



Jost's Engineering Company Limited

Annual Report 2012-13

Board of Directors

B. H. Reporter, Chairman
Shailesh Sheth
Marco Wadia
F. K. Banatwalla
Pradeep Bhargava
Mrs. Parviz Batliwala (appointed w.e.f. 6th May, 2013)

Vice President and 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
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 : Friday, the 14th June, 2013
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

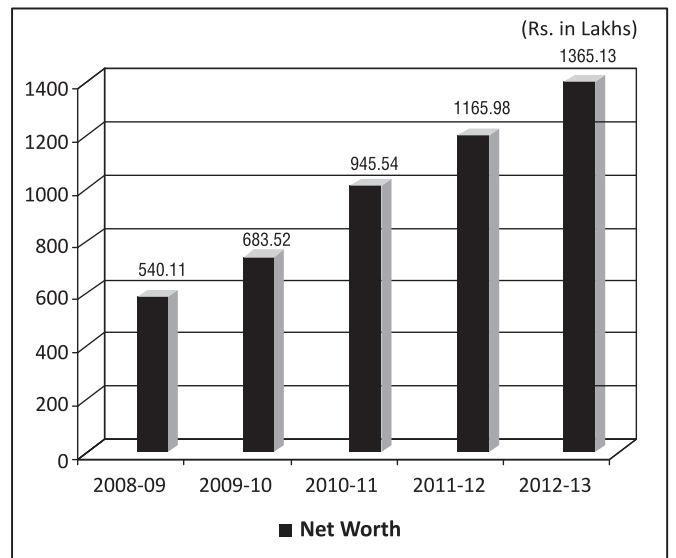
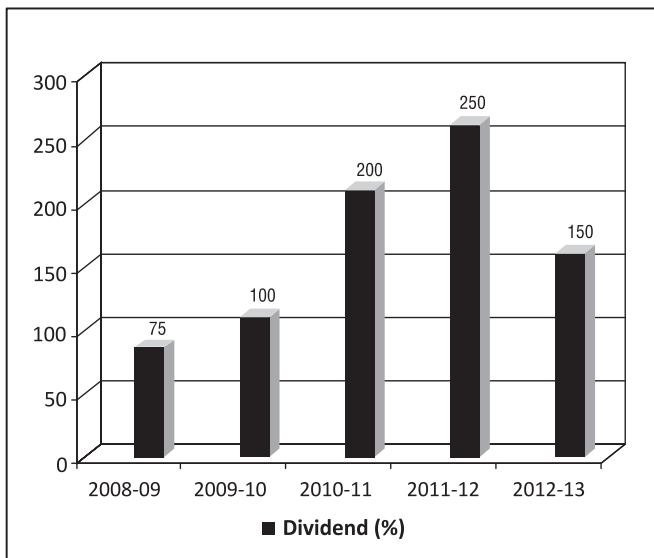
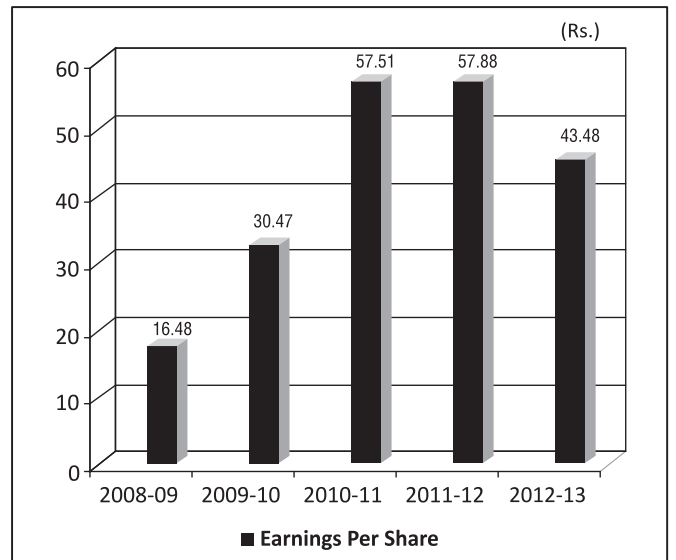
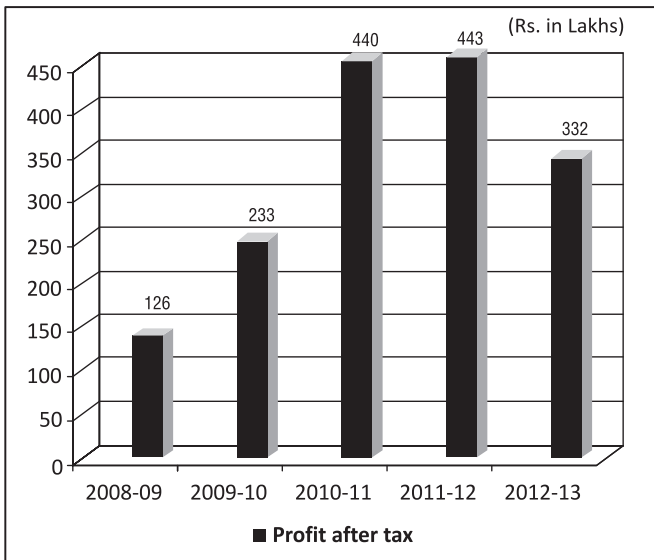
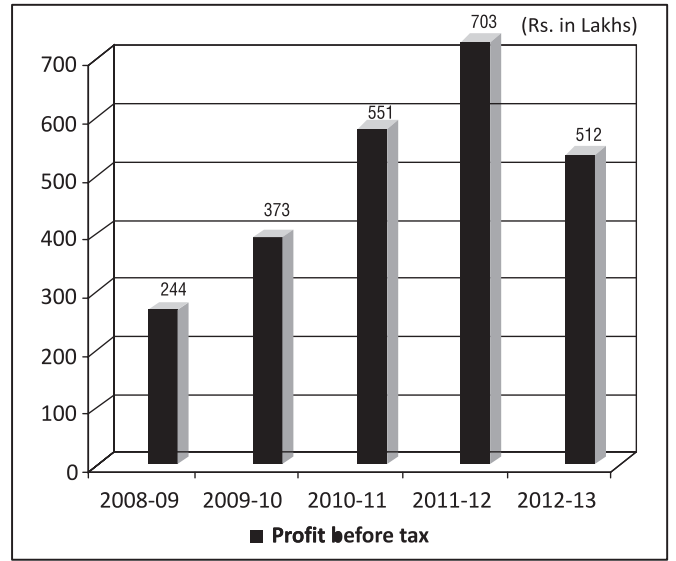
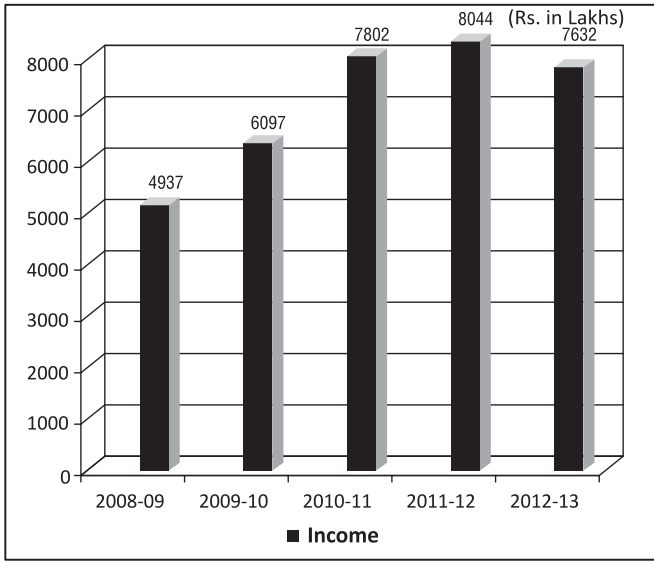
Branches

Bangalore
Baroda
Chennai
Kolkata
New Delhi
Pune
Secunderabad

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Financial Highlights



Notice

Notice is hereby given that the hundred and sixth 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 Friday, the 14th June, 2013 at 4.30 p.m. to transact the following business :

1. To receive and adopt the Profit and Loss Statement for the year ended 31st March, 2013 and the Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. B. H. Reporter, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Marco Wadia, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED that Mrs. Parviz Batliwala, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 109 of the Articles of Association of the Company with effect from 6th May, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956, proposing her candidature for the office of a Director, be and is hereby appointed a Director of the Company liable to retire by rotation.”

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
The Proxies to be effective, should be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 12th June, 2013 to 14th June, 2013 (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. (i) The Dividend, after declaration, will be paid to those shareholders whose names appear on the Register of Members on 14th June, 2013. 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, 2013.
(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.

4. (ii) *Contd.*

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 7th June, 2013, failing which dividend will be paid by DD / Cheque.

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 (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, 2005. Shareholders who have not encashed their dividend warrant(s) so far, for the financial years ended 31st March, 2006 to 31st March, 2012 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.
6. The Company has appointed M/s. Computech Sharecap Limited, 147 Mahatma Gandhi Road, 3rd Floor, Opp. Jehangir Art Gallery, Fort, Mumbai 400001 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).
7. The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by issuing Circular No.17/2011 dated 21-4-2011 and Circular No.18/2011 dated 29-4-2011, allowing paperless compliances by Companies through electronic mode. Accordingly, the Company had issued a Circular dated 9-2-2012 requesting the members of the Company to register / update their E-mail ID with their Depository Participant (in case of Dematerialised holding) and with the Company's Registrars and Share Transfer Agents, M/s. Computech Sharecap Limited (in case of physical holding).

The Members who have not yet registered their E-mail Id as aforesaid, are requested to please register their E-mail ID with their Depository Participant or M/s. Computech Sharecap Limited, as the case may be by submitting the consent form attached at the end of the Annual Report. The members who register their E-mail ID will be entitled to receive such communication in physical form, upon request.

8. 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, 6th May, 2013.

Registered Office:

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

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 6

The Board of Directors of the Company had appointed Mrs. Parviz Batliwala as an Additional Director of the Company with effect from 6th May, 2013. Mrs. Parviz Batliwala holds the office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and Article 109 of the Articles of Association of the Company.

The Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member signifying his intention to propose Mrs. Parviz Batliwala as a candidate for the office of a Director liable to retire by rotation.

Mrs. Parviz Batliwala holds an Art Diploma and has been a Director of M/s. Phiroze Sethna Private Limited, an Associate Company for several years. She is the relative of Mr. B. H. Reporter, the Director of the Company.

Your Board believes that Mrs. Parviz Batliwala's experience would benefit the Company and recommends the resolution for approval.

Mrs. Parviz Batliwala and Mr. B. H. Reporter may be deemed to be concerned or interested in the resolution.

By Order of the Board

C. B. Sagvekar

Vice President and Company Secretary

Mumbai, 6th May, 2013.

Directors' Report

The Directors present herewith their Hundred and Fifth Annual Report with the Audited Statement of Accounts for the year ended 31st March, 2013.

	Year ended 31-3-2013 Rs. Lakhs	Previous Year ended 31-3-2012 Rs. Lakhs
1. Financial Results		
Profit / (Loss) before tax	512.45	702.61
Less: Provision for Income-tax	180.00	260.00
Profit / (Loss) after tax	<u>332.45</u>	<u>442.61</u>
Balance brought forward from previous year	<u>796.72</u>	<u>621.28</u>
Amount available for appropriation	1129.17	1,063.89
Less: Appropriations		
Proposed dividend	114.70	191.16
Tax on proposed dividend	18.61	31.01
General Reserve	<u>33.50</u>	<u>45.00</u>
Balance carried forward	<u><u>962.36</u></u>	<u><u>796.72</u></u>

2. Dividend

The Directors are pleased to recommend a dividend of Rs.15/- (150%) per share for the financial year ended 31st March, 2013.

3. Operations

Income for the year under review was Rs.7632 Lakhs as against Rs.8044 Lakhs in the previous year. The profit before tax was Rs.512 Lakhs as against Rs.703 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 financial statements 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

Mrs. Parviz Batliwala was appointed as an Additional Director of the Company with effect from 6th May, 2013 who holds office upto the date of ensuing Annual General Meeting and being eligible offers herself for reappointment. The Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose the appointment of Mrs. Parviz Batliwala as Director of the Company.

In accordance with Article 122 of the Articles of Association of the Company, Mr. B. H. Reporter and Mr. Marco Wadia 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, 2013.

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 for electricity, water and air. Close monitoring of these is done monthly. 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, new energy efficient air-conditioners. New effluent treatment system for factory paint shop is already in place.

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 improvements.

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 Product Development of Material Handling Division. Most of the current products are now also available with AC Technology.

New fixtures for product-testing are put in place.

2. Future Plan of Action

New products of Material handling division are at proto-type testing stage.

3. Expenditure on R&D

We have spent less than a percent of turnover in R&D in Material Handling Division.

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. Product Testing fixtures are already in place.

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

We are able to reach new customers to help them with better 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. 34 & 35 on page no. 33.

On behalf of the Board of Directors

Mumbai, 6th May, 2013.

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 2012-13	
	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 2012-13.

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	20,000

Listing :

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

Shareholding Pattern as on 31st March, 2013.

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	2,604	0.34
(iii) Individuals	3,91,541	51.20
Sub-Total	3,94,740	51.62
GRAND TOTAL	7,64,650	100.00

Shares held in physical / demat mode as on 31st March, 2013.

	Demat	Physical	Total
No. of Shares	6,83,261	81,389	7,64,650
%	89.36	10.64	100.00
No. of Folios	1255	337	1592

To our Shareholders

The results of the year 2012-13 are at lower levels as compared to the previous years. Income for the year is Rs.7632 lakhs as against Rs.8044 lakhs in the previous year. Profit before tax came down to Rs.512 lakhs as against Rs.703 lakhs in the previous year.

The growth of the company which we saw over last four years declined due to unfavorable conditions in the markets in which company operates. Overall economic down turn and specific problems of customer segments has resulted in decline in the performance.

In the year gone by, the overall economic and industrial scenario in the country was not a favourable one. GDP growth slowed down as compared to previous years. Some of the key segments like power and auto in which we operate showed declining performance. This affected our business significantly. Globalisation and shift of business activities from advanced economy to emerging economy continues to create a challenging situation. Overall cost and expenditure continue to rise due to inflation. Fluctuating commodity prices of steel, lead, copper and foreign exchange rates continue to create uncertainties.

In spite of overall decline in the performance of the Company during the year under review, the Board of Directors has recommended a dividend of Rs.15/- per share (150%).

In **Engineered Products Division**, last year, different product lines showed differing performance. Auto and power segments showed decline in capital investments. This substantially reduced our business in Electrical and Simulation lines. On the other hand investments in R&D and education segments improved which helped us to recover in some product lines like NTAS and S&V. Investments in Govt sectors like railways, test labs were getting delayed which also resulted in postponements of orders.

Going forward, we plan to add new customers, focus on more applications and add more competitive products. Existing customers, especially all Key Accounts, will be covered by offering full range of products which EPD possess. We are strengthening our relationships with existing customers and planning to further improve our reach and penetration. New products are being added in Environmental Simulation and NTAS product lines.

Industrial Finishing business is mainly Auto dependent which showed considerable decline. This was partly compensated by focusing on other products and applications like 'temperature profiling' required in various heating processes, especially in white-goods and paints segments. Gas leak-detection systems which are needed for safety purposes, were marketed especially in chemical and ceramic segment. In coming year, same segments and applications will be covered widely.

The **Material Handling Division** also got affected as capital goods investments generally slowed down. Division ended with flat top-line performance. This business continues to be under stress due to decline in the margins. Lot of competitive imported products and products coming from unorganized sector are creating price pressures. Higher inflation is putting cost pressures on materials and other expenses.

In coming year, we expect logistics and ware-housing segment to pick up. This will help boosting ware-housing products like stackers and electric pallet trucks. Projects are also being focused which would help products like racking-systems.

Human resources and talent management continue to be key challenge areas in coming times. Employee training, restructuring for leadership development, better employee engagement continue to be our thrust area. Productivity improvements, cost management, volume growth, providing solutions through reliable products and better service will continue to be driving factors.

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

B. H. Reporter
Chairman

Mumbai, 6th May, 2013.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JOST'S ENGINEERING COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of JOST'S ENGINEERING COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act') and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, 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 purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it 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 and with the returns received from the branches not visited by us.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **Sorab S. Engineer & Co.**
Chartered Accountants

Firm Registration No. 110417W

C. A. N. D. Anklesaria
Partner

Mumbai: 6th May, 2013.

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, the Company requires strengthening of its internal control procedures to make it commensurate with the size of the Company and the nature of its business, with regard to purchases 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. 45.*
- 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 (contd.)
Referred to in paragraph 1 of our Report of even date.

- vii. In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of products manufactured by the Company. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of these 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. There are no 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.
- b. *According to the records of the Company as at 31st March 2013, 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>	<i>19.78</i>	<i>Assistant Commissioner of Sales Tax (Appeals) Kanchipuram</i>
<i>The Tamil Nadu General Sales Tax, 1959.</i>	<i>Sales Tax</i>	<i>120.73</i>	<i>Deputy Commissioner (CT) Sales Tax Appellate Tribunal, Chennai.</i>
<i>The Central Sales Tax Act, 1956 & Bombay Sales Tax Act, 1956</i>	<i>Sales Tax 2005-06</i>	<i>0.33</i>	<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>	<i>155.96</i>	<i>Jt. Commissioner of Sales Tax (Appeals)</i>
<i>The Central Sales Tax Act, 1956</i>	<i>Sales Tax Asst. Year 2003-04</i>	<i>138.66</i>	<i>Jt. Commissioner of Sales Tax (Appeals)</i>
<i>The Bombay Sales Tax Act, 1956</i>	<i>Sales Tax Asst. Year 2003-04</i>	<i>211.78</i>	<i>Jt. Commissioner of Sales Tax (Appeals)</i>
<i>Central Excise Act</i>	<i>Service Tax</i>	<i>5.52</i>	<i>Deputy Commissioner & Asst. Commissioner of Central Excise</i>
<i>Central Excise Act</i>	<i>Central Excise</i>	<i>164.60</i>	<i>Commissioner & Asst. Commissioner of Central Excise</i>

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

- x. The Company has no accumulated losses as at 31st March, 2013 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. 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 term loans, we state that the Company has, prima facie, applied the term loans for the purpose for which they were obtained.
- xvii. According to the information and explanations given to us, and on an overall examination of the financial statements and after placing reliance on the reasonable assumptions made by the Company for classification of Short term and Long term usage of the funds, we are of the opinion that, prima facie, no funds raised on short term basis have been utilized for long term investment.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us the Company has not issued any debentures during the year.
- xx. The Company has not made any public issues during the year.
- xxi. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

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

C. A. N. D. Anklesaria
Partner

Mumbai: 6th May, 2013.

Membership No. 10250

Balance Sheet as at 31st March, 2013

Particulars	Note No.	As at 31st March 2013 Rs. Lakhs	As at 31st March 2012 Rs. Lakhs
I. EQUITY AND LIABILITIES			
1) Shareholders' funds:			
(a) Share Capital	2	76.46	76.46
(b) Reserves and Surplus	3	1,288.67	1,089.52
2) Non-current liabilities:			
(a) Long-term borrowings	4	18.46	20.54
(b) Other Long term liabilities	5	23.61	23.86
(c) Long-term provisions	6	297.78	267.46
3) Current liabilities:			
(a) Short-term borrowings	7	196.05	–
(b) Trade payables	38	1,388.37	1,655.55
(c) Other current liabilities	8	550.94	480.36
(d) Short-term provisions	9	362.28	506.22
Total		<u>4,202.62</u>	<u>4,119.97</u>
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets		273.13	234.21
(ii) Intangible assets		6.42	12.83
(iii) Capital work-in-progress		–	13.97
	10	<u>279.55</u>	<u>261.01</u>
(b) Non-current investments	11	1.00	1.00
(c) Long-term loans and advances	12	14.16	9.25
2 Current assets			
(a) Current investments	13	12.56	2.45
(b) Inventories	14	866.14	612.22
(c) Trade receivables	15	2,413.28	2,525.97
(d) Cash and Cash Equivalents	16	293.29	280.66
(e) Short-term loans and advances	17	316.97	423.09
(f) Other current assets	18	5.67	4.33
Total		<u>4,202.62</u>	<u>4,119.97</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, 6th May, 2013

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, 2013

Statement of Profit and Loss for the year ended 31st March, 2013

Particulars	Note No.	For the Year ended	For the Year ended
		31st March 2013	31st March 2012
		Rs. Lakhs	Rs. Lakhs
I. Revenue from operations	19	7,620.58	8,033.77
II. Other income	20	11.68	10.52
III. Total Revenue (I + II)		7,632.26	8,044.29
IV. Expenses:			
Cost of Materials Consumed	30	2,855.63	2,529.96
Purchases of Traded Goods	32	2,076.33	2,417.83
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	(234.42)	(40.42)
Employee benefits expenses	22	1,297.42	1,254.95
Other expenses	23	1,030.26	1,105.35
Finance costs	24	26.90	18.14
Depreciation and amortization expense	10	67.69	55.87
Total expenses		7,119.81	7,341.68
V. Profit before exceptional and extraordinary items and tax (III-IV)		512.45	702.61
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V-VI)		512.45	702.61
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		512.45	702.61
X. Tax expense:			
(1) Current tax		180.00	260.00
(2) Deferred tax		-	-
(3) Short / (excess) provision for previous years		-	-
XI. Profit for the year (IX-X)		332.45	442.61
XII. Earnings per equity share: (in Rs.)	41		
(1) Basic		43.48	57.88
(2) Diluted		43.48	57.88

Summary of Significant Accounting Policies 1

Notes referred to above form an integral part of the statement of Profit and Loss 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, 6th May, 2013

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, 2013



Cash Flow Statement for the year ended 31st March, 2013

	31st March, 2013 Rs. Lakhs	31st March, 2012 Rs. Lakhs
A) CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	512.45	702.61
ADJUSTMENTS FOR:		
DEPRECIATION	67.69	55.87
DIVIDEND INCOME	(2.26)	(1.43)
INTEREST EXPENSES	26.90	18.14
INTEREST INCOMES	(9.42)	(9.09)
(PROFIT) / LOSS ON SALE OF ASSETS	3.92	0.28
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	599.28	766.38
ADJUSTMENTS FOR:		
TRADE AND OTHER RECEIVABLES	212.56	(624.53)
INVENTORIES	(253.92)	(17.77)
TRADE PAYABLES	(181.59)	290.95
OTHER PAYABLES	-	-
CASH GENERATED FROM OPERATIONS	376.33	415.03
DIRECT TAXES	(220.02)	(174.02)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	156.31	241.01
EXTRAORDINARY ITEMS	-	-
NET CASH FROM OPERATING ACTIVITIES	A 156.31	241.01
B) CASH FLOW FROM INVESTING ACTIVITIES:		
PURCHASE OF INVESTMENTS	(10.11)	(1.29)
PURCHASE / ADDITIONS TO FIXED ASSETS	(92.26)	(147.29)
SALE OF FIXED ASSETS	2.11	7.11
INTEREST RECEIVED	9.42	9.09
DIVIDEND RECEIVED	2.26	1.43
NET CASH USED IN INVESTING ACTIVITIES	B (88.58)	(130.95)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
PROCEEDS FROM (REPAYMENT OF) BORROWINGS	193.97	20.15
DIVIDENDS PAID - ON EQUITY SHARES INCLUDING TAX	(222.17)	(177.73)
INTEREST PAID	(26.90)	(18.14)
NET CASH USED IN FINANCING ACTIVITIES	C (55.10)	(175.72)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	A+B+C 12.63	(65.66)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	280.66	346.32
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	293.29	280.66

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, 6th May, 2013

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, 2013

Notes to the Financial Statements for the year ended 31st March, 2013

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 fixed assets has been provided on a prorata basis from the date of such additions.

(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.

Notes to the Financial Statements for the year ended 31st March, 2013

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 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 39.

(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, 2013

Note 2: Share Capital

Paid up share capital

Particulars	As at 31 March 2013		As at 31 March 2012	
	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 of holding Company.

d. List of shareholders holding more than 5% shares

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Burjor H. Reporter	74,420	9.73	74,420	9.73
Mrs. Aloo B. Reporter	73,450	9.61	73,450	9.61
Mrs. Parviz J. Batliwala	41,000	5.36	41,000	5.36
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, 2013.

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, 2013

Note 3: Reserves and Surplus

Particulars	As at 31 March 2013 Rs. Lakhs	As at 31 March 2012 Rs. Lakhs
a. Securities Premium Account		
As per last Balance Sheet	115.79	115.79
b. General Reserve		
Opening Balance	177.02	132.02
(+) Current Year Transfer	33.50	45.00
(-) Written Back in Current Year	-	-
Closing Balance	<u>210.52</u>	<u>177.02</u>
c. Profit and Loss A/c		
Opening Balance	796.72	621.28
(+) Net Profit/(Net Loss) For the current year	332.45	442.61
(+) Transfer from Reserves	-	-
(-) Proposed Equity Dividend	114.70	191.16
(-) Distribution Tax on Proposed Equity Dividend	18.61	31.01
(-) Interim Dividends	-	-
(-) Transfer to Reserves	33.50	45.00
Closing Balance	<u>962.36</u>	<u>796.72</u>
Total	<u><u>1,288.67</u></u>	<u><u>1,089.52</u></u>

Note 4: Long Term Borrowings

Secured

a. Loans from banks

Secured by hypothecation of underlying assets

Long Term Debt

18.46 20.54

Total

18.46 20.54

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

23.61 23.86

Total

23.61 23.86

Note 6: Long Term Provisions

Provision for employee benefits

Gratuity

208.54 185.22

Leave Encashment

89.24 82.24

Total

297.78 267.46

Notes to the Financial Statements for the year ended 31st March, 2013

Note 7: Short Term Borrowings

Particulars	As at 31	As at 31
	March 2013	March 2012
	Rs. Lakhs	Rs. Lakhs
Cash Credit From a Bank		
Secured by hypothecation of stock and book debts and an equitable mortgagage of the Company's Properties at Thane on a pari-passu basis	196.05	–
There has been no default in the repayment of principal and interest.		
Total	196.05	–

Note 8: Other Current Liabilities

(a) Current Maturities of Long Term Debt	16.88	15.27
(b) Income received in advance	22.75	17.18
(c) Dealer Deposits	11.81	7.41
(d) Unpaid dividends	13.49	9.88
(e) Other current liabilities	172.41	121.38
(f) Other Payables		
Central Excise, Customs Duty, VAT and Service Tax Payable	66.95	62.35
Tax Deducted at Source	14.06	9.50
Salary and Reimbursements	106.40	115.87
Provident Fund and other Employee Deductions	15.69	14.15
Advances from Customers	110.50	107.37
Total	550.94	480.36

Note 9: Short Term Provisions

Particulars	As at 31 March 2013		As at 31 March 2012	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Provisions				
Provision for tax	1,005.49		825.49	
Less: Advance payment of income-tax	889.91	115.58	669.88	155.61
Provision for warranty claims		14.39		13.67
Proposed Equity Dividend		114.70		191.16
Distribution Tax on Proposed Equity Dividend		18.61		31.01
Provision for employee benefits				
Superannuation		66.52		78.04
Gratuity		12.50		18.38
Leave Encashment		19.98		18.35
Total		362.28		506.22

Notes to the Financial Statements for the year ended 31st March, 2013

Note 10: Fixed Assets

Rs. Lakhs

A Gross block, accumulated depreciation and net block

Particulars	Gross Block				Accumulated Depreciation			Net Block		
	Balance as at 1st April 2012	Additions during the year	Deletion/ adjustments during the year	Balance as at 31st March 2013	Balance as at 1st April 2012	Dep. charge for the year	Dep. due to deletion/ adjustments	Balance as at 31st March 2013	Balance as at 31st March 2012	Balance as at 31st March 2013
a) Tangible Assets										
Leasehold Land	1.02	–	–	1.02	0.51	0.01	–	0.52	0.51	0.50
Buildings	42.61	–	–	42.61	39.66	0.30	–	39.95	2.95	2.66
Computers and Peripherals	283.66	2.02	8.56	277.12	248.77	14.52	8.21	255.08	34.89	22.04
Furniture and Fixtures	74.36	2.45	1.32	75.49	62.01	2.49	1.01	63.49	12.36	12.00
Office Equipment	20.85	0.35	–	21.21	17.35	0.94	–	18.29	3.50	2.91
Plant & Machinery	383.21	97.30	0.02	480.48	250.99	26.81	0.02	277.78	132.21	202.70
Vehicles	71.24	–	13.49	57.74	23.46	12.10	8.13	27.43	47.78	30.32
Total	876.95	102.12	23.39	955.67	642.74	57.16	17.36	682.54	234.21	273.13
(Previous Year)	(807.42)	(128.97)	(59.44)	(876.95)	(647.44)	(47.36)	(52.05)	(642.74)	(159.98)	(234.21)
b) Intangible Assets										
Technical Know-How	102.01	–	–	102.01	102.01	–	–	102.01	0.00	0.00
Trademarks	0.02	–	–	0.02	0.02	–	–	0.02	0.00	0.00
Computer Software	112.41	4.11	–	116.52	99.58	10.53	–	110.10	12.83	6.42
Total	214.44	4.11	–	218.55	201.60	10.53	–	212.13	12.83	6.42
(Previous Year)	(210.08)	(4.35)	0.00	(214.44)	(193.09)	(8.52)	0.00	(201.60)	(17.00)	(12.83)
Total	1,091.38	106.23	23.39	1,174.22	844.34	67.69	17.36	894.67	247.04	279.55
Previous Year	(1,017.50)	(133.33)	(59.44)	(1,091.38)	(840.52)	(55.87)	(52.05)	(844.34)	(176.98)	(247.04)

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, 2013

Note 11: Non Current Investments

Particulars	Nominal Value Rs.	Number of Shares	As at 31 March 2013 Rs. Lakhs	As at 31 March 2012 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>1.00</u>	<u>1.00</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 12: Long Term Loans and Advances

a. Security Deposits

Unsecured, considered good		14.16	9.25
		<u>14.16</u>	<u>9.25</u>

Note 13: Current Investments (At cost)

Particulars	NAV as on 31st March 2013 Rs. Lakhs	Number	As at 31 March 2013 Rs. Lakhs	As at 31 March 2012 Rs. Lakhs
A. Investments in Mutual Funds				
Reliance Money Manager Fund	0.01	1,254.082	12.56	2.45
Total			<u>12.56</u>	<u>2.45</u>
a Aggregate Book Value of Investments				
Quoted - At Cost			12.56	2.45

Footnote:

Market Value of Quoted Investments - Rs. 12.56 Lakhs (Previous Year - Rs. 2.45 Lakhs)

Notes to the Financial Statements for the year ended 31st March, 2013

Note 14: Inventories (Valued at lower of cost or net realisable value)

Particulars	As at 31 March 2013 Rs. Lakhs	As at 31 March 2012 Rs. Lakhs
a. Raw Materials and components	276.00	256.60
b. Work-in-progress	165.76	25.16
c. Finished goods	25.66	17.91
d. Stock-in-trade	397.04	310.96
e. Stores and spares	1.68	1.58
Total	866.14	612.22

Note 15: Trade Receivables

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

Unsecured, considered good	1,486.47	1,694.96
	<u>1,486.47</u>	<u>1,694.96</u>

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

Unsecured, considered good	926.81	831.01
Unsecured, considered doubtful	73.95	65.72
	<u>1,000.76</u>	<u>896.73</u>
Less: Provision for doubtful debts	73.95	65.72
	<u>926.81</u>	<u>831.01</u>
Total	2,413.28	2,525.97

Note 16: Cash and Cash Equivalents

Cash and cash equivalents

a. Cash on Hand	3.50	1.66
b. Balances with Banks on Current Accounts (with Scheduled Banks)	152.86	160.74
	<u>156.36</u>	<u>162.40</u>

Other Bank Balances

a. Balances held for unpaid dividends	13.49	9.86
b. Bank Deposits as Margin money	123.44	108.39
	<u>136.93</u>	<u>118.25</u>
Total	293.29	280.66

Notes to the Financial Statements for the year ended 31st March, 2013

Note 17: Short term loans and advances

Particulars	As at 31 March 2013		As at 31 March 2012	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Advances Recoverable in Cash or in Kind				
Unsecured, considered good	278.56		417.71	
Unsecured, considered doubtful	17.07	295.63	11.65	429.36
Less : Provision for doubtful advances		17.07		11.65
		278.56		417.71
Balances with government authorities		38.41		5.38
Total		316.97		423.09

Note 18: Other Current Assets

Interest Accured on Bank Deposits	5.67	4.33
Total	5.67	4.33

Notes to the Financial Statements for the year ended 31st March, 2013

Note 19: Revenue from operations

Particulars	For the year ended 31 March 2013 Rs. Lakhs	For the year ended 31 March 2012 Rs. Lakhs
A Sale of manufactured goods	4,341.23	4,109.30
Less: Excise duty	422.14	323.27
Sale of manufactured goods (net of excise)	<u>3,919.09</u>	<u>3,786.03</u>
B Sale of traded goods	2,510.91	3,083.21
Other Operating Revenues		
C Commission Income	758.65	753.08
D Sale of services	413.59	389.58
E Scrap and sundry sales	11.33	6.91
F Other operating income	7.01	14.96
Total	<u><u>7,620.58</u></u>	<u><u>8,033.77</u></u>

Note 20: Other Income

A Interest Income	9.42	9.09
B Dividend Income	2.26	1.43
Total	<u><u>11.68</u></u>	<u><u>10.52</u></u>

Note 21: Changes in Inventories

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

Opening Stocks :

Finished Goods - Manufactured	17.91	33.33
Finished Goods - Traded	310.97	250.35
Work-in-Progress	25.16	29.94
	<u>354.04</u>	<u>313.62</u>

Less: Closing Stocks :

Finished Goods - Manufactured	25.66	17.91
Finished Goods - Traded	397.04	310.97
Work-in-Progress	165.76	25.16
	<u>588.46</u>	<u>354.04</u>
	<u><u>(234.42) *</u></u>	<u><u>(40.42)</u></u>

* Includes increase in Excise Duty on Closing Stock
of Finished Goods Rs. 1.04 Lakhs
(Previous year increase of Rs. 0.35 Lakhs)

Notes to the Financial Statements for the year ended 31st March, 2013

Note 22: Employee Benefit Expenses

Particulars	For the year ended 31 March 2013 Rs. Lakhs	For the year ended 31 March 2012 Rs. Lakhs
A Salaries and incentives	1,154.13	1,120.15
B Contributions to provident and other funds	102.63	100.19
C Staff welfare expenses	40.66	34.61
Total	1,297.42	1,254.95

Note 23: Other Expenses

a Sub contract and labour charges	105.22	86.00
b Stores and spare parts consumed (indigenous)	14.06	11.33
c Fuel and power	35.31	29.00
d Repairs to buildings	0.42	1.80
e Repairs to machinery	6.29	8.46
f Rent	94.85	85.15
g Rates and taxes	11.08	11.71
h Insurances	12.92	13.68
i Travelling expenses	135.47	153.11
j Postage, telephone and internet	40.06	42.59
k Printing and stationery	13.55	14.40
l Legal and professional charges	114.51	110.07
m Conveyance expenses	75.19	76.87
n Provision for doubtful debts	49.05	73.00
o Provision for doubtful advances and Deposits	7.57	5.50
p Bad debts written off	-	10.97
q Freight on sales	114.78	93.71
r Commission expense	33.47	40.19
s Motor vehicle expense	8.75	11.66
t Commission to directors	13.00	16.50
u Net gain / loss on sale of fixed assets (NET)	3.92	0.28
v Directors' fees	1.15	1.10
w Net gain / loss on foreign currency transactions and translation (NET)	0.01	2.27
x Miscellaneous expenses	139.63	206.00
Total	1,030.26	1,105.35

Note 24: Finance Costs

A Interest expense	26.90	18.14
Total	26.90	18.14

Notes to the Financial Statements for the year ended 31st March, 2013

25. Capital and other Commitments:

Estimated amount of contracts to be executed on capital account and not provided for as at 31st March 2013 – Rs. Nil. (31.03.12 Rs. Nil)

		As At 31.03.2013 Rs. Lakhs	As At 31.03.2012 Rs. Lakhs
26. 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		546.99	387.28
iv) Other disputed matters		8.50	8.50
v) Central excise matters		164.60	345.28
	Qty. Nos.	March, 2013 Rs. Lakhs	Qty. Nos.
			March, 2012 Rs. Lakhs
27. Sales:			
Material Handling Equipment	2484	3919.09	1611
Other Equipment	1325	1135.96	1366
Components, accessories, spares, etc. (Including traded goods)		1374.95	1290.84
		6430.00	6869.24
28. Opening 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. Closing Stock of Finished Goods:			
Material Handling Equipment	4	25.66	4
Other Equipment	279	159.66	222
Components, accessories, spares, etc. (Including traded goods)		237.38	182.50
		422.70	328.87
30. Cost of Materials consumed:			
Steel	188 tons	76.99	141 tons
Batteries	743 Nos.	357.71	810 Nos.
Others		2420.93	2140.69
Value of raw materials and components consumed		2855.63	2529.96

Notes to the Financial Statements for the year ended 31st March, 2013

		March, 2013 Rs. Lakhs		March, 2012 Rs. Lakhs
31. Value of imported raw materials and components consumed	11.59%	330.85	6.47%	163.74
Value of indigenous raw materials and components consumed	88.41%	2524.78	93.53%	2366.22
	<u>100.00%</u>	<u>2855.63</u>	<u>100.00%</u>	<u>2529.96</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.

	Qty. Nos.		Qty. Nos.	
32. Purchase of Traded goods:				
Other Equipment	1382	1184.42	1380	1530.93
Components, accessories, spares, etc.		891.91		886.90
		<u>2076.33</u>		<u>2417.83</u>
33. C.I.F. value of imports in respect of:				
(i) Components		305.75		131.63
(ii) Traded Goods		588.79		701.31
34. Expenditure in Foreign Currency:				
(i) Travelling		5.92		12.73
(ii) Exhibition		Nil		4.98
35. Earnings in Foreign Exchange:				
(i) Commission		742.55		648.64
(ii) Export of goods (F.O.B. value)		Nil		Nil
36. 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		5.25		4.85
(d) Reimbursement of out-of-pocket expenses		0.38		0.30

37. 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 Private Limited
 Gramos Chemicals (India) Private Limited

} Associate Companies

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

} Board of Directors, being Key Management Personnel

Notes to the Financial Statements for the year ended 31st March, 2013

37. (b) Nature of transactions:	March, 2013	March, 2012
Associate Companies:	Rs. Lakhs	Rs. Lakhs
Purchase of Machinery / Goods		
Bullows Paint Equipment Private Limited	Nil	8.39
Sale of Goods		
Bullows Paint Equipment Private Limited	14.45	5.80
Phiroze Sethna Private Limited	1.60	0.33
Services Rendered		
Phiroze Sethna Private Limited	0.36	1.11
Amount Received Against Expenses		
Bullows Paint Equipment Private Limited	3.27	2.46
Phiroze Sethna Private Limited	Nil	3.06
Amount Paid Against Expenses		
Gramos Chemicals (India) Pvt. Ltd.	33.71	11.47
Phiroze Sethna Private Limited	3.22	1.82
Receivable As At The End of The Year		
Phiroze Sethna Private Limited	0.06	Nil
Bullows Paint Equipment Private Limited	17.39	Nil
Payable As At The End of the year		
Bullows Paint Equipment Private Limited	Nil	2.97

Key Management Personnel;

Names of the Directors	March, 2013		March, 2012	
	Commission	Sitting	Commission	Sitting
	Paid	fees paid	Paid	fees paid
- B. H. Reporter	10.00	0.25	8.25	0.25
- S. Sheth	1.63	0.20	1.25	0.20
- M. Wadia	1.63	0.25	1.25	0.25
- F. K. Banatwalla	1.63	0.25	1.25	0.25
- Pradeep Bhargava	1.63	0.20	1.25	0.15

Notes to the Financial Statements for the year ended 31st March, 2013

38. Micro and 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:

- (a) Amount due and outstanding to suppliers as at the end of the accounting year;
 - (b) Interest paid during the year;
 - (c) Interest payable at the end of the accounting year;
 - (d) 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.

39. Deferred Tax :

Nature of timing difference	Deferred tax (Liability)/Asset As At 31st March, 2012 Rs. Lakhs	Credit/(charge) for the year Rs. Lakhs	Deferred tax (Liability)/Asset As At 31st March, 2013 Rs. Lakhs
Deferred Tax Assets (DTA)			
(a) Provision for doubtful debts	25.50	6.46	31.96
(b) Disallowances U/S 43B	136.65	2.89	139.54
Sub-total	<u>162.15</u>	<u>9.35</u>	<u>171.50</u>
Deferred Tax Liabilities (DTL)			
(a) On Depreciation	(3.98)	2.57	(6.55)
Sub-total	<u>(3.98)</u>	<u>2.57</u>	<u>(6.55)</u>
As a measure of prudence DTA has been restricted to the extent of DTL.	3.98	(2.57)	6.55
Net Amount	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>

Notes to the Financial Statements for the year ended 31st March, 2013

40. Segment Information

(i) Primary Segments - Business Segment	Material Handling	Engineered Products	31.03.2013 Rs. Lakhs Total
A REVENUE:			
Segment revenue			
Sales to external customers	4584.68 [4654.87]	1845.32 [2214.37]	6430.00 [6869.24]
Commission income	220.27 [305.68]	538.38 [447.40]	758.65 [753.08]
Other income	251.52 [229.48]	180.24 [182.07]	431.76 [411.55]
	<u>5056.47</u> [5190.03]	<u>2563.94</u> [2843.84]	<u>7620.41</u> [8033.87]
Income from Interest / Dividend	–	–	11.67 [8.44]
Unallocated income	–	–	0.18 [1.58]
Total			<u>7632.26</u> <u>[8044.29]</u>
B RESULTS:			
Segment results/operating (loss)/profit	560.53 [825.32]	325.41 [249.49]	885.94 [1074.81]
Unallocated income (Including income from Interest/Dividend)			10.57 [10.41]
Unallocated expenses			357.16 [364.48]
Interest Expenses			26.90 [18.13]
(Loss)/profit before tax			512.45 [702.61]
Provision for taxation - current tax			180.00 [260.00]
Excess Provisions for Income Tax in respect of earlier years			0.00 [0.00]
Profit after tax			<u>332.45</u> <u>[442.61]</u>

Notes to the Financial Statements for the year ended 31st March, 2013

40. Segment Information (contd.)

			31.03.2013
(i) Primary Segments - Business Segment (contd.)	Material Handling	Engineered Products	Rs. Lakhs Total
C OTHER INFORMATION:			
a) Segment assets	2379.38 [2326.39]	1461.51 [1447.24]	3840.89 [3773.63]
b) Unallocated assets			361.73 [346.34]
Total assets			4202.62 [4119.97]
c) Segment liabilities	1973.91 [1626.53]	785.18 [1031.54]	2759.09 [2658.07]
d) Unallocated liabilities (Including share capital and reserves)			1443.53 [295.91]
Total liabilities			4202.62 [2953.98]
e) Cost incurred during the financial year to acquire segment fixed assets	87.42 [77.04]	12.21 [51.36]	99.63 [128.40]
f) Cost incurred during the financial year to acquire segment fixed assets (Unallocated)			6.61 [4.92]
g) Depreciation	30.82 [20.37]	22.57 [23.69]	53.39 [44.06]
h) Depreciation (Unallocated)			14.30 [11.81]
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.

41. Earning per Share

	Year ended March '2013	Year ended March '2012
i. Profit after tax (Rs. in Lakhs)	332.45	442.61
ii. Weighted average number of Equity Shares (Nos.)	764650	764650
iii. Earning per share (Rs.) (Basic and Diluted)	43.48	57.88
iv. Face value per share (Rs.)	10	10

Notes to the Financial Statements for the year ended 31st March, 2013

42. Disclosure in respect of provision for Warranty Claims:

Particulars	2012-13	2011-12
	Rs. Lakhs	Rs. Lakhs
Opening provision	13.66	10.83
Provision reversed during the year on account of expiry of warranty period	–	–
Fresh provision made for current year	0.73	2.83
Closing Provision	14.39	13.66

43. During the Year the Company has provided Rs. 37.44 Lakhs (Previous Year Rs. 36.86 Lakhs) on account of Gratuity and Rs. 15.42 Lakhs (Previous Year Rs. 13.59 Lakhs) on account of Superannuation Payable to its employees. The amounts due as on 31st March 2013 to the Gratuity Fund and Superannuation Fund are Rs. 221.04 Lakhs (Previous Year Rs. 203.60 Lakhs) and Rs.66.52 Lakhs (Previous Year Rs. 78.04 Lakhs) respectively.

44. 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, 2013 and relied upon by the auditors.

I. Components of Employer Expenses:

	Particulars	31.03.2013 Rs. Lakhs	31.03.2012 Rs. Lakhs
(a)	Current Service Cost	13.08	11.68
(b)	Interest Cost	20.66	18.05
(c)	Expected Return on Plan Assets	2.95	3.52
(d)	Curtailment Cost/Credit	–	–
(e)	Past service Cost	–	–
(f)	Settlement Cost	–	–
(g)	Actuarial Losses/(Gains)	9.65	12.86
(h)	Total Expense recognised in Statement of Profit and Loss under payments to and Provisions for Employees	37.44	39.07

II. Net Liability/(Asset) recognised in Balance Sheet as at 31st March, 2013

	Particulars	31.03.2013 Rs. Lakhs	31.03.2012 Rs. Lakhs
(a)	Present Value of obligation as at 31st March, 2013	257.80	258.20
(b)	Fair Value of Plan Assets as at 31st March, 2013	24.51	(44.35)
(c)	Liability/(Asset) recognised in the Balance Sheet	233.29	213.85

Notes to the Financial Statements for the year ended 31st March, 2013

44. Employee Benefits (contd.)

DEFINED BENEFIT PLANS (contd.)

III. Change in Defined Benefit Obligation (DBO) during the year ended 31st March, 2013

	Particulars	31.03.2013 Rs. Lakhs	31.03.2012 Rs. Lakhs
(a)	Present Value of Obligation as at 31st March, 2012	258.20	225.66
(b)	Current Service Cost	13.08	11.68
(c)	Interest Cost	20.66	18.05
(d)	Curtailment Cost / Credit	-	-
(e)	Settlement Cost / Credit	-	-
(f)	Plan Amendments	-	-
(g)	Acquisitions	-	-
(h)	Actuarial Loss / (Gain)	9.65	(12.86)
(i)	Benefit Paid	43.79	10.05
(j)	Present value of Obligation as at 31st March, 2013	257.80	258.20

IV. Change in the fair value of Plan Assets

	Particulars	31.03.2013 Rs. Lakhs	31.03.2012 Rs. Lakhs
(a)	Present value of Plan Assets as at 31st March, 2012	44.35	38.88
(b)	Acquisition Adjustment	-	-
(c)	Expected Returns on Plan Assets	2.95	3.52
(d)	Actuarial Gain/(Loss)	-	-
(e)	Actual Company contribution	21.00	12.00
(f)	Benefits Paid	(43.79)	(10.05)
(g)	Fair Value of Plan Assets as at 31st March, 2013	24.51	44.35

V. Actuarial assumptions:

	Particulars	31.03.2013	31.03.2012
(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, 2013

B. LEAVE ENCASHMENT

Payments to and Provisions for Employees includes Rs. 16.05 Lakhs (Previous Year Rs.12.18 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	31.03.2013 Rs. Lakhs	31.03.2012 Rs. Lakhs
Provident Fund (State Plan)	44.55	44.85
Employees State Insurance (State Plan)	3.89	4.65
Superannuation Fund	15.42	13.59

45. 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.

46. 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 46

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, 6th May, 2013

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, 2013



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 sixth Annual General Meeting of the Company at Great Social Building, 60, Sir Phirozeshah Mehta Road, Mumbai - 400 001 on Friday, 14th June, 2013 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

hundred and sixth Annual General Meeting of the Company to be held at Great Social Building, 60, Sir Phirozeshah Mehta Road, Mumbai - 400 001 on Friday, 14th June, 2013 and at any adjournment thereof.

Signed this day of 2013.

Signature

Affix Re.1 Revenue Stamp

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.

To :

M/s. Computech Sharecap Limited

147 Mahatma Gandhi Road,

Third Floor, Opp. Jahangir Art Gallery,

Fort,

Mumbai - 400 001.

Consent for receiving documents in electronic form

I / We agree to receive documents in electronic mode pursuant to the "Green Initiative" by the Ministry of Corporate Affairs vide Circular No.17/2011 dated 21st April, 2011 and Circular No.18/2011 dated 29th April, 2011. Please register the e-mail id mentioned below :

1. Name(s) of Shareholder(s) :
- (including joint holders, if any) :
2. No. of Shares held :
3. Registered Folio No. /
DPID-CLID No. :
4. E-mail ID for receipt of
documents in electronic mode :
5. Signature(s) of the Shareholder(s) :

Place :

Date :