave Encashment	92.28	86.11
Provision for warranty claims	10.83	13.20
Proposed Dividend	152.93	76.46
Tax on Proposed Dividend	24.81	12.99
	<u>350.49</u>	<u>347.75</u>

**Schedule forming part of the Profit and Loss Account
for the year ended 31st March, 2011**

	Year ended 31.03.2011 Rs. Lakhs	Year ended 31.03.2010 Rs. Lakhs
12 Other Income		
Service Income	293.98	257.26
Dividend :		
On Long term Non-trade Investments	3.19	2.73
Interest (Gross) :		
On Bank Fixed / Margin Deposits (Tax deducted at source Rs.0.25 Lakhs, 2010 Rs.0.10 Lakhs)	6.99	7.47
Others (Tax deducted at source Rs.Nil, 2010 Rs.Nil)	0.13	0.27
	7.12	7.74
Sales-tax Refunds and Set-offs	-	2.44
Sale of scrap	6.92	2.54
Profit on sale of Fixed Assets (Net)	0.76	-
Warranty Claims	8.06	35.97
Miscellaneous Income	3.87	2.27
	323.90	310.95

**Schedule forming part of the Profit and Loss Account
for the year ended 31st March, 2011**

	Year ended 31.03.2011		Year ended 31.03.2010	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
13 Manufacturing, trading and other expenses				
1. Purchase of Goods for resale		3,231.84		2,358.50
2. Consumption of Raw Materials and Components		1,807.30		1,509.23
3. Payments to and Provisions for Employees :				
(a) Salaries, Wages and Bonus	989.68		854.48	
(b) Contribution to Provident and Other Funds	109.42		88.45	
(c) Staff Welfare Expenses	31.15		61.32	
		1,130.25		1,004.25
4. Other Expenses :				
(a) Sub-Contract and Labour Charges	38.08		39.92	
(b) Stores and Spare Parts consumed (indigenous)	9.80		20.59	
(c) Fuel and Power	29.98		29.39	
(d) Repairs to Buildings	3.54		1.68	
(e) Repairs to Machinery	2.62		3.03	
(f) Rent	69.25		54.17	
(g) Rates and Taxes	16.96		41.25	
(h) Insurance	8.47		6.19	
(i) Travelling Expenses	131.93		112.58	
(j) Postage, telephone and Telex	47.13		58.46	
(k) Printing and Stationery	13.47		16.79	
(l) Legal and Professional Charges (Refer Note No:13)	97.84		75.94	
(m) Conveyance Expenses	67.75		60.26	
(n) Provision for doubtful debts	18.45		17.53	
(o) Provision for doubtful advances	3.31		-	
(p) Bad debts written off	-		18.85	
(q) Lease Rentals	2.92		2.54	
(r) Freight on sales	92.87		74.39	
(s) Commission	74.50		47.47	
(t) Motor Vehicle expenses	10.38		10.28	
(u) Loss on foreign exchange (net)	8.71		8.07	
(v) Loss on Fixed Assets sold/ disposed off/discarded (net)	-		0.49	
(w) Commission to Directors	13.25		9.00	
(x) Directors' Fees	1.15		1.15	
(y) Miscellaneous Expenses	244.02		152.50	
		1,006.38		862.52
5. Decrease/(Increase) in Finished Goods and Work-in-Progress				
Opening Stocks :				
Work-in-Progress	48.65		35.17	
Finished Goods (includes goods for resale)	272.80		207.51	
	321.45		242.68	
Less: Closing Stocks :				
Work-in-Progress	29.94		48.65	
Finished Goods (includes goods for resale)	283.68		272.80	
	313.62		321.45	
		7.83 *		(78.77)
		7,183.60		5,655.73

* Includes decrease in Excise Duty on closing stock of Finished Goods Rs.0.27 lakhs
(Previous year increase of Rs.1.26 lakhs)

Schedule forming part of the Accounts for the year ended 31st March, 2011**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, 2011

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 2011 - Rs. Nil. (31.03.10 Rs. Nil)

	As At 31.03.2011 Rs. Lakhs	As At 31.03.2010 Rs. Lakhs
3. Contingent Liabilities not provided for:		
i) Disputed Sales Tax matters	647.24	140.84
ii) Disputed Service Tax matters	5.52	5.52
iii) Bank Guarantees for performance contracts	264.84	357.91
iv) Other disputed matters	8.50	8.50
v) Central excise matters	170.98	170.98

Schedule forming part of the Accounts for the year ended 31st March, 2011

14 Notes to the Accounts (contd.)

	Qty. Nos.	March, 2011 Rs. Lakhs	Qty. Nos.	March, 2010 Rs. Lakhs
4. Sales:				
Material Handling Equipment	546	1932.27	534	1707.74
Other Equipment	1558	2691.81	884	1129.77
Components, accessories, spares, etc. (Including goods for resale)		2318.07		2331.24
		<u>6942.15</u>		<u>5168.75</u>
5. Opening 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>
6. Closing Stock of Finished Goods:				
Material Handling Equipment	04	11.67	05	16.12
Other Equipment	208	97.10	174	111.60
Components, accessories, spares, etc. (Including goods for resale)		174.91		145.08
		<u>283.68</u>		<u>272.80</u>
7. Purchase of goods for resale:				
Other Equipment	1592	2106.36	752	1092.00
Components, accessories, spares, etc.		1125.48		1266.50
		<u>3231.84</u>		<u>2358.50</u>
8. Consumption of raw materials and components:				
Steel	140 Tons	48.76	247 Tons	59.57
Batteries	595 Nos.	278.40	588 Nos.	247.31
Others		1480.14		1202.35
Value of raw materials and components consumed		<u>1807.30</u>		<u>1509.23</u>
Value of imported raw materials and components consumed	15.81%	285.70	4.50%	68.06
Value of indigenous raw materials and components consumed	84.19%	1521.60	95.50%	1441.17
	<u>100.00%</u>	<u>1807.30</u>	<u>100.00%</u>	<u>1509.23</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, 2011

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, 2011	Qty.	March, 2010
	Nos.	Rs. Lakhs	Nos.	Rs. Lakhs
(c) Actual Production:				
Material Handling Equipment	545		536	
10. C.I.F. value of imports in respect of:				
(i) Components		211.63		48.10
(ii) Finished goods for resale		1148.20		599.76
11. Expenditure in Foreign Currency:				
(i) Subscription		Nil		0.20
(ii) Travelling		5.72		2.22
12. Earnings in Foreign Exchange:				
(i) Commission		535.53		617.20
(ii) Export of goods (F.O.B. value)		23.75		Nil
13. Details of Auditors' Remuneration: (Excluding Service Tax)				
(a) Audit fees		8.00		5.50
(b) Report under Section 44AB of Income-tax Act, 1961		3.00		2.00
(c) Other services		4.75		3.25
(d) Reimbursement of out-of-pocket expenses		0.26		0.26
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. K. Banatwalla				
S. Sheth				
M. Wadia				
P. Bhargava				

Schedule forming part of the Accounts for the year ended 31st March, 2011

14 Notes to the Accounts (contd.)

14. (b) Nature of transactions:	March, 2011	March, 2010
Associate Companies:	Rs. Lakhs	Rs. Lakhs
Funds Received		
Bullows India Private Limited	50.00	Nil
Funds Paid		
Bullows India Private Limited	50.00	Nil
Purchase of Machinery / Goods		
Bullows Paint Equipment Private Limited	0.05	0.18
Sale of Goods		
Bullows Paint Equipment Private Limited	8.07	10.42
Phiroze Sethna Private Limited	1.02	Nil
Services Rendered		
Bullows Paint Equipment Private Limited	1.49	38.77
Phiroze Sethna Private Limited	3.31	Nil
Amount Received Against Expenses		
Bullows Paint Equipment Private Limited	1.02	9.27
Phiroze Sethna Private Limited	3.40	3.07
Receivable As At The End of The Year		
Bullows Paint Equipment Private Limited	18.91	13.53
Phiroze Sethna Private Limited	0.30	0.22
Interest paid during the year		
Bullows India Private Limited	1.67	Nil

Schedule forming part of the Accounts for the year ended 31st March, 2011

14 Notes to the Accounts (contd.)

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

Key Management Personnel; Names of the Directors	March, 2011 Rs. Lakhs		March, 2010 Rs. Lakhs	
	Commission Paid	Sitting fees paid	Commission Paid	Sitting fees paid
	B. H. Reporter	5.40	0.25	4.50
F. A. A. Jasdanwalla	–	–	0.75	0.15
H. N. Sethna	0.80	–	0.75	0.05
S. Sheth	0.80	0.20	0.75	0.15
M. Wadia	0.80	0.25	0.75	0.25
F. K. Banatwalla	0.80	0.25	–	0.25
Pradeep Bhargava	0.40	0.20	–	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, 2010 Rs. Lakhs	Credit/(charge) for the year Rs. Lakhs	Deferred tax (Liability)/Asset As At 31st March, 2011 Rs. Lakhs
Deferred Tax Assets (DTA)			
(a) Provision for doubtful debts	11.25	(2.39)	8.86
(b) Disallowances U/S 43B	113.65	16.55	130.20
Sub-total	124.90	14.16	139.06
Deferred Tax Liabilities (DTL)			
(a) On Depreciation	(5.90)	1.60	(4.30)
Sub-total	(5.90)	1.60	(4.30)
As a measure of prudence DTA has been restricted to the extent of DTL.	5.90	(1.60)	4.30
Net Amount	Nil	Nil	Nil

Schedule forming part of the Accounts for the year ended 31st March, 2011

14 Notes to the Accounts (contd.)

17. Segment Information

(i) Primary Segments - Business Segment	Material Handling	Engineered Products	31.03.2011 Rs. Lakhs Total
A REVENUE:			
Segment revenue			
- Sales to external customers	3622.10 [3064.10]	3320.05 [2104.65]	6942.15 [5168.75]
- Commission income	170.04 [97.49]	365.49 [519.71]	535.53 [617.20]
- Other income	161.09 [182.20]	152.57 [117.70]	313.66 [299.90]
	<u>3953.23</u> [3343.79]	<u>3838.11</u> [2742.06]	<u>7791.34</u> [6085.85]
- Income from Interest / Dividend	-	-	10.31 [10.47]
Unallocated income	-	-	-0.07 [0.58]
Total			<u>7801.58</u> <u>[6096.90]</u>
B RESULTS:			
Segment results/operating (loss)/profit	512.24 [381.95]	403.36 [304.35]	915.60 [686.30]
Unallocated income (Including income from Interest/Dividend)			6.72 [11.05]
Unallocated expenses			357.48 [311.40]
Interest Expenses			14.11 [13.09]
(Loss)/profit before tax			550.73 [372.86]
Provision for taxation - current tax			210.00 [140.00]
Excess Provisions for Income Tax in respect of earlier years			99.03 [0.00]
Profit after tax			<u>439.76</u> <u>[232.86]</u>

Schedule forming part of the Accounts for the year ended 31st March, 2011

14 Notes to the Accounts (contd.)

17. Segment Information (contd.)

				31.03.2011
(i) Primary Segments - Business Segment (contd.)	Material Handling	Engineered Products	Rs. Lakhs Total	
C OTHER INFORMATION:				
a) Segment assets	1486.98 [1710.06]	1507.74 [763.46]	2994.72 [2473.52]	
b) Unallocated assets			518.37 [503.71]	
Total assets			3513.09 [2977.23]	
c) Segment liabilities	2063.73 [2319.70]	2279.67 [2068.72]	4343.40 [4388.42]	
d) Unallocated liabilities (Including share capital and reserves)			-830.31 [-1411.19]	
Total liabilities			3513.09 [2977.23]	
e) Cost incurred during the financial year to acquire segment fixed assets	26.30 [13.66]	44.75 [37.43]	71.05 [51.09]	
f) Cost incurred during the financial year to acquire segment fixed assets (Unallocated)			2.12 [22.76]	
g) Depreciation	16.11 [15.23]	22.77 [20.77]	38.88 [36.00]	
h) Depreciation (Unallocated)			14.26 [19.22]	
i) Non-cash expenses other than depreciation	0.00 [0.00]	0.00 [0.00]	0.00 [0.00]	

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, 2011

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, 2011.

	Rs. Lakhs	31-03-2011 Rs. Lakhs
Profit after Tax as per Profit & Loss Account		439.76
Add:		
Provision for taxation	210.00	
Depreciation as per accounts	53.14	
Provision for Doubtful Debts / Advances	21.76	
Remuneration to Directors including Directors' Fees	14.40	299.30
		<u>739.06</u>
Less:		
Depreciation under Section 350	52.12	
Profit on sale of Fixed Assets (Net)	0.76	
Excess Provisions for Income Tax in respect of earlier years written back	99.03	151.91
		<u>587.15</u>
Net Profit as per Section 349 of the Companies Act 1956 on which commission is payable		17.61
Commission @ 3% of the Net Profit		13.25
Restricted by the Board of Directors to		

The company has been legally advised that the above Commission does not require Central Government Approval.

19. Earning per Share	Year ended March '2011	Year ended March '2010
i. Profit after tax (Rs. in lakhs)	439.76	232.86
ii. Weighted average number of Equity shares (Nos)	764650	764650
iii. Earning per share (Rs.) (Basic and Diluted)	57.51	30.45
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	2010-11	2009-10
Opening provision	13.20	14.58
Provision reversed during the year on account of expiry of warranty period	-13.20	-14.58
Fresh provision made for current year	10.83	13.20
Closing Provision	10.83	13.20

22. During the Year the Company has provided Rs. 40.03 Lacs (Previous Year Rs. 25.42 Lacs) on account of Gratuity and Rs. 21.36 Lacs (Previous Year Rs. 20.52 Lacs) on account of Superannuation Payable to its employees. The amounts due as on 31st March 2011 to the Gratuity Fund and Superannuation Fund are Rs. 183.34 Lacs (Previous Year Rs. 162.91 Lacs) and Rs. 85.91 Lacs (Previous Year Rs. 76.45 Lacs) respectively.

Schedule forming part of the Accounts for the year ended 31st March, 2011

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, 2011 and relied upon by the auditors.

I. Components of Employer Expenses:

	Particulars	31.03.2011 Rs. Lakhs	31.03.2010 Rs. Lakhs
(a)	Current Service Cost	11.69	11.67
(b)	Interest Cost	16.92	15.69
(c)	Expected Return on Plan Assets	3.31	2.93
(d)	Curtailment Cost/Credit	—	—
(e)	Past service Cost	—	—
(f)	Settlement Cost	—	—
(g)	Actuarial Losses/(Gains)	(11.09)	(6.59)
(h)	Total Expense recognised in Profit & Loss Account under payments to and Provisions for Employees	14.20	25.42

II. Net Liability/(Asset) recognised in Balance Sheet as at 31st March, 2011

	Particulars	Rs. Lakhs	Rs. Lakhs
(a)	Present Value of obligation as at 31st March 2011	225.66	211.45
(b)	Fair Value of Plan Assets as at 31st March, 2011	(38.88)	(36.28)
(c)	Liability/(Asset) recognised in the Balance Sheet	186.78	175.17

III. Change in Defined Benefit Obligation (DBO) during the year ended 31st March, 2011

	Particulars	Rs. Lakhs	Rs. Lakhs
(a)	Present Value of Obligation as at 31st March, 2010	211.45	196.11
(b)	Current Service Cost	11.69	11.67
(c)	Interest Cost	16.92	15.69
(d)	Curtailment Cost / Credit	—	—
(e)	Settlement Cost / Credit	—	—
(f)	Plan Amendments	—	—
(g)	Acquisitions	—	—
(h)	Actuarial Loss/(Gain)	(11.09)	(6.59)
(i)	Benefit Paid	3.30	5.43
(j)	Present value of Obligation as at 31st March, 2011	225.66	211.45



Schedule forming part of the Accounts for the year ended 31st March, 2011

14 Notes to the Accounts (contd.)

DEFINED BENEFIT PLANS (contd.)

IV. Change in the fair value of Plan Assets

	Particulars	31.03.2011 Rs. Lakhs	31.03.2010 Rs. Lakhs
(a)	Present value of Plan Assets as at 31st March 2010	36.28	33.75
(b)	Acquisition Adjustment	-	-
(c)	Expected Returns on Plan Assets	3.31	2.93
(d)	Actuarial Gain/(Loss)	-	-
(e)	Actual Company contribution	2.59	5.03
(f)	Benefits Paid	3.30	5.43
(g)	Fair Value of Plan Assets as at 31st March, 2011	38.88	36.28

V. Actuarial assumptions:

	Particulars	31.03.2011	31.03.2010
(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. 13.73 Lacs (Previous Year Rs. 0.89 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	31.03.2011 Rs. Lakhs	31.03.2010 Rs. Lakhs
Provident Fund (State Plan)	41.57	39.67
Employees State Insurance (State Plan)	5.10	1.50
Superannuation Fund	21.36	20.52

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
Firm Registration No.110417W
C. A. N. D. ANKLESARIA
Partner
Mumbai, 6th May, 2011

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, 6th May, 2011

Schedule forming part of the Accounts for the year ended 31st March, 2011

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, 6th May, 2011