



Jost's Engineering Company Limited

Annual Report 2011-12

Board of Directors

B. H. Reporter, Chairman
Shailesh Sheth
Marco Wadia
F. K. Banatwalla
Pradeep 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

Day and Date : Thursday, the 14th June, 2012
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

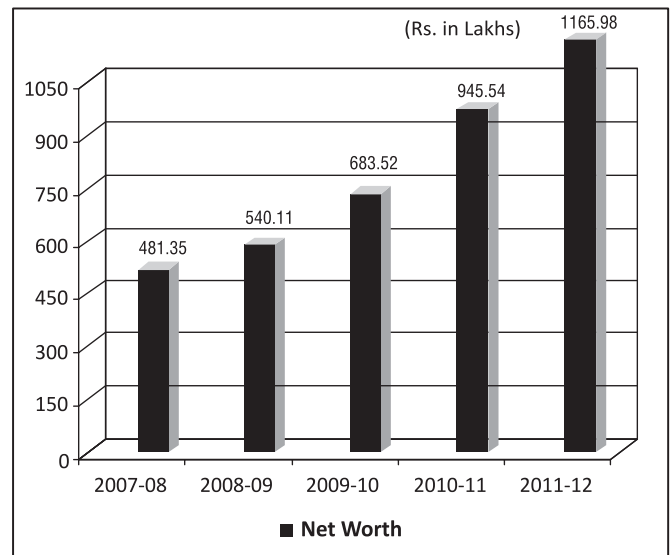
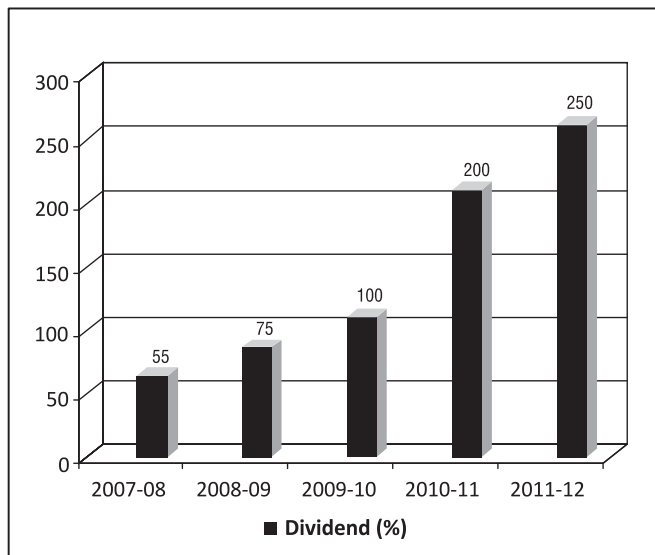
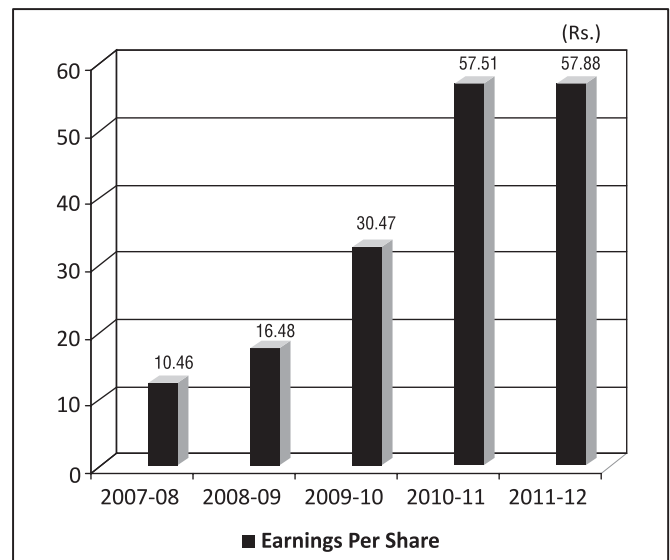
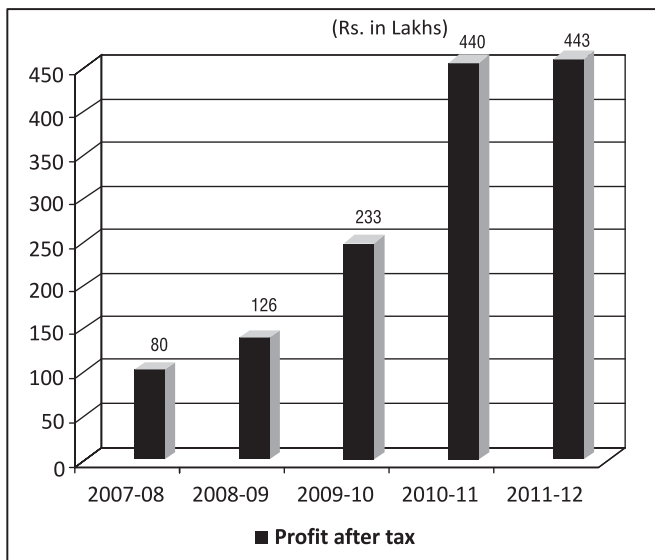
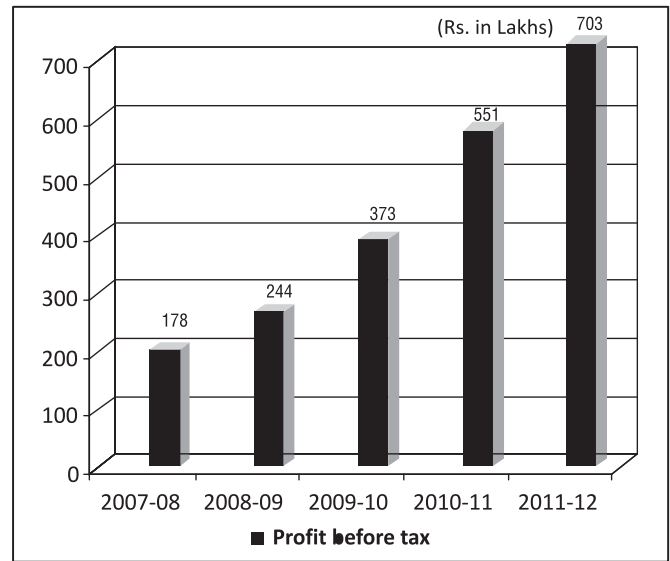
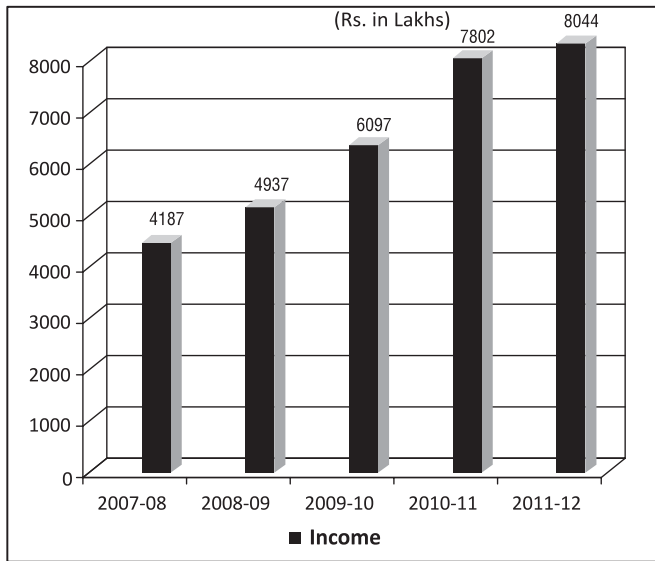
Branches

Bangalore
Baroda
Chennai
Kolkata
New Delhi
Pune
Secunderabad

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Financial Highlights



Notice

Notice is hereby given that the hundred and fifth 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 Thursday, the 14th June, 2012 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, 2012 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. Shailesh Sheth who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Pradeep Bhargava 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.

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 12th June, 2012 to 14th June, 2012 (both days inclusive).
3. (i) The Dividend, after declaration, will be paid to those shareholders whose names appear on the Register of Members on 14th June, 2012. 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 11th June, 2012.
(ii) The payment of dividend will be made through National Electronic Clearing System (NECS). Members holding shares in demat/electronic form are hereby informed that bank particulars registered with their respective depository accounts will be used by the Company for payment of dividend through NECS. The Company or its Registrars cannot act on any request received directly from the Members holding shares in demat/electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

The members holding shares in physical form and desirous of receiving dividend through NECS, are requested to provide their bank account number, name and address of the bank quoting their folio number directly to the Company's Registrar and Share Transfer Agent, namely, M/s. Computech Sharecap Limited, latest by 31st May, 2012, failing which dividend will be paid by DD / Cheque.

4. 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 (IEPF) established by the Central Government. Accordingly, the Company has transferred to IEPF all unclaimed / unpaid dividends in respect of the financial years upto 31st March, 2004. Shareholders who have not encashed their dividend warrant(s) so far, for the financial years ended 31st March, 2006, to 31st March, 2011 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 IEPF, as above, no claim shall lie in respect thereof against the Fund or the Company.
5. The Company has appointed M/s. Computech Sharecap Limited, Tampilbar Building, 147 Mahatma Gandhi Road, 3rd Floor, Opp. Jehangir Art Gallery, Fort, Mumbai 400 001 as 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).
6. 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, 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, 8th May, 2012.

Registered Office:

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

Directors' Report

The Directors present herewith their Hundred and Fourth Annual Report with the Audited Statement of Accounts for the year ended 31st March, 2012.

	Year ended 31-3-2012 Rs. Lakhs	Previous Year ended 31-3-2011 Rs. Lakhs
1. Financial Results		
Profit/(Loss) before tax	702.61	550.74
Less: Provision for Income-tax	260.00	210.00
	<u>442.61</u>	<u>340.74</u>
Excess Provisions for Income tax in respect of earlier years written back	<u>–</u>	<u>99.03</u>
Profit/(Loss) after tax	442.61	439.77
Balance brought forward from previous year	<u>621.28</u>	<u>403.23</u>
Amount available for appropriation	1,063.89	843.00
Less: Appropriations		
Proposed dividend	191.16	152.93
Tax on proposed dividend	31.01	24.81
General Reserve	45.00	43.98
Balance carried forward	<u><u>796.72</u></u>	<u><u>621.28</u></u>

2. Dividend

The Directors are pleased to recommend a dividend of Rs.25/- (250%) per share for the financial year ended 31st March, 2012.

3. Operations

Income for the year under review was Rs.8044 Lakhs as against Rs.7802 Lakhs in the previous year. The profit before tax was Rs.703 Lakhs as against Rs.551 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

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. 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;
3. 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;
4. 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. Shailesh Sheth and Mr. Pradeep Bhargava 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, 8th May, 2012.

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

Measures of energy conservation continue to be undertaken in factory and offices in areas of electricity, water and air. Close monitoring of these is done monthly. Our power factor for factory is practically 0.99 and we try to take it near to unity. In factory, maximum focus is given on use of natural light and natural ventilation. Lights and AC are switched off when not required by constant vigilance by all 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.

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.

We are able to hold the costs over the year and show marginal improvement.

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, customisation, components improvements and new technology applications were continuously carried out by Engineering Dept of Material Handling Division. This year, we have separated Product Development and R&D as separate cell from Engineering Dept. This group has worked on above areas in focused way. Most of the current products are now also available with AC Technology. Various sub-systems are being improved. New testing fixtures for products and components have been made.

2. Future Plan of Action

Three new products of Material handling division have been planned for launch. These proto-types are under development.

3. Expenditure on R&D

We have spent less than a percent of turnover in R&D. This is planned to jump in coming years.

II Technology absorption, adaptation and innovation:

1. Efforts made towards technology absorption, adaptation and innovation

Customisation continues to be focus area in terms of product and application. We are also looking at components and sub-systems in terms of modern technology. Testing fixtures are under development for finalising new components and systems.

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

We are able to reach new customers to help them with solutions. Products are also made more reliable with enhanced efforts.

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 Note No. 33 & 34 on page no. 31.

On behalf of the Board of Directors

Mumbai, 8th May, 2012.

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 2011-12	
	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	3	No

Sitting Fees to Directors :

The following directors have been paid sitting fee during the year 2011-12.

Name of the Director	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	15,000

Listing :

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

Shareholding Pattern as on 31st March, 2012.

A. Shareholding of Promoter and Promoter group	No. of Shares	%
(i) Indian	3,31,910	43.41
(ii) Foreign (NRI)	38,000	4.97
Sub-Total	3,69,910	48.38
B. Public Shareholding		
(i) Financial Institutions/Banks	595	0.08
(ii) Bodies Corporate	2,928	0.38
(iii) Individuals	3,91,217	51.16
Sub-Total	3,94,740	51.62
GRAND TOTAL	7,64,650	100.00

Shares held in physical / demat mode as on 31st March, 2012.

	Demat	Physical	Total
No. of Shares	6,10,704	1,53,946	7,64,650
%	79.87	20.13	100.00
No. of Folios	1250	350	1600

To our Shareholders

The results of the year 2011-12 are better as compared to the previous years. Profits have shown good improvement as a result of better contribution during the year. Income for the year is Rs.8044 lakhs as against Rs.7802 lakhs in the previous year. Profit before tax is Rs.703 lakhs as against Rs.551 lakhs in the previous year, showing an increase of 28%. The Board of Directors has recommended a dividend of Rs.25/- per share (250%).

In the year gone by, the general economic scenario in the country was a mixed one. GDP growth slowed down as compared to previous year. Globalisation and shift of economic activities from advanced economy to emerging economy is creating a challenging situation. Input costs have risen sharply due to inflation. Commodity prices of steel, lead and copper have also risen. Appreciating foreign currencies are creating pricing pressures.

To counter these risks and concerns and ensure growth, the manufacturing and agency business is being strengthened by adding new products and services.

In **Engineered Products Division**, last year, the noise monitoring system was added. This is a new upcoming need of the society and efforts are being made to contribute significantly in this area. In the electrical product line, the new products like Thermal Imaging Camera which helps predictive maintenance in utility like transformers were added. The Company has entered into new product lines such as Solar segment, Nano Technology and Coating systems.

The Environmental Simulation line has been strengthened by adding HALT/HASS chambers which enable to do 'accelerated testing of parts and components'. This will provide great value for customers for reliability and improvements of their products. New products for heating applications like oven / incubators / sterilisers which go in test labs were added.

It is expected that in the coming years market segments like space / defence / auto / power / education / solar / test labs / engineering / R&D etc. in which company operates, will continue to do well.

The **Material Handling Division** came up with excellent performance with significant jump in revenues. Most of the current products are now upgraded to AC Technology. Fork-lift business is getting stabilised and expected to grow significantly in coming years.

Human resources and talent management are going to be key areas in future. Accordingly, the importance is being given on training, restructuring for leadership development, better employee engagement and competency building. Productivity improvements, cost management, volume growth, reliable products and better service will be driving factors for coming years.

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

Mumbai, 8th May, 2012.

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, 2012

We have audited the attached Balance Sheet of **JOST'S ENGINEERING COMPANY LIMITED**, as at 31st March, 2012, Statement of Profit and Loss and also the Cash Flow statement of the Company 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the applicable 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, 2012 and taken on record by the Board of Directors, we report that none of the said directors are disqualified as on 31st March, 2012 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, 2012
 - ii. In the case of the Statement of Profit and Loss, 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

Mumbai: 8th May, 2012.

Membership No. 10250

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. We are informed that 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. 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 neither granted nor taken any loans, secured or unsecured, to/from 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 (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. 44.*
- 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. From the current year, rules for maintaining cost records prescribed by the Central Government under Section 209 (1)(d) of the Companies Act, 1956, have become applicable for the products manufactured by the company. The company is in the process of compiling the cost records.
- ix. a. The Company is generally regular in depositing undisputed statutory dues, including 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 is the outstanding statutory due as at the last day of the financial year which was outstanding for a period of more than six months from the date it has become payable.

Particulars	Amount (Rs. in Lakhs)
Service Tax	15.36

- b. According to the records of the Company as at 31st March 2012, 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 Act, 1956</i>	<i>Works Contract Tax</i>	19.78	<i>Assistant Commissioner of Sales Tax (Appeals) Kanchipuram</i>
<i>The Tamil Nadu General Sales Tax, 1959.</i>	<i>Sales Tax</i>	120.73	<i>Deputy Commissioner (CT) Sales Tax Appellate Tribunal, Chennai.</i>
<i>The Central Sales Tax Act, 1956 & Bombay Sales Tax Act, 1956</i>	<i>Sales Tax 2005-06</i>	0.33	<i>Deputy Commissioner of Sales Tax, Mazgaon, Mumbai.</i>
<i>The Central Sales Tax Act, 1956</i>	<i>Sales Tax Asst. Year 2002-03</i>	155.96	<i>Jt. Commissioner of Sales Tax (Appeals)</i>
<i>The Central Sales Tax Act, 1956</i>	<i>Sales Tax Asst. Year 2003-04</i>	138.66	<i>Jt. Commissioner of Sales Tax (Appeals)</i>
<i>The Bombay Sales Tax Act, 1956</i>	<i>Sales Tax Asst. Year 2003-04</i>	211.78	<i>Jt. Commissioner of Sales Tax (Appeals)</i>
<i>Central Excise Act</i>	<i>Service Tax</i>	5.52	<i>Deputy Commissioner & Asst. Commissioner of Central Excise</i>
<i>Central Excise Act</i>	<i>Central Excise</i>	345.28	<i>Commissioner & Asst. Comm. of Central Excise</i>

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

- x. The Company has no accumulated losses as at 31st March, 2012 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.
- xvi. No term loans have been taken by the company. Therefore, the provisions of clause 4(xvi) of the Order are not applicable.
- 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 utilised 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
Firm Registration No. 110417W

C. A. N. D. Anklesaria
Partner

Mumbai: 8th May, 2012.

Membership No. 10250

Balance Sheet as at 31st March, 2012

Particulars	Note No.	As at 31.03.2012 Rs. Lakhs	As at 31.03.2011 Rs. Lakhs
I. EQUITY AND LIABILITIES			
1) Shareholders' funds:			
(a) Share Capital	2	76.46	76.46
(b) Reserves and Surplus	3	1,089.52	869.08
2) Non-current liabilities:			
(a) Long-term borrowings	4	20.54	0.39
(b) Other Long term liabilities	5	23.86	25.90
(c) Long-term provisions	6	267.46	245.15
3) Current liabilities:			
(a) Trade payables	37	1,655.55	1,489.27
(b) Other current liabilities	7	480.36	377.61
(c) Short-term provisions	8	506.22	374.15
Total		<u>4119.97</u>	<u>3458.00</u>
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	9	234.21	159.98
(ii) Intangible assets		12.83	17.00
(iii) Capital work-in-progress		13.97	—
		<u>261.01</u>	<u>176.98</u>
(b) Non-current investments	10	1.00	1.00
(c) Long-term loans and advances	11	9.25	8.20
2 Current assets			
(a) Current investments	12	2.45	1.16
(b) Inventories	13	612.21	594.44
(c) Trade receivables	14	2,525.97	2,004.97
(d) Cash and Bank Balances	15	280.66	346.32
(e) Short-term loans and advances	16	423.09	322.43
(f) Other current assets	17	4.33	2.50
Total		<u>4,119.97</u>	<u>3,458.00</u>

Summary of Significant Accounting Policies

1

Notes referred to above form an integral part of the Balance Sheet and should be read in conjunction therewith

As per our report of even date attached

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

Chartered Accountants

Firm Registration No.110417W

C. A. N. D. ANKLESARIA

Partner

Mumbai, 8th May, 2012

For and on behalf of the Board

B. H. Reporter

Chairman

F. K. Banatwalla

Director

C. B. Sagvekar

Vice President and
Company Secretary

Mumbai, 8th May, 2012

Profit and Loss Statement for the year ended 31st March, 2012

Particulars	Note No.	Year ended 31.03.2012 Rs. Lakhs	Year ended 31.03.2011 Rs. Lakhs
I. Revenue from operations	18	8,033.77	7,790.51
II. Other income	19	10.52	11.08
III. Total Revenue (I + II)		8,044.29	7,801.58
IV. Expenses:			
Cost of Materials Consumed	29	2,529.96	1,832.35
Purchases of Traded Goods	31	2,417.83	3,195.96
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	20	(40.42)	7.84
Employee benefits expenses	21	1,254.95	1,130.24
Other expenses	22	1,105.35	1,017.22
Finance costs	23	18.14	14.09
Depreciation and amortization expense		55.87	53.14
Total expenses		7,341.68	7,250.84
V. Profit before exceptional and extraordinary items and tax (III-IV)		702.61	550.74
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V-VI)		702.61	550.74
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		702.61	550.74
X. Tax expense:			
(1) Current tax		260.00	210.00
(2) Deferred tax		-	-
(3) Short / (excess) provision for previous years		-	(99.03)
XI. Profit for the year (IX-X)		442.61	439.77
XII. Earnings per equity share: (in Rs.)			
(1) Basic	40	57.88	57.51
(2) Diluted		57.88	57.51

Summary of Significant Accounting Policies 1

Notes referred to above form an integral part of the Profit and Loss Statement and should be read in conjunction therewith

As per our report of even date attached

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

Chartered Accountants

Firm Registration No.110417W

C. A. N. D. ANKLESARIA

Partner

Mumbai, 8th May, 2012

For and on behalf of the Board

B. H. Reporter

Chairman

F. K. Banatwalla

Director

C. B. Sagvekar

Vice President and
Company Secretary

Mumbai, 8th May, 2012



Cash Flow Statement for the year ended 31st March, 2012

	31st March, 2012 Rs. Lakhs	31st March, 2011 Rs. Lakhs
A) CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	702.61	550.73
ADJUSTMENTS FOR:		
DEPRECIATION	55.87	53.14
AMORTIZATION OF DEF REV EXP	-	-
DIVIDEND INCOME	(1.43)	(3.19)
PROVISION FOR LEAVE ENCASHMENT	-	-
INTEREST EXPENSES	18.14	14.11
INTEREST INCOMES	(9.09)	(7.12)
(PROFIT)/LOSS ON SALE OF INVESTMENT	-	-
(PROFIT)/LOSS ON SALE OF ASSETS	0.28	(0.76)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	766.38	606.91
ADJUSTMENTS FOR:		
TRADE AND OTHER RECEIVABLES	(624.53)	(478.61)
OTHER RECEIVABLES	-	-
INVENTORIES	(17.77)	(24.82)
TRADE PAYABLES	290.95	283.06
OTHER PAYABLES	-	-
CASH GENERATED FROM OPERATIONS	415.03	386.54
DIRECT TAXES (FBT, Adv Tax & Tax Provisions)	(174.02)	(200.31)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	241.01	186.23
EXTRAORDINARY ITEMS	-	-
NET CASH FROM OPERATING ACTIVITIES	A 241.01	186.23
B) CASH FLOW FROM INVESTING ACTIVITIES:		
PURCHASE OF INVESTMENTS	(1.29)	(73.16)
PURCHASE/ADDITIONS TO FIXED ASSETS	(147.29)	3.42
SALE OF FIXED ASSETS	7.11	129.55
SALE OF INVESTMENTS	-	-
INTEREST RECEIVED	9.09	7.12
DIVIDEND RECEIVED	1.43	3.19
NET CASH USED IN INVESTING ACTIVITIES	B (130.95)	70.12
C) CASH FLOW FROM FINANCING ACTIVITIES:		
PROCEEDS FROM (REPAYMENT OF) BORROWINGS	20.15	(8.16)
DIVIDENDS PAID - ON EQUITY SHARES INCLUDING TAX	(177.73)	(89.46)
DIVIDENDS PAID - PREFERENCE SHARES INCLUDING TAX	-	-
INTEREST PAID	(18.14)	(14.11)
NET CASH USED IN FINANCING ACTIVITIES	C (175.72)	(111.73)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	A+B+C (65.66)	144.62
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	346.32	201.70
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	280.66	346.32

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

As per our report of even date attached

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

Chartered Accountants

Firm Registration No.110417W

C. A. N. D. ANKLESARIA

Partner

Mumbai, 8th May, 2012

For and on behalf of the Board

B. H. Reporter

Chairman

F. K. Banatwalla

Director

C. B. Sagvekar

Vice President and
Company Secretary

Mumbai, 8th May, 2012

Notes to the Financial Statements for the year ended 31st March, 2012

Note 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/Amortisation:

(1) All fixed assets are at cost of acquisition less depreciation/amortisation.

(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 recognised as an impairment loss in the statement of profit and loss.

Notes to the Financial Statements for the year ended 31st March, 2012

Note 1. Significant Accounting Policies: (contd.)

(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.

(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 Statement of Profit and Loss, 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 38.

(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.

Notes to the Financial Statements for the year ended 31st March, 2012

Note 2: Share Capital

Paid up share capital

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number	Rs. Lakhs	Number	Rs. Lakhs
Authorised				
Equity Shares of Rs. 10/- each	1,000,000	100.00	1,000,000	100.00
Issued				
Equity Shares of Rs. 10/- each	764,650	76.47	764,650	76.47
Subscribed & Fully Paid up				
Equity Shares of Rs. 10/- each	764,590	76.46	764,590	76.46
Subscribed but not fully Paid up				
Equity Shares of Rs. 10/- each	60	0.01	60	0.01

a. Reconciliation of shares outstanding at the beginning and end of the year

Particulars	Equity Shares	
	Number	Rs. Lakhs
Shares outstanding at the beginning of the year	764,650	76.46
Shares Issued during the year	–	–
Shares bought back during the year	–	–
Shares outstanding at the end of the year	764,650	76.46

b. The Equity Shares of the Company have voting rights and are subject to the restrictions as prescribed under the Companies Act, 1956.

c. The Company has no holding Company or subsidiaries or associates.

d. List of shareholders holding more than 5% shares

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Burjor H. Reporter	74,420	9.73	76,420	9.99
Mrs. Aloo B. Reporter	73,450	9.61	73,450	9.61
Mrs. Parviz J. Batliwala	41,000	5.36	39,000	5.10
Bullows India Private Limited	71,040	9.29	71,040	9.29
Phiroze Sethna Private Limited	76,000	9.94	76,000	9.94

e. During the last 5 years, the Company has neither issued any bonus shares nor allotted any shares pursuant to a contract without payment being received in Cash.

No shares have been bought back during the last 5 years

f. Unpaid calls

As per records of the Company, no calls remain unpaid by the directors and officers of the Company as on 31st March, 2012.

g. As per records of the Company, no shares have been forfeited by the Company during the year.

Notes to the Financial Statements for the year ended 31st March, 2012

Note 3: Reserves and Surplus

Particulars	As at 31 March 2012 Rs. Lakhs	As at 31 March 2011 Rs. Lakhs
a. Securities Premium Account		
As per last Balance Sheet	115.79	115.79
b. General Reserve		
Opening Balance	132.02	88.04
(+) Current Year Transfer	45.00	43.98
(-) Written Back in Current Year	—	—
Closing Balance	<u>177.02</u>	<u>132.02</u>
c. Profit and Loss A/c		
Opening Balance	621.28	403.23
(+) Net Profit/(Net Loss) For the current year	442.61	439.76
(+) Transfer from Reserves	—	—
(-) Proposed Equity Dividend	191.16	152.93
(-) Distribution Tax on Proposed Equity Dividend	31.01	24.81
(-) Interim Dividends	—	—
(-) Transfer to Reserves	45.00	43.98
Closing Balance	<u>796.72</u>	<u>621.28</u>
Total	<u><u>1,089.52</u></u>	<u><u>869.08</u></u>

Note 4: Long Term Borrowings

Secured

a. Loans from banks

Secured by hypothecation of underlying assets	20.54	0.39
Total	<u>20.54</u>	<u>0.39</u>

Details of terms of Repayments

The above Loans are repayable in monthly instalments over a period of 3 years.

There has been no default in repayment of Principal and Interest on the above Loans.

Note 5: Other Long Term Liabilities

a. Dealer Deposits	23.86	25.90
Total	<u>23.86</u>	<u>25.90</u>

Notes to the Financial Statements for the year ended 31st March, 2012

Note 6: Long Term Provisions

Particulars	As at 31 March 2012 Rs. Lakhs	As at 31 March 2011 Rs. Lakhs
Provision for employee benefits		
Gratuity	185.22	169.06
Leave Encashment	82.24	76.09
Total	267.46	245.15

Note 7: Other Current Liabilities

(a) Current Maturities of Long Term Debt	15.27	2.16
(b) Income received in advance	17.18	10.06
(c) Dealer Deposits	7.41	2.41
(d) Unpaid dividends	9.88	5.87
(e) Other current liabilities	121.38	134.77
(f) Other Payables		
Central Excise, Customs Duty, VAT and Service Tax Payable	62.35	35.46
Tax Deducted at Source	9.50	10.06
Salary and Reimbursements	115.87	87.71
Provident Fund and other Employee Deductions	14.15	11.19
Advances from Customers	107.37	77.91
Total	480.36	377.61

Note 8: Short Term Provisions

Particulars	As at 31 March 2012		As at 31 March 2011	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Provisions				
Provision for tax	825.49		565.49	
Less: Advance payment of income-tax	669.89	155.61	495.86	69.64
Provision for warranty claims		13.67		10.83
Proposed Equity Dividend		191.16		152.93
Distribution Tax on Proposed Equity Dividend		31.01		24.81
Provision for employee benefits				
Superannuation		78.04		85.91
Gratuity		18.38		13.85
Leave Encashment		18.35		16.18
Total		506.22		374.15

Notes to the Financial Statements for the year ended 31st March, 2012

Note 9: Fixed Assets

Rs. Lakhs

A Gross block, accumulated depreciation and net block

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1st April 2011	Additions during the year	Deletion/ adjustments during the year	Balance as at 1st April 2011	Dep. charge for the year	Dep. due to deletion/ adjustments	Balance as at 31st March 2011	Balance as at 31st March 2012
a) Tangible Assets								
Leasehold Land	1.02	—	—	0.51	0.01	—	0.52	0.51
Buildings	42.61	—	—	39.34	0.33	—	3.28	2.95
Computers & Peripherals	270.94	24.91	12.20	241.62	18.13	10.99	29.32	34.89
Furniture and Fixtures	71.30	3.45	0.39	59.62	2.66	0.27	11.68	12.36
Office equipment	21.46	0.87	1.48	17.52	1.04	1.23	3.93	3.50
Plant & Machinery	353.87	53.23	23.89	255.07	17.87	21.94	98.80	132.21
Vehicles	46.21	46.51	21.48	33.77	7.31	17.62	12.44	47.78
Total	807.42	128.97	59.44	647.45	47.36	52.05	159.98	234.21
b) Intangible Assets								
Technical Know-How	102.01	—	—	102.01	—	—	0.00	0.00
Trademarks	0.02	—	—	0.01	—	—	0.00	0.00
Computer Software	108.05	4.35	—	91.06	8.52	—	17.00	12.83
Total	210.08	4.35	—	193.08	8.52	—	17.00	12.83
Total	1,017.50	133.33	59.44	840.52	55.87	52.05	176.98	247.04
Previous Year (Rs. Lakhs) As on 31.03.2011	956.23	73.17	11.90	796.62	53.14	9.24		840.52

Note: 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.

Notes to the Financial Statements for the year ended 31st March, 2012

Note 10: Non Current Investments

Particulars	Nominal Value Rs.	Number of Shares	As at 31 March 2012 Rs. Lakhs	As at 31 March 2011 Rs. Lakhs
A Trade Investments (At Cost)				
a. Investment in Equity instruments (Unquoted) (Fully Paid up)				
The Zoroastrian Co-operative Bank Ltd.	25	4,000	1.00	1.00
Total (A)			<u>1.00</u>	<u>1.00</u>
Total			<u><u>1.00</u></u>	<u><u>1.00</u></u>
a Aggregate Book Value of Investments				
Unquoted - At Cost			1.00	1.00
b There is no diminution in the value of the Investment.				

Note 11: Long Term Loans and Advances

a. Security Deposits

Unsecured, considered good		9.25	8.20
		<u>9.25</u>	<u>8.20</u>

Note 12: Current Investments (At cost)

Particulars	NAV as on 31st March 2012 Rs. Lakhs	Number	As at 31 March 2012 Rs. Lakhs	As at 31 March 2011 Rs. Lakhs
A. Investments in Mutual Funds				
Reliance Money Manager Fund	0.01	244.19	2.45	1.16
Total			<u>2.45</u>	<u>1.16</u>
a Aggregate Book Value of Investments				
Quoted - At Cost			2.45	1.16

Footnote:

Market Value of Quoted Investments - Rs. 2.45 Lakhs (Previous Year - Rs. 1.16 Lakhs)

Notes to the Financial Statements for the year ended 31st March, 2012

Note 13: Inventories (Valued at lower of cost or net realisable value)

Particulars	As at 31 March 2012 Rs. Lakhs	As at 31 March 2011 Rs. Lakhs
a. Raw Materials and components	256.60	279.36
b. Work-in-progress	25.16	29.94
c. Finished goods	17.91	33.34
d. Stock-in-trade	310.97	250.35
e. Stores and spares	1.57	1.46
Total	612.21	594.44

Note 14: Trade Receivables

Trade receivables outstanding for a period less than six months from the date they are due for payment

Unsecured, considered good	1,694.96	1,807.42
	<u>1,694.96</u>	<u>1,807.42</u>

Trade receivables outstanding for a period exceeding six months from the date they are due for payment

Unsecured, considered good	831.01	197.55
Unsecured, considered doubtful	65.72	16.10
	<u>896.72</u>	<u>213.65</u>
Less: Provision for doubtful debts	65.72	16.10
	<u>831.01</u>	<u>197.55</u>
Total	2,525.97	2,004.97

Note 15: Cash and Bank Balances

Cash and cash equivalents

a. Cash on Hand	1.66	1.20
b. Balances with Banks on Current Accounts (with Scheduled Banks)	160.74	240.84
	<u>162.40</u>	<u>242.04</u>

Other Bank Balances

a. Balances held for unpaid dividends	9.86	5.85
b. Bank Deposits as Margin money	7.44	15.16
c. Fixed Deposits with Banks	100.96	83.28
	<u>118.25</u>	<u>104.28</u>
Total	280.66	346.32

Notes to the Financial Statements for the year ended 31st March, 2012

Note 16: Short term loans and advances

Particulars	As at 31 March 2012		As at 31 March 2011	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Advances Recoverable in Cash or in Kind				
Unsecured, considered good	417.71		312.64	
Unsecured, considered doubtful	<u>11.65</u>	429.36	<u>9.96</u>	322.60
Less : Provision for doubtful advances		<u>11.65</u>		<u>9.96</u>
		417.71		312.64
Balances with government authorities		<u>5.38</u>		<u>9.79</u>
Total		<u><u>423.09</u></u>		<u><u>322.43</u></u>

Note 17: Other Current Assets

Interest Accured on Bank Deposits		<u>4.33</u>		<u>2.50</u>
		<u><u>4.33</u></u>		<u><u>2.50</u></u>

Notes to the Financial Statements for the year ended 31st March, 2012

Note 18: Revenue from operations

Particulars	For the year ended 31 March 2012 Rs. Lakhs	For the year ended 31 March 2011 Rs. Lakhs
Sale of manufactured goods	4,109.30	2,998.62
Less: Excise duty	323.27	204.56
Sale of manufactured goods (net of excise)	<u>3,786.03</u>	<u>2,794.06</u>
Sale of traded goods	3,083.21	4,148.43
Other Operating Revenues		
Commission Income	753.08	535.53
Sale of services	389.58	293.98
Scrap & sundry sales	6.90	6.92
Other operating income	14.96	11.60
Total	<u><u>8,033.77</u></u>	<u><u>7,790.51</u></u>

Note 19: Other Income

Interest Income	9.09	7.13
Dividend Income	1.43	3.19
Net gain/loss on sale of fixed assets (NET)	-	0.76
Total	<u><u>10.52</u></u>	<u><u>11.08</u></u>

Note 20: Changes in Inventories

Changes in Inventories of Finished Goods,
Work-in-Progress and Stock in Trade

Opening Stocks :

Finished Goods - Manufactured	33.33	16.12
Finished Goods - Traded	250.35	256.69
Work-in-Progress	29.94	48.65
	<u>313.62</u>	<u>321.45</u>

Less: Closing Stocks :

Finished Goods - Manufactured	17.91	33.34
Finished Goods - Traded	310.97	250.35
Work-in-Progress	25.16	29.94
	<u>354.04</u>	<u>313.62</u>
	<u><u>(40.42)*</u></u>	<u><u>7.84</u></u>

* Includes increase in Excise Duty on Closing Stock of Finished Goods Rs. 0.35 Lakhs
(Previous year decrease of Rs. 0.27 Lakhs)

Notes to the Financial Statements for the year ended 31st March, 2012

Note 21: Employee Benefit Expenses

Particulars	For the year ended 31 March 2012 Rs. Lakhs	For the year ended 31 March 2011 Rs. Lakhs
Salaries and incentives	1,120.15	989.68
Contributions to provident and other funds	100.19	109.41
Staff welfare Expenses	34.61	31.15
Total	1,254.95	1,130.24

Note 22: Other Expenses

a Sub contract and labour charges	86.00	38.08
b Stores and spare parts consumed (indigenous)	11.33	9.80
c Fuel and power	29.00	29.98
d Repairs to buildings	1.80	3.54
e Repairs to machinery	8.46	2.62
f Rent	85.15	69.25
g Rates and taxes	11.71	16.96
h Insurances	13.68	8.46
i Travelling expenses	153.11	131.93
j Postage, telephone and internet	42.59	47.13
k Printing and stationery	14.40	13.47
l Legal and professional charges	110.07	97.84
m Conveyance expenses	76.87	67.75
n Provision for doubtful debts	73.00	18.45
o Provision for doubtful advances & Deposits	5.50	3.31
p Bad debts written off	10.97	-
q Freight on sales	93.71	92.87
r Commission expense	40.19	74.50
s Motor vehicle expense	11.66	10.38
t Commission to directors	16.50	13.25
u Net gain/loss on sale of fixed assets (NET)	0.28	-
v Directors' fees	1.10	1.15
w Net gain/loss on foreign currency transactions and translation (NET)	2.27	8.71
x Miscellaneous expenses	206.00	257.77
Total	1,105.35	1,017.22

Note 23: Finance Costs

Interest expense	18.14	14.09
Total	18.14	14.09

Notes to the Financial Statements for the year ended 31st March, 2012

24. Capital Commitments:

Estimated amount of contracts to be executed on capital account and not provided for as at 31st March 2012 – Rs. Nil. (31.03.11 Rs. Nil).

		As At 31.03.2012 Rs. Lakhs	As At 31.03.2011 Rs. Lakhs
25. Contingent Liabilities not provided for:			
i) Disputed Sales Tax matters		647.24	647.24
ii) Disputed Service Tax matters		5.52	5.52
iii) Bank Guarantees for performance contracts		387.28	264.84
iv) Other disputed matters		8.50	8.50
v) Central excise matters		345.28	170.98
	Qty. Nos.	March, 2012 Rs. Lakhs	Qty. Nos.
			March, 2011 Rs. Lakhs
26. Sales:			
Material Handling Equipment	1611	3269.63	546
Other Equipment	1366	2308.77	1558
Components, accessories, spares, etc. (Including traded goods)		1290.84	2318.41
		6869.24	6942.49
27. Opening Stock of Finished Goods:			
Material Handling Equipment	4	11.67	5
Other Equipment	208	97.10	174
Components, accessories, spares, etc. (Including traded goods)		174.91	145.08
		283.68	272.80
28. Closing Stock of Finished Goods:			
Material Handling Equipment	4	17.91	4
Other Equipment	222	128.46	208
Components, accessories, spares, etc. (Including traded goods)		182.50	174.91
		328.87	283.68
29. Cost of Materials consumed:			
Steel	141 tons	60.30	140 tons
Batteries	810 Nos.	328.97	595 Nos.
Others		2140.69	1505.19
Value of raw materials and components consumed		2529.96	1832.35

Notes to the Financial Statements for the year ended 31st March, 2012

	Qty. Nos.	March, 2012 Rs. Lakhs	Qty. Nos.	March, 2011 Rs. Lakhs
30. Value of imported raw materials and components consumed	6.47%	163.74	15.59%	285.70
Value of indigenous raw materials and components consumed	93.53%	2366.22	84.41%	1546.65
	<u>100.00%</u>	<u>2529.96</u>	<u>100.00%</u>	<u>1832.35</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.

31. Purchase of Traded goods:				
Other Equipment	1380	1530.93	1592	2106.36
Components, accessories, spares, etc.		886.90		1089.60
		<u>2417.83</u>		<u>3195.96</u>
32. C.I.F. value of imports in respect of:				
(i) Components		131.68		211.63
(ii) Traded Goods		701.31		1148.20
33. Expenditure in Foreign Currency:				
(i) Travelling		12.73		5.72
(ii) Exhibition		4.98		Nil
34. Earnings in Foreign Exchange:				
(i) Commission		648.64		535.53
(ii) Export of goods (F.O.B. value)		Nil		23.75
35. Details of Auditors' Remuneration: (Excluding Service Tax)				
(a) Audit fees		8.00		8.00
(b) Report under Section 44AB of Income-tax Act, 1961		3.00		3.00
(c) Other services		4.85		4.75
(d) Reimbursement of out-of-pocket expenses		0.30		0.26

36. 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
Bullows Paint Equipment Private Limited
Phiroze Sethna Pvt. Ltd.
Gramos Chemicals (India) Pvt. Ltd.

} Associate Companies

B. H. Reporter, Chairman
F. K. Banatwalla
Shailesh Sheth
Marco Wadia
Pradeep Bhargava

} Board of Directors, being Key Management Personnel

Notes to the Financial Statements for the year ended 31st March, 2012

36. (b) Nature of transactions:	March, 2012	March, 2011
Associate Companies:	Rs. Lakhs	Rs. Lakhs
Funds Received		
Bullows India Private Limited	Nil	50.00
Funds Paid		
Bullows India Private Limited	Nil	50.00
Purchase of Machinery / Goods		
Bullows Paint Equipment Private Limited	8.39	0.05
Sale of Goods		
Bullows Paint Equipment Private Limited	5.80	8.07
Phiroze Sethna Private Limited	0.33	1.02
Services Rendered		
Bullows Paint Equipment Private Limited	Nil	1.49
Phiroze Sethna Private Limited	1.11	3.31
Amount Received Against Expenses		
Bullows Paint Equipment Private Limited	2.46	1.02
Phiroze Sethna Private Limited	3.06	3.40
Amount Paid Against Expenses		
Gramos Chemicals (India) Pvt. Ltd.	11.47	Nil
Phiroze Sethna Private Limited	1.82	Nil
Receivable As At The End of The Year		
Bullows Paint Equipment Private Limited	Nil	18.91
Phiroze Sethna Private Limited	Nil	0.30
Interest paid during the year		
Bullows India Private Limited	Nil	1.67
Payable As At The End of the year		
Bullows Paint Equipment Private Limited	2.97	Nil

Notes to the Financial Statements for the year ended 31st March, 2012

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

Key Management Personnel; Names of the Directors	March, 2012 Rs. Lakhs		March, 2011 Rs. Lakhs	
	Commission Paid	Sitting fees paid	Commission Paid	Sitting fees paid
B. H. Reporter	8.25	0.25	5.40	0.25
H. N. Sethna	0.00	0.00	0.80	–
Shailesh Sheth	1.25	0.20	0.80	0.20
Marco Wadia	1.25	0.25	0.80	0.25
F. K. Banatwalla	1.25	0.25	0.80	0.25
Pradeep Bhargava	1.25	0.15	0.40	0.20

37. 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.

38. Deferred Tax :

Nature of timing difference	Deferred tax (Liability)/Asset As At 31st March, 2011 Rs. Lakhs	Credit/(charge) for the year Rs. Lakhs	Deferred tax (Liability)/Asset As At 31st March, 2012 Rs. Lakhs
Deferred Tax Assets (DTA)			
(a) Provision for doubtful debts	8.86	16.64	25.50
(b) Disallowances U/S 43B	130.20	6.45	136.65
Sub-total	<u>139.06</u>	<u>23.09</u>	<u>162.15</u>
Deferred Tax Liabilities (DTL)			
(a) On Depreciation	(4.30)	0.32	(3.98)
Sub-total	<u>(4.30)</u>	<u>0.32</u>	<u>(3.98)</u>
As a measure of prudence DTA has been restricted to the extent of DTL.	4.30	(0.32)	3.98
Net Amount	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>

Notes to the Financial Statements for the year ended 31st March, 2012

39. Segment Information

(i) Primary Segments - Business Segment	Material Handling	Engineered Products	31.03.2012 Rs. Lakhs Total
A REVENUE:			
Segment revenue			
Sales to external customers	4654.87 [3622.10]	2214.37 [3320.05]	6869.24 [6942.15]
Commission income	305.68 [170.04]	447.40 [365.49]	753.08 [535.53]
Other income	229.48 [161.09]	182.07 [152.57]	411.55 [313.66]
	<u>5190.03</u> [3953.23]	<u>2843.84</u> [3838.11]	<u>8033.87</u> [7791.34]
Income from Interest / Dividend	–	–	8.84 [10.31]
Unallocated income	–	–	1.58 [-0.07]
Total			<u>8044.29</u> <u>[7801.58]</u>
B RESULTS:			
Segment results/operating (loss)/profit	825.32 [512.24]	249.49 [403.36]	1074.81 [915.60]
Unallocated income (Including income from Interest/Dividend)			10.41 [6.72]
Unallocated expenses			364.48 [357.48]
Interest Expenses			18.13 [14.11]
(Loss)/profit before tax			702.61 [550.73]
Provision for taxation - current tax			260.00 [210.00]
Excess Provisions for Income Tax in respect of earlier years			0.00 [-99.03]
Profit after tax			<u>442.61</u> <u>[439.76]</u>

Notes to the Financial Statements for the year ended 31st March, 2012

39. Segment Information (contd.)

			31.03.2012
(i) Primary Segments - Business Segment (contd.)	Material Handling	Engineered Products	Rs. Lakhs Total
C OTHER INFORMATION:			
a) Segment assets	2326.39 [1486.98]	1447.24 [1507.74]	3773.63 [2994.72]
b) Unallocated assets			346.34 [518.37]
Total assets			4119.97 [3513.09]
c) Segment liabilities	1626.53 [2063.73]	1031.54 [2279.67]	2658.07 [4343.40]
d) Unallocated liabilities (Including share capital and reserves)			295.91 [-830.31]
Total liabilities			2953.98 [3513.09]
e) Cost incurred during the financial year to acquire segment fixed assets	77.04 [26.30]	51.36 [44.75]	128.40 [71.05]
f) Cost incurred during the financial year to acquire segment fixed assets (Unallocated)			4.92 [2.12]
g) Depreciation	20.37 [16.11]	23.69 [22.77]	44.06 [38.88]
h) Depreciation (Unallocated)			11.81 [14.26]
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.

40. Earning per Share

	Year ended March '2012	Year ended March '2011
i. Profit after tax (Rs. in Lakhs)	442.61	439.77
ii. Weighted average number of Equity shares (Nos.)	764650	764650
iii. Earning per share (Rs.) (Basic and Diluted)	57.88	57.51
iv. Face value per share (Rs.)	10	10

Notes to the Financial Statements for the year ended 31st March, 2012

41. Disclosure in respect of provision for Warranty Claims:

Particulars	2011-12 Rs. Lakhs	2010-11 Rs. Lakhs
Opening provision	10.83	13.20
Provision reversed during the year on account of expiry of warranty period	–	(13.20)
Fresh provision made for current year	2.83	10.83
Closing Provision	13.66	10.83

42. During the year the Company has provided Rs. 36.86 Lakhs (Previous Year Rs. 40.03 Lakhs) on account of Gratuity and Rs. 13.59 Lakhs (Previous Year Rs. 21.36 Lakhs) on account of Superannuation payable to its employees. The amounts due as on 31st March 2012 to the Gratuity Fund and Superannuation Fund are Rs. 203.60 Lakhs (Previous Year Rs. 183.34 Lakhs) and Rs. 78.04 Lakhs (Previous Year Rs. 85.91 Lakhs) respectively.

43. 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, 2012 and relied upon by the auditors.

I. Components of Employer Expenses:

	Particulars	31.03.2012 Rs. Lakhs	31.03.2011 Rs. Lakhs
(a)	Current Service Cost	11.68	11.69
(b)	Interest Cost	18.05	16.92
(c)	Expected Return on Plan Assets	3.52	3.31
(d)	Curtailment Cost/Credit	–	–
(e)	Past service Cost	–	–
(f)	Settlement Cost	–	–
(g)	Actuarial Losses/(Gains)	12.86	(11.09)
(h)	Total Expense recognised in Statement of Profit and Loss under payments to and Provisions for Employees	39.07	14.20

II. Net Liability/(Asset) recognised in Balance Sheet as at 31st March, 2012

	Particulars	31.03.2012 Rs. Lakhs	31.03.2011 Rs. Lakhs
(a)	Present Value of obligation as at 31st March, 2012	258.20	225.66
(b)	Fair Value of Plan Assets as at 31st March, 2012	(44.35)	(38.88)
(c)	Liability/(Asset) recognised in the Balance Sheet	213.85	186.78

Notes to the Financial Statements for the year ended 31st March, 2012

43. Employee Benefits (contd.)

DEFINED BENEFIT PLANS (contd.)

III. Change in Defined Benefit Obligation (DBO) during the year ended 31st March, 2012

	Particulars	31.03.2012 Rs. Lakhs	31.03.2011 Rs. Lakhs
(a)	Present Value of Obligation as at 31st March, 2011	225.66	211.45
(b)	Current Service Cost	11.68	11.69
(c)	Interest Cost	18.05	16.92
(d)	Curtailment Cost / Credit	-	-
(e)	Settlement Cost / Credit	-	-
(f)	Plan Amendments	-	-
(g)	Acquisitions	-	-
(h)	Actuarial Loss/(Gain)	(12.86)	(11.09)
(i)	Benefit Paid	10.05	3.30
(j)	Present value of obligation as at 31st March, 2012	258.20	225.66

IV. Change in the fair value of Plan Assets

	Particulars	31.03.2012 Rs. Lakhs	31.03.2011 Rs. Lakhs
(a)	Present value of Plan Assets as at 31st March, 2011	38.88	36.28
(b)	Acquisition Adjustment	-	-
(c)	Expected Returns on Plan Assets	3.52	3.31
(d)	Actuarial Gain/(Loss)	-	-
(e)	Actual Company contribution	12.00	2.59
(f)	Benefits Paid	(10.05)	3.30
(g)	Fair Value of Plan Assets as at 31st March, 2012	44.35	38.88

V. Actuarial assumptions:

	Particulars	31.03.2012	31.03.2011
(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.

Notes to the Financial Statements for the year ended 31st March, 2012

B. LEAVE ENCASHMENT

Payments to and Provisions for Employees includes Rs. 12.18 Lakhs (Previous Year Rs.13.73 Lakhs) 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 Statement of Profit and Loss for Defined Contribution Plans:

Particulars	31.03.2012 Rs. Lakhs	31.03.2011 Rs. Lakhs
Provident Fund (State Plan)	44.85	41.57
Employees State Insurance (State Plan)	4.65	5.10
Superannuation Fund	13.59	21.36

44. 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.

45. The figures for the previous year have been regrouped/restated wherever necessary to conform to the classification of the current year.

Signatures to Notes 1 to 45

As per our Report of even date attached

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

Chartered Accountants

Firm Registration No.110417W

C. A. N. D. ANKLESARIA

Partner

Mumbai, 8th May, 2012

For and on behalf of the Board

B. H. Reporter Chairman

F. K. Banatwalla Director

C. B. Sagvekar Vice President and
Company Secretary

Mumbai, 8th May, 2012



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 fifth Annual General Meeting of the Company at Great Social Building, 60, Sir Phirozeshah Mehta Road, Mumbai - 400 001 on Thursday, 14th June, 2012 at 4.30 p.m.

Name of the Member
Folio / Client ID No.

Name of the Proxy / Representative (in Block Letters)
(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

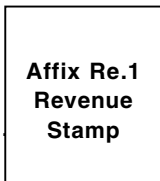
Folio No./Client ID:

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 of in the district of
..... as my/our proxy to attend and vote for me/us on my/our behalf at the
105th Annual General Meeting of the Company to be held at Great Social Building, 60, Sir Phirozeshah Mehta Road, Mumbai - 400 001 on Thursday, 14th June, 2012 and at any adjournment thereof.

Signed this day of 2012.

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.

