

Financial Highlights

PARTICULARS (Year Ended March 31)	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Turnover	207.60	132.07	82.99	77.46	76.96	46.36	37.72	40.98	43.76	35.22
Earnings Before Depreciation, Interest & Tax (EBDIT) & extra ordinary & exceptional	29.72	25.88	16.80	15.11	9.70	0.49	(7.58)	1.67	(21.76)	(18.22)
Depreciation	3.63	3.03	2.19	2.10	2.01	1.78	1.80	1.80	1.64	1.61
Profit after Tax	20.24	18.66	11.08	9.98	4.82	(6.38)	(50.10)	(47.60)	(48.77)	(43.92)
Equity Dividend (%)	3.00*	6.00*	10.00	8.00	-	-	-	-	-	-
Dividend Payout	2.16	4.31	2.34	1.31	-	-	-	-	-	-
Equity Share Capital	61.50	61.46	19.87**	19.87**	94.63	94.63	90.73	90.73	48.96	48.96
Reserve & Surplus	41.64	23.56	9.54	0.80	0.40	0.40	0.40	0.40	0.40	0.40
Net Worth	96.47	85.02	29.42	21.12	(22.57)	(27.39)	(358.88)	(311.52)	(270.54)	(211.19)
Total Assets	213.36	170.00	119.51	61.82	27.74	17.31	19.36	17.31	36.29	24.26

KEY INDICATORS

PARTICULARS (Year Ended March 31)	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
EBDIT/Turnover%	14.32	19.60	20.24	19.51	12.60	1.06	0.00	4.08	0.00	0.00
Net Profit Margin %	9.75	14.13	13.35	12.88	6.26	0.00	0.00	0.00	0.00	0.00
Earnings Per Share(Rs)	0.33	0.80	0.56	0.72	0.51	-0.69	-5.29	-5.03	-9.96	-8.97
Book Value Per Share(Rs)	1.57	3.64	1.48	1.54	-2.38	-2.89	-39.56	-39.56	-55.26	-43.14
Debt : Equity Ratio	1.63:1	1.23:1	2.46:1	2.07:1	0.50:1	0.47:1	4.17:1	3.62:1	6.27:1	4.81:1

DIRECTORS' REPORT TO THE MEMBERS OF JESSOP & CO. LTD

Your Directors have pleasure in presenting the 77th Annual Report along with Audited Accounts of the Company for the year ended 31st March 2009.

Summarized Financial Results

[Rs./Crores]

Sl. No	Particulars	2008-2009	2007-2008
1.	Net Sales	207.60	132.06
2.	Profit before Depreciation, Interest & Tax	29.71	25.88
3.	Depreciation	3.63	3.03
4.	Interest	5.80	3.66
5.	Provisions for Taxation	0.13	0.10
6.	Net Profit	20.24	18.66
7.	Balance brought forward from Previous Year	10.29	3.44
8.	Profit Available for Appropriations	30.53	22.11
9.	Appropriations :-		
	Proposed Dividend on Equity Shares	1.84	3.69
	Tax on Dividend [including Surcharge]	0.31	0.63
	Transfer to General Reserve	7.50	7.50
	Balance Carried to Balance Sheet	20.87	10.29

Your Directors are happy to inform that the company continued to attain better financial results and during the year under review, it has achieved a higher EBIDTA of Rs. 29.71 Crores as against Rs.25.88 Crores, registering an increase of 14.80%. The net profit before taxes has increased by 8.58% from Rs.18.76 Crores in 2007-08 to Rs.20.37 Crores during 2008-09. The turnover of the Company for the year under review was Rs.207.60 Crores, a 57% higher compared to the previous financial year.

Performance Highlights

During the year under review, the company made a considerable progress on developmental order for new ICF design AC EMU Coaches of one Rake placed by Indian Railways. Till the last year, the company was producing almost 4 Rakes of AC EMU Coaches per year as per the design developed by it over the years. Due to change in the design by Indian Railways to ICF design in order to standardize all coaches, the production of coaches was suffered during the year under review. However, the company has already developed successfully this new design coaches and on being satisfied with such development, order for another 3 Rakes of such coaches has been given by the Indian Railways to the company for the year 2009-10. Similarly the Indian Railways have changed its policy in respect of wagon procurement whereby free supply items like Bogies and Couplers were withdrawn by them. This also affected the production of wagons during the year under review which was marginally lower than the previous financial year. The company has successfully completed one rake of BLC Wagons during the year for a private company out of the order for 3 Rakes. The company has taken advanced stages to develop the prototype for manufacture of Loco Shell for Chittaranjan Locomotive Works [CLW] against the order received from them. The performance of the REH division was more or less on the same level and company could, inspite of competitions from local suppliers, continue to capture the market during the year under review. The development of Tandem Vibratory Roller is at advanced stage and is expected to be completed early next financial year. The Crane division of the company suffered during the year mainly because of unfavourable market conditions. The newly established EPC Division has made its presence in the market and has achieved production of Rs.2.32 Crores during the year under review for some prestigious customers.

Dividend

In order to conserve the resources to withstand any impact of economic slow down and for further growth of the company, your Directors recommend payment of dividend on the paid up Equity Shares @ 3% for the year ended 31.03.2009, on the paid up Capital of Rs.61.50 Crores as against 6% on paid up capital of Rs.61.46 Crores for the year ended 31.03.2008.

The dividend distribution would result in a cash outflow of Rs.2.15 Crores as against an outflow of Rs.4.32 Crores in the previous year, including tax on dividend.

Share Capital

The Authorized Share Capital of the Company as on 31.03.2009 stood at Rs.100 crores consisting of 99,00,00,000 Equity Shares of Re.1/- each and 1,00,000 6.5% Redeemable Cumulative Preference Shares of Rs.100/- each.

The paid up Capital has increased marginally during the year under review on receipt of pending call money against issue of Equity Shares on Rights basis in 2005.

Business Perspective.

Indian Railways is the major customer of your company as of today. The Indian Railways are continuously encouraging growth oriented plans since last few years and their requirement of wagons as well as coaches is increasing over the years. After a gap of years Indian Railways have floated enquiries for DEMU and MEMU Coaches against which the company is expecting to receive sizeable orders based on its past performance. The Indian Railways are also shifting to steel wagons and bottom discharge wagons which will have a higher value addition and the company, being an established wagon manufacturer, is geared up to take up such opportunities. Further with the successful development of Loco Shell for CLW, continuous order for such Shell from CLW is expected since they have projected a requirement of 500 Shells over the next five years.

The Government of India is continuing its thrust on infrastructure development including Power sector and Steel sector. With the revival of economy in near future, the company is expecting a good opportunity in these sectors for fabrication and crane products. The EPC division is also fully geared up to take up higher volume of orders and is expected to be favoured with turnkey projects even for railway bridges.

Your Directors see overall growth in the coming years and with the higher opportunities available to the company, its performance is expected to be much better in the year 2009-10 onwards.

ISO 9001 2000/ISO 14001 : 2004

Your Directors wish to inform you that the quality management system of the company continued to conform to ISO 9001-2000 as certified by BSI Management Systems, UK, and the company has also been certified to hold and operate an Environmental Management System in compliance of ISO 14001:2004 for its manufacturing activities, as certified by BSI Management Systems, U.K.

The company has also taken steps to obtain OSHAS 18001:2007 accreditation for occupational safety and health management systems and audits have already been conducted for the same.

Subsidiary Companies

Pursuant to the approval being obtained by the Company from the Central Government u/s 212 (8) of the Companies Act, 1956 the reports and accounts of the subsidiaries of your company M/s. Jessop Wagon & Coaches Ltd, Jessop Infrastructure Private Limited, Jessop Estate Private Limited, Jessop Properties Private Limited and Pallavi Manufacturers Private Limited, all of which are yet to commence commercial operations, are not attached. However, the key figures of these subsidiary companies are attached to the Annual Accounts of the Company for the year ended 31.03.2009. Annual Accounts and the detailed information of the aforesaid subsidiary companies will be available to any investor seeking such information and the same are also being kept for inspection by any investor at the company's Corporate Office on any working day between 11.00 am and 4.00 pm.

Your Directors have pleasure in attaching the Consolidated Financial Statement for the financial year ended 31st March, 2009 pursuant to clause 32 read with clause 41 of the listing agreement entered into with the Calcutta Stock Exchange and prepared in accordance with Accounting Standard 21 of the Institute of Chartered Accountants of India.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the operating management, confirm: -

- a) that in preparation of the annual accounts for the year ended 31st March, 2009, the applicable accounting standard have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in schedule 21(A) to the Accounts have been selected and applied consistently, and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the profits of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that the Annual Accounts have been prepared on a going concern basis

Board of Directors

During the year under review, the Government of West Bengal has withdrawn the nomination of Mr. Sumanta Chaudhuri with effect from 19th January 2009.

Mr. A. Sadasivam has resigned from the Board with effect from 31st July 2008 because of his other pre-occupations.

Mr. Shashi Kumar has resigned from the Board with effect from 24th January 2009.

Mr. Arvind Nanda, Joint Managing Director of the company has resigned with effect from 1st January 2009 due to change in his responsibilities and other pre-occupations.

Mr. Joshi was appointed a Director of the Company w.e.f. 20.01.2009 and resigned from the Board w.e.f. 23.02.2009.

Your Directors wish to place on record their appreciation for the services rendered by Mr. Sumanta Chaudhuri, Mr. A Sadasivam, Mr. Shashi Kumar and Mr. Arvind Nanda during their tenure on the Board.

During the year under review, Mr. Ravindra Gupta, Mr. Mohan Lall Chauhan and Mr. S. Ravi were appointed as Additional Directors of the company and who holds office till the conclusion of the ensuing Annual General Meeting. They are eligible for reappointment and as such the Board of Directors has recommended their appointment in the ensuing Annual General Meeting.

During the year under review, Mr. Sreekanta Banerjee was also appointed by the Board of Directors as a Whole time Director designated as "Director Marketing" of the company with effect from 1st December 2008 subject to approval of Shareholders. Such approval for the appointment and for payment of remuneration to Mr. Sreekanta Banerjee has been proposed at the ensuing Annual General Meeting.

In accordance with the provisions of the Act and Article 105 of the Articles of Association of the Company Mr. Sajjid Khan and Mr. Tarun Gandhi, Directors of the company, retire from the Board by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

Corporate Governance

In terms of the provisions of Clause 49 of the Listing Agreement with the Stock Exchange, a separate section on Corporate Governance practices followed by the Company together with a Certificate from the Company's Auditors confirming compliance is set out in a separate section forming part of this Report.

Management Discussion and Analysis Report

In accordance with Clause 49 of the Listing Agreement, the Management Discussion and Analysis Report is annexed in a separate section forming part of this Report.

Auditors & Auditors' Report

M/s. K. N. Gutgutia & Co, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment. The Company has received a certificate from the Auditors to the effect that re-appointment, if made, would be within the prescribed limit under section 224(1B) of the Companies Act, 1956.

The notes referred to by the Auditors in their report are self-explanatory and do not require further elucidation.

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo.

Information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, are set out in Annexure-I to this report.

Personnel

During the financial year under review, the industrial relation situation has remained harmonious and peaceful. The workmen extended their full cooperation in enforcing and maintaining discipline and productivity during the year. In order to rationalize the manpower and to have better management control, the Company announced suitable Voluntary Retirement Schemes (for other than Workers) during the year under review. Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, relating to employees is given in Annexure II of the Directors Report.

Acknowledgement

Your Directors wish to place on record their grateful appreciation for the support and assistance received from Government of India, Government of West Bengal, Ministry of Railways, its Bankers and various Government Departments. Your Directors also express their appreciation and convey their thanks to the company's valued and esteemed customers and suppliers, business associates and shareholders for their extended and continued patronage, cooperation and support extended to the company. Your Directors also place their appreciation and acknowledge the contribution made by the employees at all levels.

On behalf of the Board of Directors

A.K. Jain
(Director)

S.Banerjee
(Director)

Place : Kolkata
Dated : 30.04.2009

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MANAGEMENT DISCUSSION & ANALYSIS

A. General Overview

The last year has been exceptionally challenging year for the global economy. The year was a year of unprecedented volatility. The first half of the year saw high inflation and interest rates but the business involvement continued to be robust with continued investments by the corporate sector. However, the second half of the year was impacted by the global financial and liquidity crisis and loss of business confidence. India, while fundamentally in a much stronger position, has also experienced the impact of these events. However, it is expected that Indian economy's robust fundamentals and domestic growth drivers will impart it the resilience to emerge stronger from this period. Although there has been moderation in economic and industrial activity, there are some signs of improvement in demand and industrial output in recent months. The economic recovery, some signs of which are already visible, will gather momentum in the coming months and in due course see India returning to high growth trajectory.

Jessop has been able to withstand the challenges due to its strong fundamental strength and being engaged in manufacturing diverse range of engineering products. The presence of the company in the Railway rolling stock, infrastructure sector including fabrication, steel structures and Cranes based on decades of achievement has made it unique. With its huge infrastructure, distinct workshops and skilled work force it is a premier manufacturer of engineering goods and a one stop solution provider for a variety of engineering problems. It is presently engaged in design, manufacture, supply, erection and commissioning of heavy duty Cranes, Bridges, Technical Structures, Road Rollers, Mining equipments and above all railway rolling stock i.e. wagons and coaches.

B. Outlook

Indian Railways [IR] today acts as a backbone of India's transport infrastructure and as such contributes significantly to macro economic growth and global competitiveness. IR network is the fourth largest one. It is the largest passenger carrier in the world. The freight segment of IR accounts for about 70% of its revenue. During the past few years IR has posted an unprecedented turn around registering tremendous growth and development. It has embarked on a series of new initiatives to achieve freight loading target of 1100 M Tons as well as passenger traffic of 8.4 Billion by 2011-12.

There have been improvements in operating efficiency, coupled with commendable efforts to maximize asset utilization. Also, for the first time in its 150 year history, the world's largest civilian employer has started to heed customer needs in setting tariffs and upgrading the quality of service. The continued pragmatic and forward looking budgets of IR has opened up the sector by way of wagon investment scheme, wagon leasing scheme, own your wagon scheme etc. IR has also taken initiative to encourage wagon manufacturers to design wagons with higher pay load as well as new technology, high capacity new design passenger coaches, construction of dedicated freight corridor and greater emphasis on mass rapid transit systems.

The greater emphasis and encouragement given by Government of India on infrastructure development has stimulated the increase in capacities by steel sector, power sector, ports and road development. The annual steel production is projected to be 110 Million Tons by 2019-20. Increase in private partnership and greater diversification in the fuel mix has encouraged the power generation industry for a major structural change.

Against this back drop your company sees before it a wide opportunity spectrum, significant industrial and infrastructure development and a vast Indian diaspora spanning globe. Jessop is well positioned to capitalize this opportunity and will continue to participate in India's growth by meeting the needs of the Indian economy.

C. Opportunities and Threats

We believe our competitive strengths include strategic location, strong brand and long standing customer relationship, commitment to superior quality and execution, multi product base with design capability, large infrastructure under one roof and a quality manpower with huge asset base. However, the past history of the company in respect of failure in delivery commitment, lack of modernization and technology upgradation, depletion of skilled man power, inadequate product diversification has posed a threat before the company. The company is, however, taking all possible steps to overcome these threats. We give below segment wise opportunities available to the company and probable threat it is facing today and strategies to overcome the same.

(i) Railway Rolling Stock

The growing demand for passenger coaches and freight wagons, because of the growth- oriented initiatives taken by Indian Railway, have opened up a vast opportunity before the company. Metro Rail is becoming the most popular mode of public transport and Railways have also planned to acquire main line EMU coaches and Diesel EMU coaches the projections for which is placed at 168 and 160 coaches respectively for the year 2009-10. Jessop being the only established EMU coach manufacturer in the private sector has got an edge. In addition to this, the other coach manufacturers in the public sector have shifted their focus from manufacture of EMU coaches to Metro coaches and other long distance passenger coaches. The company has already developed ICF design AC EMU coaches at the instance of IR, and it stands at a competitive position to take up higher volume of this type of coaches in the coming years .

The increase in wagon acquisition by Indian Railways over the years and the introduction of new schemes including setting up dedicated freight corridor has given an opportunity to the company to increase its production of wagon. Jessop has the unique infrastructure and a brand image for manufacturing as well as developing new type of wagons at faster pace. It has already developed new types of wagons during the last two financial years and is fully geared up to cope up with the steel based wagons being planned by IR from 2009-10.

The company may face challenge from the new entrants in manufacture of AC EMU coaches. Since the company is mainly depended on IR, any change in policy by IR may adversely affect the performance of the company. This may affect for a short period, but the company with its strong base and fundamentals would be able to meet the challenge. The depletion of skilled manpower including its engineering set up is a concern for the company. However, the company is taking all possible steps to combat this situation and being a major player, it expects to encash the opportunities available to it.

(ii) Cranes, Structural & Fabrication

Jessop is a pioneer and have a brand image in Crane industry in India. Its presence is visible in industry like steel, power, ports and docks, over the last two centuries. It caters to the demand for heavy duty special purpose cranes required for limited industries and applications. Jessop has a name in bridges, dam gates and heavy structural. Infrastructure industry being given prime importance in the budget allocation since 2003-04 budget and boom in steel, power and port sector provides enormous opportunity to the company in this product segment. Increasing requirement of revamping of industrial cranes and annual maintenance contract for cranes by the existing companies also give an opportunity to the company to increase its presence and

revenue in this area as well. Since the company has already developed Loco Shell for CLW, it has got an opportunity to bag more orders from them as they estimate a total requirement of 500 Shells during the next five years.

The major challenges faced by the company are keeping pace with technology changes, depletion of skilled manpower, international players entering the market. The company is giving thrust on indigenization and product upgrades strengthening long term business relationship with reputed customers and hiring suitable skilled personnel.

(iii) Road Construction Equipment and Mining Machinery

The company has a long standing brand image for its conventional Road Rollers with unique production facilities and design capabilities. The ambitious sally of the Government of India in the infrastructure sector, the national highways development programme launched in December 1999 and the golden quadrilateral project has given a boost to the road equipment sector along with other infrastructure and road construction at various state level. However, there is a shift in demand from conventional road rollers to Tandem Vibratory Road Roller and the company has already developed the Tandem Vibratory Roller which is expected to be commercialized soon.

Jessop with its established brand image in this sector as well, is overcoming the challenges posed before it by the suppliers of road rollers in the unorganized sector at lower prices. It is also taking steps to modernize and develop new type of road rollers matching with the requirement of the industry.

The company is also in the field of manufacturing underground long wall mining roof supports, hydraulic cylinders and associated equipments, the technology of which were absorbed through technical collaboration in earlier years. However, due to no demand for this equipment due to lack of new project there is not much of activity in this segment. The company has got unique comprehensive facilities for testing of long wall face supports and equipment for underground mining installations under simulated condition as per the standard defined by the Director General of Mines Safety. It is the only licensing authority in India which makes the company unique in this segment and provides an opportunity to encash the market demand as and when it recurs.

(iv) EPC

In order to encash opportunities for booming turnkey jobs in the field of mechanical, electrical and civil engineering, the company has recently set up a separate business segment to give its full concentration in this area. With the infrastructure development continuing in India over the years as well as expansion taking place, a huge opportunity is opened up in this segment and the company is geared up itself to meet this challenge. The company is prepared to compete with the established big players in this field with proper skilled manpower and support.

D. Risk and concerns

The company has given importance to risk management in all its dealings. The economic environment, policies of the Indian Railways as well as Government of India, decreased utilization rates, increasing competitions, conditional contracts upon performance of the company, depletion in skilled manpower are the major concerns for the company. The company has an enterprise wide approach to the risk management which lays emphasis on identifying major risks in operations and strategic risks. Through this approach it strives to identify opportunities that enhance organizational values while managing or mitigating risks, to the extent feasible that can adversely impact the company's future performance.



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E. Internal Control Systems

The company has an adequate system of internal control implemented by the management towards achieving efficiency in operations, optimum utilization of resources, cost control and effective monitoring thereof and compliance with applicable laws.

The organization is well structured and the policy guidelines are well documented. The company, on a regular basis, stores and maintains all the relevant data and information as a back up, to avoid any possible risk of losing important business data. The management MIS Cell undertakes checks and reviews and follows up for corrective and preventive action. It is also implementing an Enterprise Resource planning System to have integrity and better control.

The company has sufficient systems to ensure that assets are safeguarded against loss and that the transactions are authorized, recorded and reported. The company also has a budgetary control system to monitor all expenditures against approved budgets on an ongoing basis.

A qualified and independent audit committee of the Board reviews the reports, operations and financial performances and the adequacy of internal controls.

F. Financial Performance

During the year under review, the company has achieved a higher gross turnover of Rs.211.58 Crores as against Rs.136.31 Crores registering an increase of 55.22%. The net profit before tax has also improved by 8.58 % during the year under review to Rs.20.24 Crores. The company has continued to pay dividend on equity shares since 2006 after a gap of 38 years. The net worth of the company has improved to Rs.96.47 Crores as on 31.03.2009 from a negative net worth of Rs.22.57 Crores as on 31.03.2005. With the positive net worth and fifth year of profit in a row after disinvestment, the company today stands in a comfortable financial foothold. The order book position of the company is strong and is about Rs.133.33 Crores pending for execution as on 31.03.2009.

G. Segment-wise Performance

During the year 2008-09, in the Wagon Division, though there has been an increase in the value of production as against previous year but there has been reduction in the number of wagons produced during the year. This is because of the change in policy of the Indian Railways to withdraw some of the free supply items like Bogies and couplers for which the company had to take some time to gear up. The company has developed for the first time BLC Wagons and supplied 45 Nos. to a private customer during the year. Another 90 Nos. of such Wagons are in the process of manufacture. With the higher number of wagons expected to be received in the coming year, the company expects to achieve better performance in the coming year.

In the EMU Division the performance suffered mainly because of change in design by Indian Railways for AC EMU Coaches to standardize it as per ICF design and given a developmental order for one rake only to the company as against at least 4 rakes being supplied till 2007-08 as per Jessop design of AC EMU coaches developed over the years. However, the company has developed this new ICF design AC EMU coach satisfactorily. It has been awarded with orders for 3 Rakes of such AC EMU Coaches for the year 2009-10 by IR on being satisfied with the development of new design coach.

In the CSM division the company could develop a prototype of Loco Shell for Chittaranjan Locomotive Works which is in the final stage. With the development the company is expecting a regular order for this produce from Chittaranjan Locomotive Works. The progress on execution of crane orders was not encouraging during the year under review.

The other divisions like REH division, Hydraulic and ITF division had performed satisfactorily inspite of lack of demand and competition from unorganized sector. The newly established EPC division fared well during the year 2008-09 with some prestigious orders and achieved a production of Rs.2.32 Crores in the first year itself.

The segment-wise performance is furnished below:

(Rs. Crores)

S.No	Particulars	CSM&W	EMU	REH	EPC	Total
1	Segment Revenue	181.68	15.06	8.75	1.99	207.48
2	Segment Results Profit/(Loss)	44.16	(1.13)	4.00	2.02	49.05
3	Unallocable Corporate Income less Exp (Net)					(-)35.48
4	Interst net of Interest Income					4.89
5	Prior Period Adjustment					0.09
6	Net Profit/(Loss) Before taxes					20.37

H. HR and Industrial Relations

Jessop believes that the real asset of an organization is the value of men because it is he who run the show. The company places human resources, which is the most critical component of an enterprise, at the core of its business model and believes that it is the employees' skills and capability, which can provide the necessary cutting edge to face challenges and market competition

Various measures have been taken to upgrade the level of human resources in the organization. Some of the measures include:

(a) Induction:

During the year under review, 57 persons were appointed in various categories. In recognition of exemplary performances, 42 officers and supervisors were promoted to next higher grade.

(b) Training & Development

Performances of 20 GET's were evaluated on completion of their 1year training schedule and were rated "Good". A summer training programme was also conducted where 45 Engineering students from various categories underwent training as part of their coursework.

The continuous training programmes to the graduate engineers as well as on the job training have helped in improving the skills of the employees. The scholarship of the company was availed by eligible employees so that their meritorious children could be assisted in pursuing higher studies.

(c) Communication:

Jessop believes that effective communication at all levels of organization is the path to effectively achieving the organization's objectives. Therefore, improved communications through monthly meetings, joint consultative committee, house keeping committee and brain storming have been implemented, which has resulted into greater transparency and understanding all the goals and objectives of the company. Issues such as Capital Investment, Administration, cost Reduction, Productivity, OHSAS certification and operational issues formed the subject of various meetings held during the year.

(d) Welfare Activities

Welfare activities by way of supporting Works Recreation Club, Sports Club and various activities of the employees by sponsoring their activities and expenses are being undertaken by the company. Housekeeping is the prime concern and continuous activities are undertaken by the company to ensure safe, clean, hygienic and congenial work environment for the employees at their work place.

The employees of the Company also participated with great fervour in various events and activities organized during the year. National holidays falling on 15th August, 26th January and 23rd January were observed in their true spirit by the employees through various commemorative functions. During the year, festivals like Vishwakarma Puja, Lakshmi Puja, Saraswati Puja were also celebrated with great enthusiasm.

(e) Industrial Relations situation :

Jessop is well aware of the fact that good industrial relations is the backbone for effective and smooth functioning of the organization. Therefore, the Company continuously endeavours to maintain cordial industrial relations. The relations with the Unions have been established on transparency, mutual trust and co-operation. There has been perceptible change in the attitude of the Unions and workmen towards Management. There was no loss of Mandays on account of direct actions by the Unions. Unions have extended fullest co-operation in enforcing Shop floor discipline, Safety measures, housekeeping and productivity.

Industrial relations remained normal and there were no significant labour issues outstanding or remaining unresolved during the year. Issues of concerns of employees are resolved through mutual collaboration and participative discussions. The total number of manpower deployed as on 31.03.2009 is 1056.

I. Health, Safety and Environment

The issues relating to health, safety and environment are always placed on top priority at Jessop. The aim is to provide a comprehensive health care services, high level of safety to the personnel and a congenial working environment.

1. Health

Occupational Health and Safety remains our foremost concern and priority. It is the company's continuous endeavour to maintain good health of the personnel working at the factory level. The Company maintains a comprehensive first aid facility so as to meet any untoward consequences. All work places are well-equipped with medical facilities and qualified doctors at hand in the event of any emergency. The management continuously ensures that fresh and pure drinking water is available and also ensures proper canteen facilities are made available to the employees. Further, it is also taken into account that proper system is followed for effective discharge of effluents, keeping in mind the safety of workers and also nearby locality where the factory is situated.

2. Safety

On the safety front, various training & awareness programmes, safety audits, statutory inspection and periodic testing of equipment was conducted.

The foremost objective of the company is to ensure safety of its employees at work. Various measures have been taken in this regard. The measures include training on safety measures for shop floor employees, incorporation of "safety clauses" in purchase orders, testing of equipments whether they have been purchased from authorized dealers, conducting regular safety meetings and thereby upgrading the employees on the latest safety measures. Jessop believes in the maxim "Safety first is safety always".

The company has taken various steps to ensure safety of personnel at plants. A National Safety Day was observed and safety badges and leaflets were distributed to the employees and Safety Banners and Posters were displayed. The need for an all out efforts on our part is to achieve zero accident. Safety Management Systems are constantly reviewed and upgraded to reduce the possibilities of accidents.

As a part of commitment to maintain and continuously improve its overall performance in Occupational Health and Safety, the company has taken steps to obtain OHSAS 18001 Certification.

3. Environment

Jessop is having a leading role in delivering reliable and quality products and services to all its customers and is conscious of its responsibility towards safe and clean environment for sustainable development.

It is complying with the necessary pollution control measures and has obtained necessary consents from the Pollution Control Board. The company has also been certified to hold and operate an Environmental Management System in compliance of ISO 14001:2004 for its manufacturing activities as certified by BSI Management System, UK.

Jessop believes in the maxim “Cleanliness is next to godliness”. Keeping this in mind various initiatives have been taken like formation of housekeeping committees for each workshop for discussion regarding a safe, clean, hygienic and congenial work environment for the employees at their places of work, regularly painting of machineries & equipments/walls/roof, planting of trees and issue of PPE's.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the company's objectives projections, estimates, expectations may be “forward-looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the company operates, changes in the Government regulations, policies of the Government of India and Indian Railway tax laws and other statutes and other incidental factors.

JESSOP & CO. LTD.

Balance Sheet as at 31st March, 2009

Rs. In Lacs

	Schedules	As at 31.03.2009	As at 31.03.2008
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Capital	1	6150.33	6145.60
(b) Reserve & Surplus	2	4164.06	2356.01
2. Loan Funds	3		
(a) Unsecured Loans		5626.53	7035.89
(b) Secured Loans		4368.27	546.49
3. Long Term Liabilities		1027.32	916.43
	Total	21336.51	17000.42
II. APPLICATION OF FUNDS:			
1. Fixed Assets	4		
(a) Gross Block		12881.50	11485.18
(b) Less: Depreciation		5379.42	5019.20
(c) Net Block		7502.08	6465.98
(d) Capital Work-in-Progress		136.33	128.02
		7638.41	6594.00
2. Investments	5	1960.98	1954.31
3. Long Term Assets		1568.26	1571.88
4. Current Assets, Loans & Advances			
(a) Inventories	6	4559.70	5518.77
(b) Sundry Debtors	7	8816.04	5384.90
(c) Cash & Bank Balances	8	1032.89	924.06
(d) Other Current Assets	9	297.16	198.69
(e) Loans & Advances	10	966.31	1980.03
		15672.10	14006.45
Less: Current Liabilities and Provisions	11		
(a) Current Liabilities		5028.99	5626.56
(b) Provisions		1122.01	1499.66
		6151.00	7126.22
Net Current Assets		9521.10	6880.23
5. Miscellaneous Expenditure (to the extent not written off or adjusted) Deferred Revenue Expenditure		647.76	—
	Total	21336.51	17000.42

Significant Accounting Policies and Notes on Accounts 21

Schedules, Significant Accounting Policies and Notes on Accounts form an integral part of Balance Sheet and Profit and Loss Account.

In terms of our Report of even date attached herewith
for K.N.Gutgutia & Co.
Chartered Accountants

On behalf of the Board of Directors

K.C.Sharma
Partner
Membership No. 50819
Dated: 30th April, 2009

M C Gupta
Chief Finance Officer &
Company Secretary

A K Jain
Director

S Banerjee
Director

JESSOP & CO. LTD.

Profit and Loss Account For The Year Ended 31st March, 2009

Rs. In Lacs

	Schedules	2008-09	2007-08
I. INCOME:			
Sales	12	21158.32	13630.89
Less: Cenvat Duty, Service Tax & Cess		397.86	424.30
		20760.46	13206.59
Other Revenues	13	138.40	128.16
Accretion/(Decretion) to Inventory	14	(1,581.41)	2938.59
	Total	19317.45	16273.34
II. EXPENDITURE			
Consumption of Raw Materials & Components	15	3181.08	4750.81
Purchase of Traded Goods		9733.22	5620.80
Consumption of Stores & Spares Parts		62.02	95.25
Other Direct Manufacturing Expenses	16	603.75	559.46
Employees' Remuneration & Benefits	17	2028.91	2046.62
Power & Fuel		187.02	188.40
Cenvat Duty on Closing Stock		85.58	9.13
Other Expenses	18	464.06	414.45
Interest	19	580.53	366.00
Depreciation		362.79	303.28
		17288.96	14354.20
Profit before Prior Period Adjustment		2,028.49	1919.14
Less: Prior Period Adjustments	20	(8.97)	42.70
Profit Before Taxation		2,037.46	1876.44
Provision for Taxation - Fringe Benefit tax		13.27	9.99
Profit after Taxation		2,024.19	1866.45
Balance brought forward from Previous Year		1029.51	344.47
Less: Dividend for Previous Year		0.27	—
Profit Available for Appropriations		3053.43	2210.92
Appropriations			
Proposed Dividend -			
On Equity Shares		184.51	368.74
Tax on Dividend (Including Surcharge)		31.36	62.67
Transfer to General Reserve		750.00	750.00
Balance Carried to Balance Sheet		2087.56	1029.51
		3053.43	2210.92
Earning Per Share - Basic & Diluted (Rs per equity share of Re.1/-)		0.33	0.80

Significant Accounting Policies and Notes on Accounts 21

Schedules, Significant Accounting Policies and Notes on Accounts form an integral part of Balance Sheet and Profit and Loss Account.

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