



DIFFERENTIAL
THINKING

ANNUAL REPORT 10 | 11



REGISTERED OFFICE

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HEAD OFFICE

8 Mangal Pandey Road | Dum Dum | Kolkata 700 028
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WORKS

Dum Dum | Dist 24 Parganas (N) | West Bengal
Durgapur | Dist Burdwan | West Bengal

AUDITORS

M/s. K N Gutgutia & Co.
Chartered Accountants | Kolkata

BANKERS

Central Bank of India
United Bank of India

REGISTRARS & SHARE TRANSFER AGENTS

C.B. Management Services Pvt. Ltd.
P 22 Bondel Road | Kolkata 700 019 | Phone +91 33 4011 6700 / 6711 / 6718 / 6723
Fax +91 33 2287 0263 | Email rta@cbmsl.com

79th ANNUAL GENERAL MEETING

10 September 2011 | Saturday 10.00 A.M.
The Ball Room | The Oberoi Grand | 15 Jawaharlal Nehru Road | Kolkata 700 013
Book Closure Dates : Friday, 02 September to Saturday, 10 September 2011 (Both days inclusive)

BOARD OF DIRECTORS



Shri Ambuj Kumar Jain
Director



Shri Virendra Kumar Agrawal
Director



Shri Mohan Lall Chauhan
Director



Shri Sajjid Khan
Director



Shri S Ravi
Director



Shri Ashok Kumar Agarwal
Director-Operations (REH & EPC)

CHIEF FINANCE OFFICER & COMPANY SECRETARY

Shri Mahesh Chand Gupta

AUDIT COMMITTEE

Shri A. K. Jain | Shri Mohan Lall Chauhan | Shri Sajjid Khan | Shri S Ravi

REMUNERATION COMMITTEE

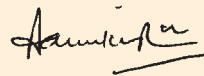
Shri A. K. Jain | Shri Sajjid Khan | Shri S Ravi

SHARE TRANSFER & INVESTORS GRIEVANCES COMMITTEE

Shri A. K. Jain | Shri Mohan Lall Chauhan | Shri S Ravi



“At Jessop we have always believed that one of the most important traits of being a good professional is the ability to bring alternative perspectives on board. Some people call it “contrarian thinking” while others call it “differential thought”. Whichever way you look at it, such traits are inherent to the advancement of ideas. I firmly believe that effective technology absorption is an exercise in differential thinking. Something which I am pleased to report, Jessop has excelled in more ways than one. Absorption of technology is at the centre of any developing countries' tryst with technological 'catching-up'. Jessop, I can assure you, is doing its bit.”



Pawan K. Ruia
Chairman, Ruia Group



The **Channel Tunnel**, also referred to as the Chunnel is a 50.5 kilometre undersea rail tunnel linking Folkestone, Kent in England with Coquelles, Pas-de-Calais near Calais in northern France beneath the English Channel at the Strait of Dover. The longest undersea portion of any tunnel in the world, the Chunnel is a fine example of what out of the box thinking can achieve.



CREATING SUSTAINABLE ADVANTAGES

Technologies continue to evolve, competition continues to become fierce, and the bar is constantly being raised. At Jessop we have understood the strategic importance of the supply chain for creating sustainable competitive advantage. We have staked out the areas where a relatively small investment would yield supremacy, usually due to an existing strength. Hardly surprising, that our financials continue to be robust. During 2010-11, net profit before taxes increased by 6.68% from the previous year. Net turnover, on the other hand, increased by 13.20%.



The sky is literally the limit when engineers think out of the box. The **Burj Al Arab** is a luxury hotel located in Dubai. At 321 m (1,053 ft), it is the fourth tallest hotel in the world. The Burj Al Arab stands on an artificial island 280 m (920 ft) out from Jumeirah beach, and is connected to the mainland by a private curving bridge. It is an iconic structure whose shape mimics the sail of a ship.



CREATING A LEAP IN VALUE

Perhaps the most important feature of differential thinking is that it rejects the fundamental tenet of conventional strategy: that a trade-off exists between value and cost. At Jessop we believe that it is possible to pursue differentiation and low cost simultaneously.

During the year, two rakes of ICF designed coaches were completed for the Indian Railways. Prototype development work on new steel based wagons were taken up. The tandem Vibratory Rollers were taken up for manufacturing. And for the first time, development of WGA-9 Loco Shell for Chittaranjan Locomotive Works was activated.

Innovative product differentiation took place with moderate investments. Creating a leap in value.



The **Palm Jumeirah** is an artificial archipelago created using land reclamation by Nakheel, a company owned by the Dubai government in United Arab Emirates. It is one of three islands called the Palm Islands which extend into the Persian Gulf, increasing Dubai's shoreline by a total of 520 kilometres. It proves that man can literally stretch the limits when he wants to. We are only limited by our imagination.



CREATING FUTURE-PROOF CAPABILITIES

The continued thrust on infrastructure along with agriculture and education sectors is likely to provide significant impetus to economic growth in the medium term. All these are expected to influence Rolling stock and engineering sector in a big way and all this augurs well for Jessop. The question is - are we building adequate and effective capabilities that are future-proof as well ?

If the absorption of latest technologies is anything to go by, the answer is a resounding 'yes'. Latest technologies have been absorbed for the production of not only EMU coaches and Stainless Steel Wagons, but for various types of cranes as well.



The **Millau Viaduct** is the highest bridge in the world. At almost 1,000 feet high and over 8,000 feet long it sometimes sits above the cloud line. The engineered wonder of the bridge itself is nearly as amazing as the view of the valley below. Amazing what human endeavour can achieve when the mind is made to think differently.



CREATING IMPECCABLE QUALITY BENCHMARKS

An Organization's culture plays an important role in allowing people to think differently. If their ideas are consistently put down – they would either move on, or learn to comply – much like students in the school classroom who are not allowed to think unconventionally. It is important therefore, to build a culture that encourages differential thinking and embraces new ideas.

At Jessop, the quality culture is all pervasive. Underlining every action the Company undertakes. The quality management system continues to conform to ISO 9001-2008 while the environment management system conform to ISO 14001:2004. The Company has also taken steps to obtain OSHAS 18001 accreditation for occupational systems and health management systems.



The **Great Wall of China** is a series of stone and earthen fortifications in northern China, built originally to protect the northern borders of the Chinese Empire against intrusions by various nomadic groups. Little of that wall remains; the majority of the existing wall was built during the Ming Dynasty. A fine testament to the enterprise, spirit and engineering skills of the human race from a time when modern technology had not reached our doorsteps.

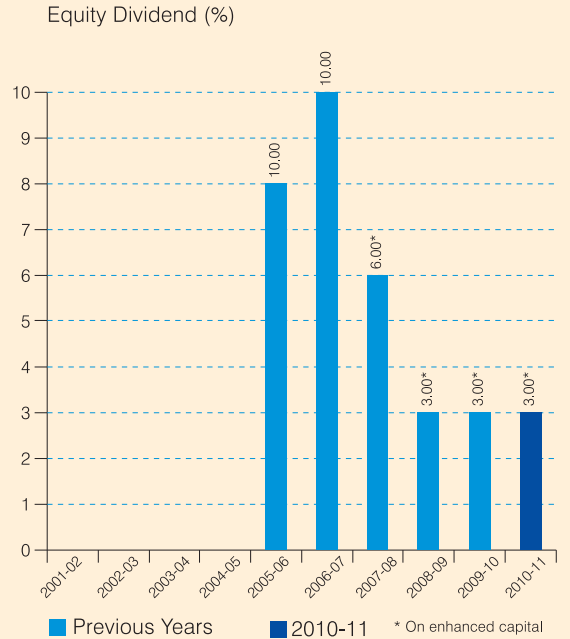
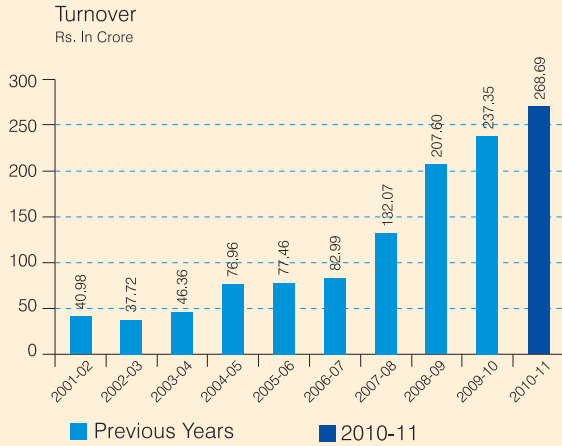


CREATING A CLIMATE THAT ENCOURAGES HARMONY

The term harmony derives from the Greek word for , meaning "joint, agreement, concord", "to fit together, to join". The term was often used for the whole field of music, while "music" referred to the arts in general. In Ancient Greece, the term defined the combination of contrasted elements: a higher and lower note. In business, differential thinking is best done when the environment is conducive to such initiatives.

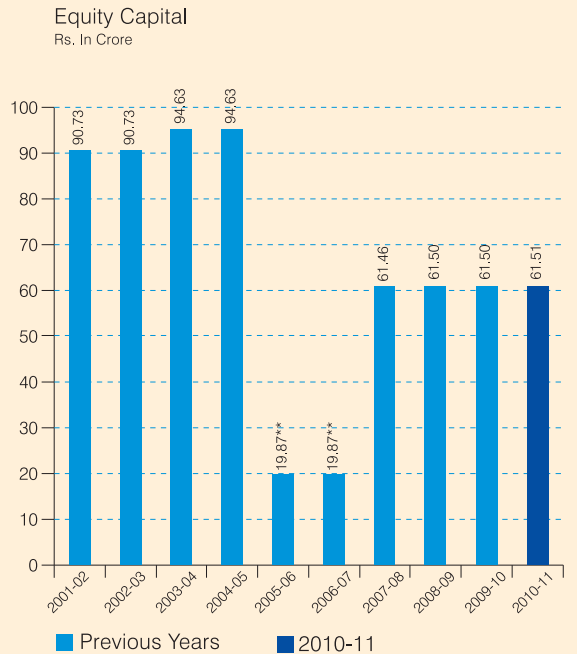
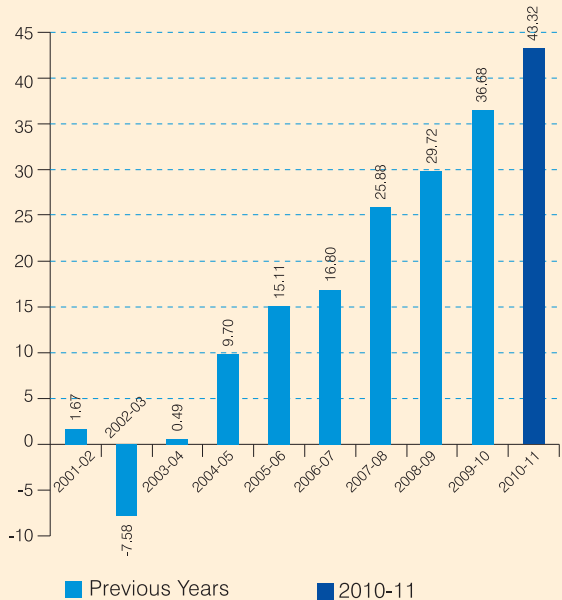
At Jessop a harmonious industrial relations situation prevailed during the year with the workmen extending their full cooperation. As a Company that believes in sustainable development, energy conservation measures were also taken up in right earnest. Harmony with the environment, after all, is what is going to guarantee the future.

PERFORMANCE OVER A DECADE



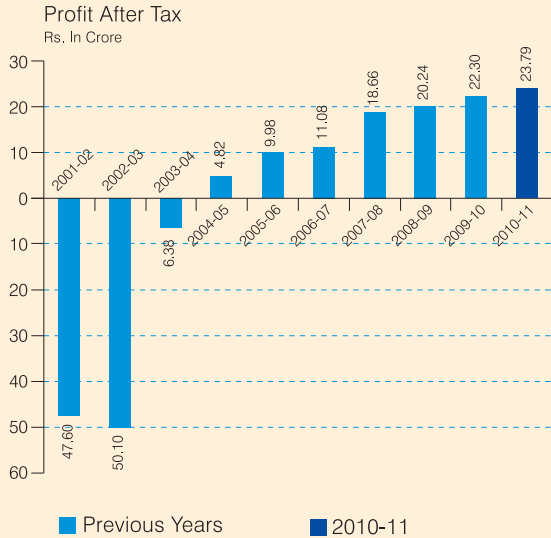
Earnings Before Depreciation, Interest & Tax (EBDIT) & Extra Ordinary & Exceptional Items

Rs. In Crore

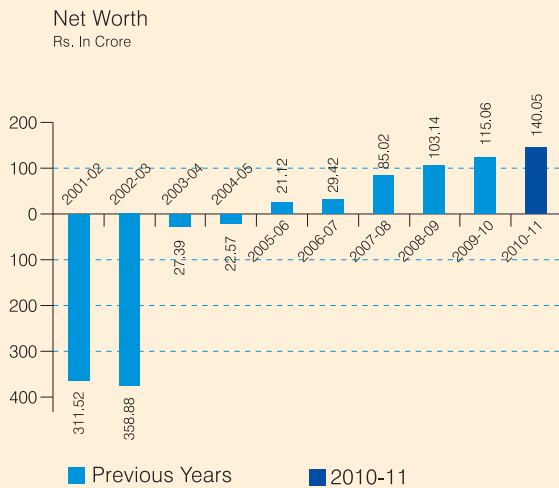
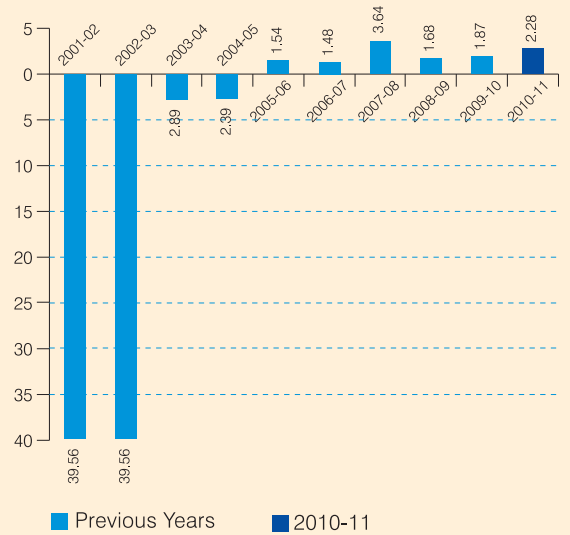


** Include party paid shares

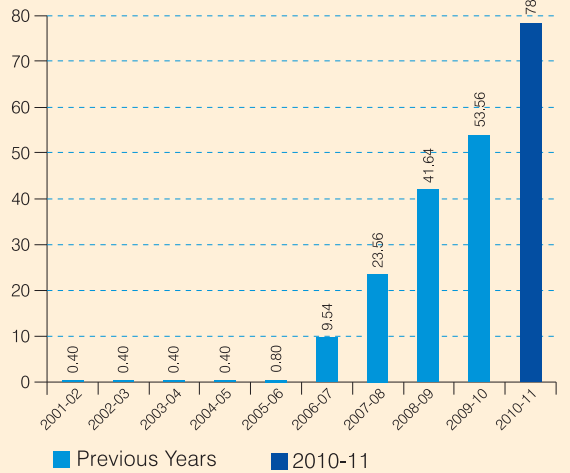
PERFORMANCE OVER A DECADE



Book Value Per Share (Rs)



Reserve & Surplus (Excluding Revaluation Reserve)
Rs. In Crore



FINANCIAL HIGHLIGHTS

(Rs. in crore)

PARTICULARS (Year Ended March 31)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
REVENUE ACCOUNTS										
TURNOVER	268.69	237.35	207.60	132.07	82.99	77.46	76.96	46.36	37.72	40.98
EBIDTA	43.32	36.68	29.72	25.88	16.80	15.11	9.70	0.49	-7.58	1.67
DEPRECIATION	6.17	4.26	3.63	3.03	2.19	2.10	2.01	1.78	1.80	1.80
PROFIT AFTER TAX	23.79	22.30	20.24	18.66	11.08	9.98	4.82	-6.38	-50.10	-47.60
CAPITAL ACCOUNTS										
GROSS BLOCK	255.90	225.76	130.18	116.13	100.73	79.93	73.45	65.35	62.91	61.50
DEBT	165.83	118.92	99.94	75.82	48.86	40.70	47.31	44.70	374.49	328.84
EQUITY CAPITAL	61.51	61.50	61.50	61.46	19.87**	19.87**	94.63	94.63	90.73	90.73
RESERVE & SURPLUS (excluding revaluation reserve)	78.54	53.56	41.64	23.56	9.54	0.80	0.40	0.40	0.40	0.40
NET WORTH	140.05	115.06	103.14	85.02	29.42	21.12	-22.57	-27.39	-358.88	-311.52
TOTAL ASSETS	413.62	356.70	268.39	241.26	164.78	144.53	106.88	85.47	100.61	95.56

** Includes partly paid up shares

KEY INDICATORS

RATIOS										
PARTICULARS (Year Ended March 31)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
EBIDTA MARGIN(%)	16.09	15.45	14.32	19.60	20.24	19.51	12.60	1.06	-	4.08
NET PROFIT MARGIN(%)	8.85	9.40	9.75	14.13	13.35	12.88	6.26	-	-	-
BOOK VALUE PER SHARE(Rs)	2.28	1.87	1.68	3.64	1.48	1.54	-2.39	-2.89	-39.56	-39.56
EARNING PER SHARE(Rs)	0.39	0.36	0.33	0.80	0.56	0.72	0.51	-0.69	-5.29	-5.03
EQUITY DIVIDEND(%)	3.00*	3.00*	3.00*	6.00*	10.00	8.00	-	-	-	-
DIVIDEND PAYOUT (Rs. in crore) (incl Dividend tax)	2.14	2.16	2.16	4.31	2.34	1.31	-	-	-	-
FIXED ASSETS TURNOVER RATIO	1.05	1.05	1.59	1.14	0.82	0.97	1.05	0.71	0.60	0.67
DEBT EQUITY RATIO	2.70:1	1.93:1	1.63:1	1.23:1	2.46:1	2.07:1	0.50:1	0.47:1	4.17:1	3.62:1

* On enhanced paid up capital of Rs 61.6 crores

NOTICE

Notice is hereby given that the Seventy Ninth Annual General Meeting of the Members of Jessop & Co. Limited will be held on Saturday, the 10th September, 2011 at 10.00 A.M at The Ball Room, The Oberoi Grand, 15 Jawaharlal Nehru Road, Kolkata 700 013 to transact the following business: -

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011, Profit and Loss Account for the year ended on that date and Reports of the Board of Directors' and Auditors' thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Mohan Lall Chauhan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sajjid Khan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/S. K N Gutgutia & Co., Chartered Accountants, Kolkata, the retiring auditors of the company, who being eligible, offer themselves for reappointment as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration .

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT Mr. Ashok Kumar Agarwal, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.”

‘RESOLVED FURTHER THAT pursuant to provisions of section 198, 269, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII thereto (including any statutory modifications or re-enactments thereof for the time being in force) and the provisions of the Articles of Association of the Company and subject to such sanctions and approvals as may be necessary, approval of the Company be and is hereby accorded to the appointment of Mr. Ashok Kumar Agarwal, as whole time Director of the company designated as Director-Operations (REH & EPC) for a period of three years with effect from 4th October, 2010 and for the payment of following remuneration to Mr. Agarwal :-

A. **Basic Salary** : ₹ 60,000/-per month.

B. **PERQUISITES AND ALLOWANCES:**

In addition to the salary, Mr. Agarwal shall also be entitled to the following perquisites and allowances:



1. House Rent Allowance of ₹ 30000/- per month.
2. Other Allowance of ₹ 3000/- per month.

C. **OTHER PERQUISITES AND PAYMENTS:**

- 1 Reimbursement of expenses incurred towards car maintenance and fuel expenses, to the extent of ₹ 42000/- per month.”.
- 2 Mr. Agarwal shall also be entitled to LTA, Medical Allowance and Ex-Gratia at the rate of one month’s basic salary each for each completed year of service

“**RESOLVED FURTHER THAT** notwithstanding anything contained herein above, where, in any financial year during the currency of his appointment, the Company has no profits or its profits are inadequate, the Company will pay the Whole time Director as salary, perquisites and any other allowances as specified above, subject to the requisite approvals being obtained.”

‘**RESOLVED FRUTHER THAT** the Board of Directors of the company be and is hereby authorized to alter and/or vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. Ashok Kumar Agarwal and the Board is also authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution”.

By Order of the Board
Jessop & Co. Ltd.

M.C. Gupta
Chief Finance Officer
& Company Secretary

Place: Kolkata
Dated: 30.05.2011

NOTES

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act,1956 in respect of Special Business vide Item No.6 of the notice is annexed hereto and forms part of this notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on its behalf at the Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 02nd September 2011 to Saturday, the 10th September 2011 (both days inclusive).
5. The Equity Shares of the Company are listed at The Calcutta Stock Exchange Associations Ltd, 7 Lyons Range, Kolkata – 700 001.
6. The Equity Shares of the Company are compulsorily available in dematerialized form with ISIN No. INE298F01029. The Shareholders are requested to dematerialize their holding through their Depository Participants.
7. Members are requested to bring the admission slips along with their copy of Annual Report with them at the Meeting. Due to prohibitive cost of paper and printing, copies of the Annual Report will not be distributed at the Annual General Meeting.
8. Members are requested to intimate to the Company queries, if any, regarding these accounts / notice at least ten days before the Annual General Meeting to enable the Company to keep the information ready at the meeting.
9. In case of Joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
10. Mr. Mohan Lall Chauhan and Mr. Sajjid Khan, Directors of the Company are retiring by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. As required under Clause 49 of the listing agreement, the information/data to be provided for these Directors are given in the Corporate Governance Section of the Annual Report.

The Board of Directors of the Company commends their respective re-appointments.

11. (a) The company has already notified closure of Register of Members and Transfer Books from Friday, the 02nd September 2011 to Saturday, the 10th September 2011 (both days inclusive) for the purpose of Annual Meeting and payment of dividend on Equity Shares, if declared at the Meeting.
- (b) The dividend, on Equity Shares, if declared, at the Meeting will be paid on or after 10th September,2011 to those Members whose names shall appear on the Company's Register of Members



on 02nd September, 2011. In respect of shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as at the end of business of 02nd September 2011.

12. (a) In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. C.B. Management Services (P) Ltd., under the signature of the Sole / First joint holder, the following information to be incorporated on dividend warrants:
- a. Name of the sole / First joint holder and the Folio Number
 - b. Particulars of Bank Account, viz:
 - i. Name of Bank
 - ii. Name of Branch
 - iii. Complete address of the Bank with Pin code Number
 - iv. Account type, whether Savings Account (SA) or Current Account (CA)
 - v. Bank Account Number
- (b) Members who hold shares in dematerialized form may kindly note that their Bank account details, as furnished by their Depositories to the Company, will be printed on their dividend warrant as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for deletion of or change in such Bank account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic form. **Members who wish to change such Bank account details are therefore, requested to advise their Depository Participants about such change with complete details of Bank Account.**
13. Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agents, M/s. C.B. Management Services (P) Ltd., immediately of:
- i. the change in the Residential status on return to India for permanent settlement.
 - ii. the particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of Bank with Pin code Number, if not furnished earlier.
14. As per provisions of Section 109A of the Act, facility for making nominations is available, to individuals, holding shares in the Company. Nomination Form -2B prescribed by the Government can also be obtained for the purpose from the Share Department of the Company / Share Transfer Agent.

By Order of the Board
Jessop & Co. Ltd.

M.C. Gupta
Chief Finance Officer
& Company Secretary

Place: Kolkata

Dated: 30.05.2011

EXPLANATORY STATEMENT

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

Item No 6

The Board of Directors of the Company has appointed Mr. Ashok Kumar Agarwal as a whole time Director, designated as Director - Operations(REH & EPC) of the company for a period of three years with effect from 4th October, 2010. The Board also decided the payment of remuneration to Mr. Agarwal as provided in the resolution with effect from 4th October,2010 for a period of three years on the recommendation of the Remuneration Committee, subject to the approval of the shareholders.

A brief profile of Mr. Ashok Kumar Agarwal is provided at the end of the notice.

None of the Directors, except Mr. Agarwal, is interested or concerned in anyway in the above resolution. This may also be treated as disclosure/abstract pursuant to Section 302 of the Companies Act, 1956.

The Board recommends the resolution for the approval of the members.

By Order of the Board
Jessop & Co. Ltd.

M.C. Gupta
Chief Finance Officer
& Company Secretary

Place: Kolkata

Dated: 30.05.2011

Brief Profile of Mr. Ashok Kumar Agarwal proposed to be appointed as whole-time Director of the Company:-

Mr Ashok Kumar Agarwal , aged about 52 years is a Graduate from the University of Calcutta. He has a rich experience of 30 years in executing EPC Project under International Reputed Consultants Limited & M N Dastur & Co. for setting up (BOP Package) of Captive Power plants of Different Clients like Birla's, Jindal's, Singhanian's, Hindalco, Nagarjuna Group, Jaiswal's, Nicco Group and NJ Bhilwara (HEG) Group. He also has experience in piping projects for Water, Air and Fuel.

Mr. Agarwal has widely travelled in India and abroad. He has an experience of successfully commissioning of Breathing Air System on Turnkey basis(Import Substitute) of DRD Unit (Defence Organization) for launching complex for Integrated Guided Missiles at ITR, Chandigarh and Dharma (Orissa) and also an experience of successfully commissioning of 6 MW Power Plant of Falcon Tyres Limited and revamping of machineries of Dunlop India Limited. Mr. Agarwal is working with the Company as Vice President (REH&EPC) since 1st January, 2007 and is handling REH and EPC Divisions of the Company independently and effectively. In view of the wide experience of Mr. Agarwal, it is considered that the appointment to Mr. Agarwal as Director " Operations (REH & EPC)" will add value to the Company and also enable the Company to comply with the statutory requirement.

IMPORTANT COMMUNICATION

The Ministry of Corporate Affairs, vide its Circular No. 18/2011 dated 29th April,2011, clarify that as a measure of " Green Initiative in Corporate Governance " it will be in compliance, if the Annual Report (i.e. documents listed in section 219(1) of the Companies Act, 1956) is sent through e-mail. To support this green initiative, members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company's RTA, M/s CB Management Services Pvt. Ltd. by filling the form available on the webpage of our Registrar <http://www.cbmsl.com/green.php> within 31st March, 2012 and also update the e-mail address as and when there is any change.

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

Your Directors have pleasure in presenting the 79th Annual Report along with Audited Accounts of the Company for the year ended 31st March 2011.

Summarized Financial Results

[₹/Crores]

Sl. No	Particulars	2010-2011	2009-2010
1.	Net Sales	268.69	237.35
2.	Profit before Depreciation, Interest & Tax	43.23	36.68
3.	Depreciation	6.17	4.26
4.	Interest	13.15	10.03
5.	Provisions for Taxation	-	-
6.	Net Profit	23.79	22.30
7.	Balance brought forward from Previous Year	26.15	20.87
8.	Profit Available for Appropriations	49.94	43.31
9	Appropriations :-		
	Proposed Dividend on Equity Shares	1.84	1.84
	Tax on Dividend [including Surcharge]	0.30	0.31
	Transfer to General Reserve	15.00	15.00
	Balance Carried to Balance Sheet	32.80	26.15

Your Directors are pleased to inform that the Company has achieved better financial results during the year under review. A higher EBIDTA of ₹ 43.23 Crores has been achieved as against ₹ 36.68 Crores during previous financial year, registering an increase of 17.86%. The net profit before taxes has increased by 6.68% from ₹ 22.30 Crores during 2009-10 to ₹ 23.79 Crores during 2010-2011. The net turnover of the Company for the year under review was ₹ 268.69 Crores, a 13.20% higher compared to the previous financial year.

Performance Highlights

Your Directors wish to inform you that the overall performance during the year under review was satisfactory with the improvement in operations in the second half of the year. The progress on new ICF design Coaches has improved and one such Rake has been successfully delivered to Railways and other two Rakes are in advanced stage and is expected to be completed within first half of the next financial year. The prototype development work on new steel based Wagons i.e. BOXHNL and BCNHNL has been taken up with regular production of other type of Wagons. Your Directors are also pleased to inform you that the Company is having a comfortable order book position with prestigious orders from Railways and other customers and it remained healthy throughout the year.

Dividend

Your Directors wish to recommend payment of Dividend on paid up Equity Shares at the same rate of 3% for the year ended 31st March 2011 on the paid up equity share capital of ₹ 61.50 Crores as in the last year in order to conserve resources to meet the increased working capital requirement for new type of Wagons and Coaches.

The dividend distribution would result in a cash outflow of ₹ 2.14 Crores as against an outflow of ₹ 2.15 Crores in the previous year, including tax on dividend.

Share Capital

The Authorized Share Capital of the Company as on 31.3.2011 stood at ₹ 100 Crores consisting of 99,00,00,000 Equity Shares of ₹ 1/- each and 1,00,000 6.5% Redeemable Cumulative Preference Shares of ₹ 100/- each. There are Calls in arrears for ₹ 0.45 Lacs as on 31.3.2011, against which necessary actions are being taken.

Business Perspective.

Indian Railways, the preferred mode of transport for long haul, bulk freight movement, long distance passenger traffic and mass rapid transit in suburban areas, plays a pivotal role in India's transport sector. In its first ever vision document released in December 2009 it has set targets to be achieved by 2020 along with its roles and core objectives. In order to meet the demand on growing traffic and network expansion, more Rolling stock i.e. Locomotives, Wagons and Coaches have become prerequisites for the Indian Railways. The freight and passenger traffic is expected to increase steadily and reach 1850 Million Tonnes and 15.18 Billion by 2020 from the current 921 Million Tonnes and 7.88 Billion respectively. This growth automatically increases requirement for infrastructure in terms of more freight and passenger trains which in turn implies requirement for more Wagons, Coaches and Locomotives. Significant opportunities also exist to set up manufacturing facilities due to the huge gap between Five year plan requirement and the current capacities. Continuous boost given to urbanization and infrastructure development in the Union budget is also driving economic activities thus giving an impetus to the demand for industrial products. Increased allocation of planned resources in the Union budget 2011-12 towards infrastructure projects along with the proposals to direct foreign funds and private saving towards infrastructure sector will unlock much of the growth potential of the sector. Even the budget reinforce the need for continuation of the reform agenda. Overall 11% rise in budgetary allocation on road transport and highways is expected to encourage the transportation and logistic sector in India. Huge mis-match in demand and supply of power sector would claim for setting up more power projects, positive trigger for capital goods.



Your Directors foresee a much better opportunity available in the coming years and expect to achieve a higher and better performance in the future years.

ISO 9001 – 2008 / ISO 14001 : 2004

Your Directors wish to inform you that the quality management system of the company continued to conform to ISO 9001-2008 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 accreditation for occupational safety and health management systems and audits have already been conducted for the same.

Subsidiary Companies

The Company has the following subsidiaries:-

- a) Pallavi Manufacturers Pvt. Ltd.
- b) Jessop Wagons and Coaches Ltd.
- c) Jessop Infrastructure Pvt. Ltd.
- d) Jessop Estate Pvt. Ltd.
- e) Jessop Properties Pvt. Ltd.

Your Directors have pleasure in attaching the Consolidated Financial Statement for the financial year ended 31st March, 2011 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. These companies are yet to commence operations.

In terms of the provisions contained in general circular No. 2/2011 and memo No. 5/12/2007-CL-III dated 8th February 2011 granting general exemption u/s.212(8) of the Companies Act 1956 by the Government of India, Ministry of Corporate Affairs, the full version of annual accounts of the aforesaid subsidiary companies are not attached with the annual accounts of the company. However, the annual accounts of the subsidiary companies and the related detailed information shall be made available to the Shareholders of the Company seeking such information at any point of time and shall also be kept for inspection by any Shareholders in the Corporate Office of the Company as well as at the registered office of such subsidiary companies.

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, 2011, the applicable accounting standards 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, 2011 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, Mr. Virendra Kumar Agrawal was appointed as Director of the Company with effect from 11th August 2010, which was subsequently approved by the Shareholders at its last Annual General Meeting held on 29.09.2010.

During the year under review, Mr. Ashok Kumar Agarwal was appointed as Whole Time Director designated as Director – Operations (REH & EPC) of the Company with effect from 4th October 2010 subject to the approval of the Shareholders. Approval for the appointment and payment of remuneration to Mr. Ashok Kumar Agarwal has been proposed at the ensuing Annual General Meeting.

During the year under review, Mr. Sreekanta Banerjee resigned from the position of Director [Marketing] of the company with effect from 6th September 2010, Mr. Ravindra Gupta resigned from the Board with effect from 15th September 2010 due to his other preoccupations. Mr. Tarun Gandhi also resigned from the Board with effect from 1st December 2010.

Yours Directors wish to place on record their deep appreciation for the valuable services rendered by Mr. Sreekanta Banerjee, Mr. Ravindra Gupta and Mr. Tarun Gandhi during their tenure on the Board.

In accordance with the provisions of the Act and Article 105 of the Articles of Association of the Company, Mr. Mohan Lall Chauhan and Mr. Sajjid Khan, 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 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. The provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, is not applicable as no employees covered under the said section were employed during the year under review.

Acknowledgment

Your Directors wish to place on record their grateful appreciation for the continued support and assistance received from Government of India, Government of West Bengal, Ministry of Railways, 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

Place : Kolkata

Dated : 30th May, 2011.

(V. K. Agrawal)
(Director)

(A. K. Agarwal)
(Director)

ANNEXURE TO THE REPORT OF THE DIRECTORS

ANNEXURE I

Information as per 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, as part of the Directors' Report for the year ended 31st March 2011

I. Conservation of Energy

(a) Energy conservation measures taken:

- (i) Energy efficient welding process like Sub-merged Arc Welding, MIG Welding processes & Spot Welding have substituted manual Arc Welding processes.
- (ii) Electrical appliances like grinding machines, Huck bolting etc have substituted pneumatic grinding process and riveting.
- (iii) Good power factor has been obtained through optimum use of Capacitor Bank. Energy efficient lights have replaced conventional lighting system.
- (iv) Restructuring of load distribution through transformers has been processed.

(b) Additional investments and proposals, if any, for reduction of consumption of energy:

- (i) To introduce a dedicated night lighting circuit for the purpose of reduction of night lighting load.
- (ii) Auto capacitor Bank for automatic power factor correction will be required.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost production of goods ;

Above measures yielded following results –

- I Reduction of “no-load loss” in power transformers ;
- II Improvement of power factor and consequential saving of energy ;
- III Reduction in compressed air lines and Compressor maintenance problems;
- IV Improvised welding has resulted into better quality and saving of cost ;

(d) Total energy consumption per unit of production:- (As per Form “A”)

Form for disclosure of particulars with respect to conservation of energy.

A. Power and Fuel Consumption	Current Year	Previous year
1. Electricity		
Purchased		
Units in lacs	18.97	25.02
Total Amount(Rs. in lacs)	160.18	178.67
Rate / Unit (₹)	8.44	7.14
2. Furnace Oil (KL)	1.54	2.42
Total Amount(₹ in lacs)	0.62	0.76
Average Rate (₹ / KL)	40143	31364
B. Consumption per Unit of Production		
* Products (with details) Unit	Current Year	Previous Year
Products(₹ in lacs)	6654	5485
Electricity(KWH/Unit of Products)	285.07	456.16

(The Company manufactures various products, which are totally different from each other and are expressed in different units which cannot be converted into single equivalent unit. Hence the production have been converted into equivalent Rupee value)

II. Technology absorption :

(e) Efforts made in technology absorption :-

During the year 2 rakes of ICF designed coaches have been completed for Indian Railways. Latest technologies have been absorbed for the production of following:-

- (i) EMU Coaches
- (ii) Stainless Steel Wagons
- (iii) Various types of cranes

III. Foreign Exchange earnings and outgo

(f) Activities relating to exports ; initiatives taken to increase exports ; development of new export markets for products and services and export plans.

During the year, no exports have taken place. The Company has plans to re-enter in Export Markets for products in the near future.

- (a) Foreign Exchange Earnings NIL
- (b) Foreign Exchange Outgo ₹ 233.73 Lacs

REPORT ON CORPORATE GOVERNANCE

Corporate governance is essentially concerned with the process by which the values, principles, management policies and procedures of a corporation are inculcated and manifested. It is a set of standards, which aims to improve the company's image, efficiency, effectiveness and social responsibility. The concept of corporate governance primarily hinges on complete transparency, integrity and accountability of the management, with an increasingly greater focus on investor protection and public interest. In compliance with clause 49 of the Listing Agreement with The Stock Exchange, your directors present the Company's report on Corporate Governance and the practice followed by your company in this regard.

Company's philosophy

Jessop believes that the good corporate governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objectives of enhancing shareholders value and discharges of social responsibility. The Company believes that the principles of fairness, transparency, professionalism, accountability, customer focus, quality and social responsibility are the corner stones for good governance. Your company recognizes that good corporate governance is a continuing exercise. In its commitment to pursue highest standard of corporate governance in the overall interest of shareholders, employees, lenders and the Government, it has not limited compliance of the salutatory requirement but the effective governance system and practice have been institutionalized so as to maximize the value of all its stake holders.

Board of Directors

As on 31st March, 2011 the Board of Directors of the Company comprises of one Wholetime Director, designated as Director – Operations (REH & EPC) and five Non-Executive Directors. Three of the five Non-Executive Directors are Independent Directors. Accordingly, the Composition of the Board is in conformity with the Clause 49 of the Listing Agreement.

In terms of the Company's Corporate Governance policy all statutory and other significant and material informations including informations mentioned in Annexure 1A of Clause 49 of the Listing Agreement are placed before the Board at each meeting.

The Board of Directors meets regularly to review strategic, operational and financial matters and has a formal schedule of matters reserved for its decision. It approves the interim and preliminary financial statements, the annual financial plan, significant contracts and capital investment along with strategic decisions like Restructuring of Business, Debt and Human Resources etc. Wherever appropriate, the Board delegates its authority to Committees of Directors like Share Transfer & Investors Grievance Committee, Remuneration Committee and Audit Committee. Information is provided to the Board in advance of every meeting and the Chairman ensures that all Directors are properly briefed on the matters being discussed. The Board reviews compliance reports of applicable laws in the Board Meetings.

During the year, five (5) Board Meetings were held on 22nd April 2010, 11th August 2010, 11th November 2010, 1st February 2011 and 21st March 2011.

The Composition and category of the Board of Directors and their Attendance at the Board Meetings held during the year and at the last Annual General Meeting are as follows.

Name of the Directors	Category of Directors	No. of Board Meetings held during tenure		Attendance at the last AGM held on 29.9.2010
		Held	Attended	
Mr. A.K.Jain	Non-ExecutiveIndependent	5	3	No
Mr.Ravindra Gupta (Resigned w.e.f. 15.09.2010)	Non-Executiveindependent	2	2	N.A
Mr. Mohan Lall Chauhan	Non-ExecutiveIndependent	5	5	Yes
Mr. Tarun Gandhi (Resigned w.e.f. 01.12.2010)	Non-ExecutiveIndependent	3	1	No
Mr. Sajjid Khan	Non-ExecutiveIndependent	5	1	No
Mr. Virendra Kr Agrawal. (Appointed from 11 th Aug 2010)	Non-Executive	4	4	Yes
Mr.S.Ravi	Non-Executive	5	3	No
Mr. Ashok Kumar Agarwal (Appointed from 04.10.2010)	Wholetime Director	3	3	N.A.
Mr.Sreekanta Banerjee (Resigned w.e.f. 06.09.2010)	Wholetime Director	2	2	N.A.

- i) The word N.A. denotes that person was not a member of the Board of the Company on the date of the Annual General Meeting.
- ii) Mr. Mohan Lall Chauhan and Mr. Sajjid Khan are Directors retiring by rotation and are eligible for re-appointment.

None of the Directors of the Company is a member of more than ten (10) Committees or Chairman of more than five (5) Committees across all the Companies in which he is a Director.

The necessary disclosures regarding directorship in other Companies, number of committees in which the directors are member as on 31.03.2011 is mentioned hereinbelow: -

Name of the Directors	Category of Directors	No. of Directorship in other Public Companies		No. of Committees positions held in other Public Companies	
		Chairman	Member	Chairman	Member
Mr. A.K.Jain	Non-ExecutiveIndependent	-	1	1	1
Mr. Mohan Lall Chauhan	Non-ExecutiveIndependent	-	1	1	3
Mr. Sajjid Khan	Non-ExecutiveIndependent	-	-	-	-
Mr. Virendra Kumar Agrawal (Appointed from 11.08.2010)	Non-Executive	-	2	-	1
Mr. S. Ravi	Non-Executive	-	3	-	-
Mr. Ashok Kumar Agarwal (Appointed from 04.10.2010)	Wholetime Director	-	2	-	-

Brief details of Change in Composition of Directors during the year 2010-11:

- i) Mr. Virendra Kumar Agrawal was appointed on the Board with effect from 11.08.2010 and subsequently the Shareholders of the Company at the Annual General Meeting held on 29.09.2010 have approved his appointment.
- ii) Mr. Ashok Kumar Agarwal has been appointed on the Board as a Whole time Director designated as Director -Operations (REH & EPC) with effect from 04.10.2010. Mr. Agarwal is a Graduate from the University of Calcutta. He has a rich experience in executing EPC Project under International Reputed Consultants Limited & M N Dastur Co. for setting up (BOP Package) of Captive Power plants of Different Clients like Birla's, Jindal's, Singhania's, Hindalco and other top Groups of India. He has an experience of successfully commissioning turnkey projects.
- iii) Mr.Sreekanta Banerjee has resigned from the services of the Company and also from the Board w.e.f. 06.09.2010 due to his persona reasons.
- iv) Mr. Ravindra Gupta has resigned from the Board w.e.f. 15.09.2010 because of his other pre-occupation.
- v) Mr.Tarun Gandhi has resigned from the Board w.e.f. 01.12.2010 because of his other pre-occupation.

Audit committee

The Audit Committee consists of three Non-Executive Independent Directors viz. Mr. A.K.Jain, Chairman of the Committee, Mr. Sajjid Khan, Mr. Mohan Lall Chauhan and one non-executive director Mr. S. Ravi , as members of the Committee. The Company Secretary acts as Secretary of the Audit Committee. The Chairman of the Audit Committee could not attend the last Annual General Meeting, as he was travelling abroad.

The Audit Committee considered performance of the Company, quarterly / half yearly financial results of the Company and recommended to the Board of Directors, for its approval, recommended appointment of Auditors of the Company and other financial and operational matters.

The Audit Committee met four (4) times during the year 2010-11 on 22nd April, 2010, 11th August,2010, 11th November,2010 and 1st February, 2011. The necessary quorum was present at all the meetings.

The constitution of the committee and the attendance of each member of the committee are given below.

Name of the Directors	Category	No. of Meetings held during tenure	No. of Meeting attended
Mr. A. K.Jain, Chairman	Non-Executive Independent	4	3
Mr. Mohan Lall Chauhan, Member	Non-Executive Independent	4	4
Mr. Sajjid Khan, Member	Non-Executive Independent	4	1
Mr. S. RaviMember	Non-Executive	4	3

The **Terms of reference of the Audit Committee** are comprehensive and are in conformity with the matters specified in the Listing Agreement with the Calcutta Stock Exchange, as well as in Section 292A of the Companies Act, 1956.



Remuneration committee

The Remuneration Committee of the Board of Directors of the Company consists of three Non-Executive Directors viz. Shri A.K.Jain, Shri Sajjid Khan and Mr. S. Ravi.

During the year under review, one meeting of the Remuneration Committee was held on 11th November 2010 where it considered appointment and payment of remuneration to Wholetime Director, Mr. Ashok Kumar Agarwal and recommended to the Board for its approval.

The Company Secretary acts as the Secretary of the Committee.

Remuneration Paid to the Directors

Non-Executive Directors do not receive any remuneration from the Company except the sitting fees @ ₹ 5000/- per meeting for the Board and Committee meetings attended by them. However, no sitting fees are paid to Mr. Virendra Kumar Agrawal and Mr. S. Ravi for attending Board or Committee meetings who are in the employment with Ruia Group of Companies. The remuneration of the Executive Directors is fixed by the Board of Directors on recommendation of the Remuneration Committee. The details of remuneration paid to the Directors during the year 2010-11 are given below:

Name of Director	Salary (₹)	Perquisites (₹)	Sitting Fee (₹)	Total (₹)
Mr. A K Jain	-	-	30000	30000
Mr. Ravindra Gupta (ceased w.e.f. 15.9.2010)	-	-	10000	10000
Mr. Mohan Lall Chauhan	-	-	45000	45000
Mr. Tarun Gandhi (ceased w.e.f. 01.12.2010)	-	-	5000	5000
Mr. Sajjid Khan	-	-	10000	10000
Mr. Virendra Kumar Agrawal (Appointed w.e.f. 11.08.2010)	-	-	-	-
Mr. S. Ravi	-	-	-	-
Mr. Ashok Kumar Agarwal (Appointed w.e.f. 04.10.2010)	541490	-	-	541490
Mr. Sreekanta Banerjee (ceased w.e.f. 06.09.2010)	532000	70000	-	602000

The Company has not entered into any pecuniary relationship or transactions with the Non-Executive directors. The Company has so far not issued any stock options to any of its directors. None of the Directors hold any shares in the Company.

Share Transfer & Investors Grievances Committee

The Share Transfer & Investors Grievances Committee of the Board of Directors of the Company was last re-constituted on 01.02.2011. The members of Share Transfer & Investors Grievances Committee comprises of Mr. Mohan Lall Chauhan, Mr. A.K. Jain and Mr. S. Ravi, Directors of the Company. Mr. S. Banerjee ceased to be the member of the Committee with effect from 06.09.2010.

The Committee considers and approves transfer / transmission of shares and also look into the redressal of complaints of investors towards transfer or credit of shares to demat accounts, non-receipt of notices/ annual reports, etc based on the reports and documents submitted by the Company's Registrars and Share Transfer Agent M/s. C B Management Services (P) Ltd, Kolkata.

During the year no major complaints was received except queries, which were adequately redressed by the Company's Registrars and Share Transfer Agent.

The Committee met four times during the financial year 2010-2011 on 22nd April,2010,11th August,2010, 11th November,2010 and 1st February, 2011.

The Company Secretary acts as the Secretary of Share Transfer & Investors Grievances Committee.

Compliance Officer :

In terms of Clause 47 of the Listing Agreement with the Stock Exchange Mr. Mahesh Chand Gupta, Chief Finance Officer and Company Secretary, of the Company, is the Compliance Officer.

General body meetings:-

The location, date and time of the Annual General Meetings held during the last three years are as follows:

Financial Year	Date	Time	Location
2009-10 (78 th AGM)	29.09.2010	11.30 A.M.	The Ball Room, The Oberoi Grand 15, J.L.Nehru Road, Kolkata 700 013
2008-09 (77 th AGM)	07.07.2009	11.30 A.M.	“Crystal Room”Hotel Taj Bengal 34B, Belvedere Road, Kolkata 700 027
2007-08 (76 th AGM)	30.09.2008	11.00 A.M.	The Ball Room, The Oberoi Grand 15, J.L.Nehru Road, Kolkata 700 013

During the financial year 2010-11, no resolution was passed by means of a postal ballot pursuant to Section 192 (A) of the Companies Act, 1956.

Disclosures

There are no related parties transactions of material nature made by the Company that may have potential conflict with the interest of the Company at large.

The details of related party transactions are disclosed in note No. 9 B of schedule 21 to the Annual Accounts of the Company for the year ended 31.03.2011.

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authorities:

During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchange or any Statutory Authority for non-compliance of any matter related to Capital Market.



CEO/CFO Certification:

Mr. A. K. Agarwal, Director – Operations (REH & EPC) and Mr. M.C. Gupta, Chief Finance Officer & Company Secretary of the Company have submitted the CEO/CFO Certificate, which is separately enclosed with the Report.

Means of communication

a) Quarterly/half yearly results:

Quarterly / half yearly results are published in local English and Bengali newspapers and shareholding pattern is filed with the Stock Exchange under Clause 35 of the Listing Agreement on quarterly basis. A certificate under Clause 47(c) of the Listing Agreement and Reconciliation of Share Capital Audit Report are filed with the Stock Exchange bi-annually and quarterly , respectively, after being duly audited and certified by qualified practicing Company Secretary.

b) Website:

A detailed description about the Company’s history, products and information related to various matters as well as quarterly/yearly results are available on the official website of the Company i.e www.jessop.co.in.

c) Annual Report:

Annual Report containing inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors’ Report, Auditors’ Report and other important information is circulated to members and other entitled thereto.

General Shareholders information

Annual General Meeting Date, Time & Venue	On Saturday, the 10 th September, 2011, At 10.00 AM At “The Ball Room”, The Oberoi Grand, 15, Jawaharlal Nehru Road, Kolkata 700 013
Financial Calendar (Tentative)	Financial Reporting for the Financial year 2011-12 (i) Quarter ending June 30, 2011 : Mid of August 2011 (ii) Quarter ending September 30, 2011 : Mid of November 2011 (iii) Quarter ending December 31, 2011 : Mid of February 2011 (iv) Quarter & year ending : Last week of May 2012. March 31, 2012
Dates of Book Closure	From: Friday, the 02 nd September,2011 To : Saturday, the 10 th September,2011 (Both days inclusive)
Dividend Payment Date	On or after 10 th September,2011
Listing of Equity Shares on Stock Exchange and payment of Listing Fees	The Calcutta Stock Exchange Association Limited, 7, Lyons Range, Kolkata - 700001. Annual Listing Fees for the year 2010-11 has been paid.
Scrip Code (Physical)	20004 (Calcutta Stock Exchange)
Demat ISIN No. in NSDL and CDSL for Equity Shares	INE 298F01029

Stock Market Data	No trading had taken place during the period 01.04.2010 to 31.03.2011.
Registrar & Transfer Agent (RTA)	M/s. C.B. Management Services (P) Ltd. P-22, Bondel Road, Kolkata 700 019 Telephone : 40116717/28/24/42, Fax No. (033) 2287 0263 Email: rta@cbmsl.com
Share Transfer System	The Shares in demat form are transferred through respective depository participants. The Share transfers received in physical form are processed, registered and returned within 30 days from the date of lodgement provided the documents are complete in all respects. Request for such transfer of shares may be lodged with M/s. C B Management Services (P) Ltd at Kolkata or may also be sent to the Company secretary at the registered office of the Company.

Distribution of Equity shareholding as on 31st March, 2011

Range of Shares		No. of		No of	
From	To	Shareholders	%	Shares	%
Up to	500	1937	79.52	274601	0.05
501	1000	238	9.77	171348	0.03
1001	2000	99	4.06	149461	0.02
2001	3000	54	2.22	129246	0.02
3001	4000	31	1.27	112311	0.02
4001	5000	16	0.66	69322	0.01
5001	10000	31	1.27	212182	0.03
10001	And above	30	1.23	613984004	99.82
Total		2436	100.00	615102475	100.00

Shareholding pattern as on 31st March 2011 in terms of clause 35 of the Listing Agreement with the Stock Exchange:-

	Total		Shares Pledged	
	No.	%	No	%
1. Promoters				
(a) Indian Promoters	455879405	74.11	68134428	11.08
(b) Foreign Promoters	153265170	24.92		
Sub-Total	609144575	99.03	68134428	11.08
2. Non-Promoters Holding				
(a) Financial Institutions, Banks, Insurance Co, Mutual Funds etc.	930670	0.15		
(b) Corporate Bodies	3517825	0.57		
(c) NRI/OCBS	8926	0.01		
(d) Indian Public, Trusts	1499479	0.24		
(e) Government of West Bengal	1000			
TOTAL	615102475	100	68134428	11.08

GEOGRAPHICAL DISTRIBUTION OF SHAREHOLDING AS ON 31st March,2011

City/ Location	Number of Folios	Percentage
Kolkata & Adjacent Places	1551	63.67
Delhi	94	3.86
Ahmedabad	21	0.86
Mumbai	298	12.23
Chennai	28	1.15
Bangalore	23	0.95
Hyderabad/Secunderabad	8	0.33
Places other than above	413	16.95
Total	2436	100.00

Dematerialisation of shares as on 31st March 2011 and liquidity

The Company's shares are compulsorily available in dematerialized form and are available for trading through both Depositories in India i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).592156530 fully paid up Equity Shares of ₹ 1/- each representing 96.27% of the Company's Equity Share Capital are dematerialized as on 31st March 2011. The ISIN No. of the Equity Shares is INE298F01029.

Plant Location	The Company's plants are located at Dum Dum in the District of 24 Parganas (North) and at Durgapur in the District of Burdwan, West Bengal.
Address for Correspondence	M/s. C.B.Management Services (P) Ltd. P-22, Bondel Road Kolkata 700 019 Telephone: 91-33-4011-6700/6711/6718/6723 Fax No.033-2287-0263 Email: rta@cbmsl.com Shareholders holding shares in electronic mode should address all their correspondence to their respective depository participant.

Investor Education and Protection Fund

As on date, no unclaimed dividend or redemption of preference shares or refund of application money has become due for transfer to the Investor Educational & Protection Fund (IEPF) pursuant to the provisions of section 205A(5) of the Companies Act, 1956.

Information in respect of such unclaimed amount, when due for transfer to the said fund, is given below:-

Financial Year ended	Date of Declaration of Dividend/Redemption/ Refund	Last date for claiming un-paid dividend/redemption amount/refund amount	Due date for transfer to IEPF
1. 31 st March 2006	27 th July,2006	3 rd September,2013	3 rd October,2013
2. 31 st March 2007	17 th July,2007	24 th August,2014	24 th September,2014
3. 31 st March 2008	30 th September,2008	6 th November,2015	6 th December,2015
4. 31 st March 2009	7 th July,2009	14 th August,2016	14 th September,2016
5. 31 st March 2010	29 th September,2010	5 th November,2017	5 th December,2017

The Shareholders who have not so far encashed the dividend warrant etc are requested to take necessary action for issue of duplicate warrants/orders by writing to the Company's Registrar and Share Transfer Agent M/s. C B Management Services (P) Ltd. Shareholders are requested to note that no claim shall lie on the company in respect of any amounts which is unclaimed and unpaid for a period of 7 years from the dates when they first became due for payment and no payment shall be made in respect of any such claims.

Disclosure for re-appointment / appointment of Director

Resume and other information of the directors retiring by rotation and getting reappointed as required to be disclosed under clause 49 (IV)(G)(i) of the Listing Agreement is as under:

Particulars	Sajjid Khan	Mohan Lall Chauhan
Date of Birth	02.10.1958	12.04.1945
Date of Appointment	29.08.2003	20.01.2009
Qualification	B.Sc [H], Mining Engineering from IIT-ISM	MA (Pol Science), Retd from Indian Revenue Service
Occupation	Businessman	Retired
Directorship (s)Held in other Public Companies	NIL	Dunlop India Ltd.
Membership / Chairmanship of Committees of other Public Companies	NIL	Audit Committee-Dunlop India Ltd. Remuneration Committee-Dunlop India Ltd. Shareholders/ Investors Grievances Committee-Dunlop India Ltd.
No. of Shares held in the company	NIL	NIL

On behalf of the Board of Directors

Place : Kolkata

Dated : 30th May,2011.

(V. K. Agrawal)

(Director)

(A. K. Agarwal)

(Director)



CEO/CFO Certification

**To the Board of Directors,
Jessop & Co. Ltd**

- a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2011 and to the best of our knowledge and belief:
- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
- i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Kolkata
Date : 30th May,2011

M. C. Gupta
Chief Finance Officer
& Company Secretary

A. K. Agarwal
Director

To,
The Members of Jessop & Co. Ltd.

Sub: Declaration under Clause 49(1)(D) (II) of the Listing Agreement

We, to the best of our knowledge and belief, declare that all the members of the Board of Directors and senior management personnel have affirmed compliance with the code of conduct of the Company for the year ended March 31, 2011.

Place : Kolkata
Date : 30th May,2011

M. C. Gupta
Chief Finance Officer
& Company Secretary

A. K. Agarwal
Director

Certificate of Compliance from Auditors as stipulated under Clause 49 of the Listing Agreement of the Stock Exchanges in India

Certificate

To the Shareholders,

We have examined the compliance of conditions of Corporate Governance by Jessop & Co. Ltd. for the year ended 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that during the year ended 31st March, 2011, no investor grievances are pending against the company as per the records maintained by the Company and presented to the Share Transfer & Investors Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **K.N. Gutgutia & Co.**
Chartered Accountants

Place : Kolkata
Date : 30th May,2011

K.C. Sharma
Partner
Membership No.50819



JESSOP & CO. LTD

MANAGEMENT DISCUSSION & ANALYSIS

A. General

With GDP growth at 8.6% during 2010-11, the country has made quick and strong turn around from the slow down caused by the global and domestic challenges in recent years. Despite the ripple effects of the global financial crisis which continued into 2010-11 and negative results in agriculture and related sector, the GDP growth was fairly broad based and is set to revert to its pre-crisis trajectory of 9% in 2011-12. The fiscal deficit for the year 2010-11 has been estimated at 4.8% against a budgeted 5.5%. India's growth has been largely driven by the domestic economy which was insulated from the global financial shocks by a number of measures. The growth has been driven performance in all the three sectors: a rebound in the agriculture sector by around 5.4% growth, continued momentum in industry with a growth of 8.1% and a slightly below par performance in services. However, the Government faces a major challenge in ensuring that measures to bring down inflation do not stifle economic growth and employment generation. Although the continued thrust on infrastructure along with agriculture and education sectors is expected to provide significant impetus to economic growth in the medium term, measures to control inflation in the immediate future were missing in the Government policies and budget announcements.

All these expected to influence Rolling stock and engineering sector in a big way and Jessop stands in a better footing to achieve growth with its strong fundamentals and technical strength and having engaged in diverse product range.

B. Outlook

The Indian Railways, which is the largest passenger carrier and the third largest network in the world in terms of size and the fourth largest rail freight carrier has projected to increase the freight and passenger traffic to 1850 Million Tonnes and 15.18 Billion by 2020 from the current 921 Million Tonne and 7.88 Billion respectively and documented it in its first ever vision document released in December 2009. The dedicated freight corridor has been the biggest venture of Indian Railways so far but could not take off aggressively because of land and various other issues. The Government has announced special policies, initiatives and schemes with a view to increasing revenues, reducing costs and improving efficiency resulting in attracting freight and passenger traffic encouraging private partnership, increasing capacity and enhancing investments. A greater thrust is being given for expansion of the rail net work with larger allocation of ₹ 95.83 billion for 1300 KM of new lines. A further ₹138.2 Billion has been earmarked for acquisition of rolling stock. In order to meet the demand for growing traffic and net work expansion, more rolling stocks has become a prerequisite for the Indian Railway. The manifold projected growth in freight and passenger traffic by 2020 automatically increases requirement for infrastructure in terms of more freight and passenger trains etc which in turn implies requirement of more Wagons and Coaches and Locomotives. Significant opportunities also exist to set up manufacturing facilities for rolling stock and allied products to fill up the huge gap between the five year plan requirements and the current available capacities.

The construction industry is one of the biggest contributors to India's GDP, accounting for almost 8%. Huge investment in infrastructure coupled with recovery in the real estate market, are expected to

drive the construction industry between 2011 and 2017. The fast growing power sector, specially its generations segment offer great scope for the construction industry. With the growth in the infrastructure or construction industry there will be increasing demand for steel and construction equipment. The Indian steel industry is estimated to be the fifth largest in the world with a production capacity of crude steel of 72.76 Million Tones. There are ambitious plans to increase the capacity to 120 Million tones by 2012. With this positive outlook for the steel industry the demand for Cranes and other material handling equipment is expected to grow significantly.

Jessop has already adapted new requirements from the railways and accepted the challenge to grow with the growth in the respective industries. It sees a wide opportunity spectrum before it with the significant development in the industry.

C. Opportunities and Threats

The company's competitive strengths including strategic location, strong brand and commitment to quality products, long standing customer relationship, multi product base with design capability and large infrastructure under one roof, overcomes past legacy of the company in respect of failure in delivery commitment, depletion of skilled manpower etc. The segment-wise opportunities and threats have been discussed below:

1. Railway Rolling Stock

The Company is an established and proven supplier of Rolling Stock i.e. Passenger Coaches and Freight Wagons for long years. It sees a manifold growth in the sector with the high growth initiatives taken by the Indian Railways. The new types of Wagon requirement and increased requirement of wagon for steel and cement industry, various policies announced by Railways including Wagon investment scheme, projects under PPP, is encouraging the company to look forward for better opportunity in the future. Although some of the new entrants have entered into the manufacturing of EMU coaches but it hardly affects the company it being an established manufacturer and since there exists a big gap between demand and supply. The change in policies by Railways and delay in releasing the wagon/ coach orders are the factors which may affect the operations of the company.

2. Cranes, Structural and Fabrication

The continued thrust in the growth of infrastructure, road, bridges and construction sector provides much bigger opportunity to the company in the fields of Cranes, fabrication where the company has a brand image. With the increasing growth in the steel industry and ports, the company foresee a much larger demand for Cranes. However, the frequent changes in requirements, depletion of skilled manpower and entry of international players in the sector causes a challenge before the company which are being addressed through long term business relationship, indigenisation and product upgrades and hiring suitable skilled personnel.

3. Road Construction equipment and mining machinery.

The Road sector has witnessed significant interest from the Government in the past decade. Ministry of Road Transport and Highways has targetted awarding 100 National Highway projects covering 11151 Km during 2011-12. Road developments provides huge opportunities at both the central and state level given inherent advantages of low cost, strategic locations.

With the untapped mineral base, the Indian Mining industry has potential for high growth attracting greater capital investment. The rapid growth of user industries such as steel, power, construction and automobiles provides growth in Indian Mining. The company is presently engaged in manufacturing of road equipments mainly road rollers and has also taken steps to shift to manufacture the tandem Vibratory Rollers for which larger demands exist in urban areas. The company has an equipped set up for manufacturing various mining equipments with some of the unique facilities and is the only testing house in India for testing of long wall roof support and equipments for under ground mining under simulated conditions duly recognized by the Director General of Mine & Safety, Government of India.

4. EPC

In order to concentrate and enlarge business arena, the company has identified a separate EPC Division to enter into the booming turnkey projects in the fields of road construction, bridges, power projects, mechanical, electrical and civil engineering.

D. Risks and concerns

Depending mainly on Indian Railways and public sector units like Steel Plants, Port Trusts etc is a concern for the company to the extent that any change in policies by these entities may adversely impact the business operations of the company. However, the company follows a system of making all major decisions after a thorough discussions and analysis of risks and returns involved. Any delay in finalizing the orders by Indian Railways or delay in implementation of projects also affects the company and any change in policies relating or pricing, supply of materials and designs also puts the company under constraint. The company, however, with its established infrastructure, skilled manpower and proven technology has been able to quickly adopt the new requirement of the Indian Railways during the past and is confident to overcoming any challenges that may be posed before the company and the company has also taken initiatives to implement structured risk management systems and controls. The assets of the company are also adequately insured.

F. Internal Control Systems

In order to have better control of the business operations, the business segments have been divided into four distinct and separate business units and each business units are headed by a separate unit head responsible for the operations of the respective business unit. The system of internal audit has been put in place whereby any payments or purchases are subject to pre-audit by the internal auditors. The corporate cell of the group undertakes and reviews the performance, financials as well as statutory compliance on regular basis. An ERP system covering all the commercial aspects including accounts have been implemented which is also being extended to the manufacturing operations in the next financial year. An external independent firm of Chartered Accountant has also been engaged to provide independent and professional observations on the various aspects of the operations of the company.

G. Financial Performance

During the year under review, the company has achieved a higher turnover of ₹ 268.69 Crores as against ₹ 237.35 Crores registering an increase of 13.20%. The net profit before tax has also improved by 6.68% during the year under review. The profit margin has affected due to higher interest burden and higher cost due to new design of wagons. The company's financial position is stable with continued profits since disinvestment. The order book position has remained healthy throughout the year and as on 31.3.2011, it has orders worth ₹ 258 Crores pending for execution.

H. Segment-wise Performance

The company has the following business segments differentiated on the basis of product mix.

1. Crane & Structural, Fabrication and Wagon
2. Coach Division
3. REH Division
4. EPC Division

During the year under review the company has after successfully developed, supplied ICF design coaches to IR fulfilling the requirements of IR. Further, it has also developed new type of wagons viz. BOST HS and BOBRN HS and supplied to IR and also taken up the development of prototype of new stainless steel based wagon like BOXNHL and BCNHL. It has also successfully developed for the first time WGA-9 Loco Shell for Chittaranjan Locomotive Works. The overall performance of the company was satisfactory with a marginal higher turnover during the year under review compared to the previous year.

I. HR and Industrial Relations

The company recognizes its employees and places human resource at the core of its business module. The company believes that it is the skill and capability of the employees which can make it competent to face any challenge even in adverse periods and improve the performance of the company in a larger way. The need based induction, transfers and deputations are carried out by the company in order to balance the job requirement. Job training to workers are continuously carried out to make them gather updated knowledge and utilize the skill in a better way in the changed job requirements. Opportunities are given to employees for learning while earning and it provides educational window to its employees in collaboration with BITS, Pilani at Kolkata center. A sort of ritual has been implemented by which every year a scholarship is given to the meritorious children of the eligible employees and they are also assisted in pursuing higher studies or even in the fields of sports or arts. The company believes in regular and effective communication at all level of organization to achieve its objectives and holds monthly meetings, joint consultative meetings, house keeping committee meeting etc. Suggestions from employees are welcomed and put into place which are reviewed and if found suitable are being put into force. House keeping has been given major thrust and continuous activities are undertaken to ensure a safe, clean, and hygienic and congenial work environment for the employees at their work. The company has been maintaining cordial industrial relation and the relations with the Unions have been established on transparency, mutual trust and co-operation. During the year under review there were no significant labour issues outstanding or remaining unresolved and the industrial relations over all remained normal except few incidents of agitation by a third and new union which has been adequately addressed. The total manpower as on 31st March 2011 was 920.

J. 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 the foremost concern and priority of the Company. The Company maintains a comprehensive first aid facility so as to meet any untoward consequences. All work places are 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. Employees State Insurance Scheme is in place for eligible employees where the company makes its contribution as per the statute.

2. Safety

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”.

A National Safety Day was observed and safety badges and leaflets were distributed to the employees and Safety Banners and Posters were displayed.

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 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, tax laws and other statutes and other incidental factors.

AUDITORS' REPORT

TO THE MEMBERS OF JESSOP & CO. LTD.

We have audited the attached Balance Sheet of Jessop & Co. Ltd., as at 31st March, 2011 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as considered appropriate and according to the information and explanation given to us during the course of our Audit we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to above, we report that:-
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books, and proper returns adequate for the purposes of our audit have been received from site offices not visited by us;
 - (c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report 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 representation received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



Attention is drawn to note no.22 of Schedule 21 regarding Long term liabilities & Assets (Net) ₹ 333.36 lacs has been written back through General Reserve instead of Profit & Loss Account. As a result, the profit for the year before tax has been reduced to that extent.

Subject to above, in our opinion and to the best of our information and according to the explanations given to us, the said Accounts together with the Accounting Policies and Notes thereon and Schedules annexed thereto give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
- (ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
- (iii) In the case of Cash Flow Statement of the cash flows for the year ended on that date.

For **K.N. Gutgutia & Co**
Chartered Accountants
Firm Registration No.304153E

6C, Middleton Street
Kolkata – 700 071
Dated : 30th May, 2011

K.C. Sharma
Partner
Membership No. 50819

ANNEXURE TO THE AUDITORS REPORT
TO THE MEMBERS OF JESSOP & COMPANY LIMITED
(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 Fixed Assets.
- (b) As explained to us, the company has a system of verifying all its major fixed assets over a period of three years. The fixed assets so scheduled for verification during this year have been physically verified by the management. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) During the year the company has not disposed off any substantial / major part of fixed assets.
- ii) (a) As per the information furnished the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stock, the frequency of the physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.
- iii) (a) The Company has neither granted nor taken any loan secured / unsecured from Companies covered in the register maintained under section 301 of the Companies Act, 1956 (1 of 1956).
- (b) As stated above sub clause (b) to (g) of Clause (iii) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for sale of the goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that, sub clause (a) & (b) of Clause (v) of the Companies (Auditor's Report) Order, 2003, is not applicable since no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into by the Company during the year.
- (v) The Company has not accepted any deposit from the Public within the meaning of section 58 A and 58 AA of the Companies Act, 1956.

- vii) In our opinion, the Company has an internal audit system, commensurate with its size and the nature of its business. *However the same is required to be strengthened.*
- viii) The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company.
- ix) (a) According to the information and explanations given to us and records examined by us, the Company is generally depositing with appropriate authorities undisputed statutory dues including provident fund, investors education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues wherever applicable. According to the information and explanation given to us, no undisputed arrears of statutory dues were outstanding as at 31st March 2011 for a period of more than six months from the date they became payable except as given below:

Nature of dues	Amount (₹. In lacs)
Income Tax	14.68
Professional Tax	5.17
Dividend Tax	125.39
CST	15.23
VAT / WCT	7.16
Service Tax	3.16

- (b) According to the records of the Company, the dues of Income tax / Sales tax / Wealth tax / Service Tax / Customs duty / Excise duty / Cess which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

Name of Statute	Nature of dues	Period to which it relates	Amount (₹/ Lacs)	Forum where dispute is pending
WBST	Declaration Form, WCT, Interest, Penalty etc.	1980-81 to 2004-05	3772.41	ACCT/DCCT (Bengal)
WBST	-do-	1996-97	352.69	Tribunal (Bengal)
CST	-do-	1980-81 to 2004-05	1786.06	ACCT/DCCT(Bengal)
CST	-do-	1987-88 & 1989-90	393.27	Tribunal(Bengal)
ExciseDuty	Duty, Interest, Penalty etc.	2004-05 to2009-10	264.95	CESTAT
ExciseDuty	-do-	2008-09	34.34	CCE(Appeal)
Service Tax	-do-	2008-2009	138.18	CESTAT
Service Tax	-do-	2007-2008	14.45	CCE(Appeal)

- x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current year and immediately preceding financial year.
- xi) Based on our audit procedures and the information given by the management, we are of the opinion that the Company has no default in payment of dues to a financial institution, bank or debentures holders except ₹ 634.38 lacs from a Bank.
- xii) Based on our examination of the records and the information and the explanations given to us, the Company has not granted any loans and / or advances on the basis of security by way of pledge of shares, debentures, and other securities.
- xiii) Clause (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company as the Company is not a Chit Fund Company or nidhi / mutual benefit fund / society.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from bank or financial institutions.
- xvi) According to the information and explanations given to us, no term loans were raised during the year.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) During the year covered by our audit report the Company has not issued secured debentures.
- xx) The Company has not raised any money by the public issues during the year covered by our report.
- xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **K.N. Gutgutia & Co**
Chartered Accountants
Firm Registration No.304153E

6C, Middleton Street
Kolkata – 700 071
Dated : 30th May,2011

K.C. Sharma
Partner
Membership No. 50819



JESSOP & CO. LTD.

Balance Sheet as at 31st March, 2011

		₹ In Lacs		
		Schedules	As at 31.03.2011	As at 31.03.2010
I SOURCES OF FUNDS				
1.	Shareholders' Funds			
	(a) Capital	1	6150.58	6150.38
	(b) Reserve & Surplus	2	13062.93	10679.59
2.	Loan Funds	3		
	(a) Unsecured Loans		8903.72	6688.35
	(b) Secured Loans		7679.18	5203.79
3.	Long Term Liabilities		1.24	1.24
		Total	35797.65	28723.35
II APPLICATION OF FUNDS:				
1.	Fixed Assets	4		
	(a) Gross Block		25590.22	22575.86
	(b) Less: Depreciation		6531.94	5800.43
	(c) Net Block		19058.28	16775.43
2.	Investments	5	1960.98	1960.98
3.	Long Term Assets		4006.95	1844.30
4.	Current Assets, Loans & Advances			
	(a) Inventories	6	9750.16	4369.06
	(b) Sundry Debtors	7	4603.70	8791.30
	(c) Cash & Bank Balances	8	1339.14	1202.39
	(d) Other Current Assets	9	165.69	331.81
	(e) Loans & Advances	10	477.36	394.96
			16336.05	15089.52
	Less: Current Liabilities and Provisions	11		
	(a) Current Liabilities		4517.80	5836.82
	(b) Provisions		1046.81	1110.06
			5564.61	6946.88
	Net Current Assets		10771.44	8142.64
		Total	35797.65	28723.35

Significant Accounting Policies and Notes on Accounts 21
Schedules 1 to 11 & 21 form an integral part of Balance Sheet.

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

K.C.Sharma
Partner
Membership No. 50819
Dated : 30th May, 2011

M C Gupta
Chief Finance Officer &
Company Secretary

On behalf of the Board of Directors

V K Agrawal
Director

A K Agarwal
Director

JESSOP & CO. LTD.

Profit and Loss Account For The Year Ended 31st March, 2011

		₹ In Lacs	
	Schedules	2010-11	2009-10
I. INCOME:			
Sales	12	27070.28	23952.84
Less: Cenvat Duty, Service Tax & Cess		201.02	217.81
		<u>26869.26</u>	<u>23735.03</u>
Other Revenues	13	4217.21	3729.41
Accretion/(Decretion) to Inventory	14	668.12	286.81
	Total	31754.59	27751.25
II. EXPENDITURE			
Consumption of Raw Materials & Components, including Purchases	15	23456.66	20622.84
Consumption of Stores & Spares Parts		819.52	213.84
Other Direct Manufacturing Expenses	16	610.21	387.19
Employees' Remuneration & Benefits	17	1910.80	1881.01
Power & Fuel		165.88	186.77
Cenvat Duty on Closing Stock*		(94.84)	101.85
Other Expenses	18	563.89	689.40
Interest	19	1314.69	1003.84
Depreciation		731.51	426.33
Less: Transfer from Revaluation Reserve		<u>114.57</u>	<u>0.00</u>
		<u>616.94</u>	<u>426.33</u>
		<u>29363.75</u>	<u>25513.07</u>
Profit before Prior Period Adjustment		2,390.84	2238.18
Less: Prior Period Adjustments	20	11.83	8.12
Profit Before Taxation		2379.01	2230.06
Provision for Taxation -See Note No. 6 & 7 of Schedule	21	0.00	0.00
Profit after Taxation		2379.01	2230.06
Balance brought forward from Previous Year		2615.05	2,087.56
Less: Dividend for Previous Year		0.01	-
Add: Tax Adjustments		-	13.30
Profit Available for Appropriations		4994.05	4330.92
Appropriations			
Proposed Dividend -			
On Equity Shares		184.52	184.51
Tax on Dividend (Including Surcharge)		29.93	31.36
Transfer to General Reserve		1500.00	1500.00
Balance Carried to Balance Sheet		3279.60	2615.05
		<u>4994.05</u>	<u>4330.92</u>
Earning Per Share - Basic & Diluted (Rs per equity share of ₹ 1/-)		0.39	0.36

*Represent difference of cenvat duty on opening & closing stock of finished goods.

Significant Accounting Policies and Notes on Accounts 21

Schedules 12 to 20 & 21 form an integral part of Profit and Loss Account.

In terms of our Report of even date attached herewith

for K.N.Gutgutia & Co.

Chartered Accountants

K.C.Sharma

Partner

Membership No. 50819

Dated : 30th May, 2011

M C Gupta
Chief Finance Officer &
Company Secretary

On behalf of the Board of Directors

V K Agrawal
Director

A K Agarwal
Director



CASH FLOW STATEMENT

₹ In Lacs

	2010-2011	2009-2010
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit/(loss) before tax, Prior Period and extraordinary items	2,390.84	2,238.18
Adjustments for:		
Depreciation	616.94	426.33
Profit/Loss on sale of Fixed Assets	-	11.68
Interest Paid / Payable	1,314.69	1,003.84
Interest Received / Receivable	(109.77)	(88.00)
Long term Liabilities/ Assets written back/adjusted	333.36	(835.53)
Operating profit before working capital changes	4,546.06	2,756.50
Adjustments for:		
Trade and other Receivables	1,910.80	406.41
Inventories	(5,381.10)	190.64
Trade Payables	(1,380.85)	(223.47)
Misc. Expenditure Paid/ adjusted	-	647.76
Cash generated from Operations	(305.09)	3,777.84
Direct Taxes	31.75	(82.79)
Cash Flow Before Prior Period and extraordinary items	(273.34)	3,695.05
Prior Period Expense	(11.84)	(8.12)
Extra Ordinary Items	-	-
Net Cashflow from Operating Activities	(285.18)	3,686.93
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(3,014.36)	(4,263.96)
Sale of Fixed Assets	-	12.50
Interest Received	275.89	41.71
Net Cash used in Investing Activities	(2,738.47)	(4,209.75)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Calls in arrear of Right Issue of Shares	0.20	0.05
Purchase of Investments	0.00	0.00
Interest paid	(1,086.19)	(676.59)
Dividend Paid	(215.87)	(201.23)
Proceeds from Bank Borrowing	2,475.39	835.52
Increase in Unsecured loan from Bodies corporate	2,131.77	673.15
Increase in Unsecured loan from Bank	(144.90)	61.42
Net Cash used in Financing Activities	3,160.40	692.32
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	136.75	169.50
Opening Cash and Cash equivalents	1,202.39	1,032.89
Closing Cash and Cash equivalents	1,339.14	1,202.39
Cash & Cash Equivalents include:-		
a) Cash and Bank balances other than those mentioned in (b) below	409.45	520.34
b) Cash and Bank balances not immediately available for use by the Company	929.69	682.05
	1,339.14	1,202.39

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

K.C.Sharma
Partner

Membership No. 50819
Dated : 30th May, 2011

On behalf of the Board of Directors

M C Gupta
Chief Finance Officer &
Company Secretary

V K Agrawal
Director

A K Agarwal
Director

SCHEDULE TO THE ACCOUNTS

₹ In Lacs

	As at 2010-11	As at 2009-10
Schedule - 1 Share Capital		
AUTHORISED		
99,00,00,000 Equity Shares of ₹1/- each	9900.00	9900.00
1,00,000, 6.5% Redeemable Cumulative Preference Shares of ₹100/- each	100.00	100.00
	10000.00	10000.00
ISSUED, SUBSCRIBED & PAID UP		
61,51,02,475 Equity Shares of ₹ 1/- each (Previous Year 61,51,02,475 Equity Shares of ₹ 1/- each) fully paid-up	6151.03	6151.03
Less : Calls in arrear	(0.45)	(0.65)
	6150.58	6150.38

Note

1. Of the above, 5,09,950 Equity Shares were issued as fully paid-up pursuant to a contract for consideration other than in cash.
2. Of the above shares, 43,02,99,283 Equity Shares of ₹1/- each fully paid up (Previous Year 58,35,64,453 Equity Share of ₹1/- each fully paid up) in cash are held by the Holding Company i.e. Indo Wagon Engineering Ltd (IWEL).

Schedule - 2 Reserves and Surplus

Capital Reserve	19.57	19.57
Capital Redemption Reserve	44.57	44.57
Preference Share Premium	0.30	0.30
Equity Share Premium	20.40	20.40
Revaluation Reserve		
As per last Balance Sheet	5323.57	5323.57
Less : Transferred to Profit and Loss Account (Refer Note 3, Schedule 21)	114.57	0.00
General Reserve		
As per last Balance Sheet	2656.13	1991.66
Add : Transferred from Profit & Loss Account	1500.00	1500.00
Less: Adjustments (Refer Note 22, Schedule 21)	333.36	(835.53)
	4489.49	2656.13
Profit & Loss Account	3279.60	2615.05
	13062.93	10679.59

Schedule - 3 Loan Funds

(a) Unsecured Loans		
Loan from W.B.Govt. (Sales Tax Loan)	4070.38	4070.38
Financial Assistance from Bodies Corporate	3453.29	1321.52
Funded Interest Demand Loan from a Bank	0.00	144.90
Interest accrued and due on WB Govt. Loan	1380.05	1151.55
	8903.72	6688.35
(b) Secured Loans		
Cash Credit Facilities from Banks (Secured by hypothecation of stocks and book debts and mortgage of Immovable Properties of the Company.)	7044.80	3804.82
Working Capital Demand Loan from a Bank (Secured by hypothecation of stocks and book debts and mortgage of Immovable Properties of the Company at DumDum)	634.38	1392.00
Car Loan from Banks (Secured by hypothecation of Cars)	–	6.97
	7679.18	5203.79

SCHEDULE TO THE ACCOUNTS

Schedule - 4 Fixed Assets

Fixed Assets	Gross Block			Depreciation		Net Block	
	Gross Block as at 01.04.2010	Additions during the year	Deductions due to Revaluation year 31.03.2011	Depreciation upto 31.03.2010	Depreciation during the year	Net Block as at 31.03.2011	Net Block as at 31.03.2010
Freehold Land	9.46	—	—	0.00	—	9.46	9.46
Leasehold Land	21.05	—	—	8.83	0.20	12.02	12.22
Building	6120.26	1956.70	—	732.26	180.14	7164.56	5388.00
Plant & Machinery	15592.76	1056.31	—	4483.97	524.00	11641.10	11108.79
Computers	269.81	1.35	—	215.61	6.51	49.04	54.20
Electrical Installations	95.64	—	—	78.55	3.43	13.66	17.09
Furniture & Fittings, Off Equip	325.05	—	—	159.43	14.75	150.87	165.62
Motor Vehicle including Lorries, Tractors & Other Transport Equipment	141.83	—	—	121.78	2.48	17.57	20.05
Total	22575.86	3014.36	0	5800.43	731.51	19058.28	16775.43
Previous Year	12881.50	4400.29	5323.57	5379.42	426.33	16775.43	7502.08

Notes:

1. Gross Block includes ₹ 5323.57 lacs on revaluation of Building and Plant & Machinery as at 31st March, 2010 based on report issued by Registered External Valuer.
2. Building includes depreciated value of Building ₹ 565.46 lacs (Previous Year ₹ 585.0 lacs) on leasehold land at Durgapur.
3. Addition to Buildings and Plant & Machinery during the year represents certain replacements, major revamping, renovation and capital repair work undertaken for upgradation of the assets to make them operational/ to improve efficiency.

SCHEDULE TO THE ACCOUNTS

₹ In Lacs

Schedule - 5 Investments (Long term at Cost)			As at 31.03.2011	As at 31.03.2010
	No. of Shares/Units	Face Value of Shares/Units (₹)	Book Value	Book Value
I. TRADE INVESTMENTS (UNQUOTED)				
Fully paid-up Equity Shares in				
Mawmluh- Cherra Cements Ltd.	70000	10	7.35	7.35
Wagon India Ltd.	1500	100	1.50	1.50
Richardson & Cruddas Ltd	17300	10	4.74	4.74
5.5% Cum Preference Shares in Richardson & Cruddas Ltd	455	100	0.40	0.40
			13.99	13.99
Less: Provision for Loss on Investments			13.99	13.99
			0.00	0.00
In Joint Venture Company				
Rose Investments Ltd.	4000	USD 1	1.70	1.70
In Subsidiary Companies				
Jessop Wagons & Coaches Ltd.	49670	10	4.97	4.97
Pallavi Manufacturers Pvt. Ltd.	107690	10	1951.02	1951.02
Jessop Infrastructure Pvt. Ltd.	10000	10	1.00	1.00
Jessop Properties Pvt. Ltd.	10000	10	1.00	1.00
Jessop Estate Pvt. Ltd.	10000	10	1.00	1.00
			1960.69	1960.69
II. OTHERS (UNQUOTED)				
0.50% Debentures in Woodland Medical Centre Ltd	200	100	0.20	0.20
6.50% Debentures in Bengal Chamber of Commerce & Industry	9	1000	0.09	0.09
			1960.98	1960.98

Schedule - 6 Inventories

(as taken, valued and certified by the management)

Raw Materials	5470.77	1021.13
Scrap	82.09	82.14
Components and Consumable (incl.shop-floor stocks)	537.61	330.98
Finished Stock	162.40	1090.64
Work-in-Progress	3440.58	1844.17
Stock in transit	56.71	0.00
	9750.16	4369.06

Schedule - 7 Sundry Debtors (Considered Good)

Debts outstanding for a period exceeding six months	409.49	2408.55
Other Debts	4194.21	6382.75
	4603.70	8791.30

Schedule - 8 Cash and Bank Balances

Cash balance on hand	0.19	1.08
Balance with Scheduled Banks		
In Current Accounts	92.50	35.66
In Fixed Deposits Accounts	1246.45	1165.65
	1339.14	1202.39



SCHEDULE TO THE ACCOUNTS

₹ In Lacs

Schedule - 9 Other Current Assets	As at 31.03.2011	As at 31.03.2010
Unsecured considered good unless otherwise stated :-		
Interest receivable from a Bank	123.41	123.41
Interest accrued & not due on deposits	42.28	208.40
	165.69	331.81
Schedule - 10 Loans and Advances		
Unsecured, Considered Good Unless Otherwise Stated:-		
Advances recoverable in Cash or in Kind or for value to be received		
Advance to Suppliers and Others	137.48	260.30
Government Grant Receivable	12.55	12.55
Other Deposits	327.33	122.11
	477.36	394.96
Schedule - 11 Current Liabilities & Provisions		
Current Liabilities:		
Sundry Creditors		
for Goods & Services		
- Micro, Small & Medium Enterprises (See Note no. 20 of Schedule 21)	11.40	6.36
- Other than Micro, Small & Medium Enterprises	2454.31	3030.58
for Expenses & Others	1481.93	1064.62
Unclaimed Dividend *	4.30	4.30
Advances from Customers	565.86	1724.44
Preference Shareholder's Redemption Liab.	0.00	6.52
	4517.80	5836.82
Provisions :		
Provision for Gratuity	832.36	894.19
Proposed Dividend		
On Equity Shares	184.52	184.51
Tax on Dividend	29.93	31.36
	1046.81	1110.06

* There is no amount due & outstanding to be credited to the Investor Education & Protection Fund

SCHEDULE TO THE ACCOUNTS

₹ In Lacs

	2010-11	2009-10
Schedule - 12 Sales		
Sales (including Cenvat Duty, Service Tax & Cess)	26989.32	23842.72
Sale of Scrap	79.72	85.44
Freight Charges	1.24	24.68
	27070.28	23952.84
Schedule - 13 Other Revenues		
Liability no longer required written back	64.41	111.14
Interest on Bank/other Deposits	109.77	88.00
Forwarding & Insurance Charges	0.34	1.01
Miscellaneous Income	4042.69	3529.26
	4217.21	3729.41
Schedule - 14 Accretion/(Decretion) to Inventory		
CLOSING BALANCE		
Finished Goods	162.40	1090.64
Work-in-Progress	3440.58	1844.17
Scrap	82.09	82.14
	3685.07	3016.95
Less: OPENING BALANCE		
Finished Goods	1090.64	1124.11
Work-in-Progress	1844.17	1453.94
Scrap	82.14	152.09
	3016.95	2730.14
NET ACCRETION/(DECRETION)	668.12	286.81
Schedule - 15 Consumption of Materials		
Consumption of Raw Materials & Components	2621.64	2986.32
Direct Purchases	20835.02	17636.52
	23456.66	20622.84
Schedule - 16 Other Direct Manufacturing Expenses		
Sub Contracting Charges	514.26	239.63
Other Mfg. expenses	95.95	147.56
	610.21	387.19
Schedule - 17 Employees' Remuneration & Benefits		
Salaries, Wages, Bonus and Allowances	1571.11	1413.61
Provident Fund Contribution	111.56	92.51
Gratuity	136.37	261.03
Staff Welfare Expenses	91.76	113.86
	1910.80	1881.01

SCHEDULE TO THE ACCOUNTS

	₹ In Lacs	
	2010-11	2009-10
Schedule - 18 Other Expenses		
Rent	3.86	1.82
Rates & Taxes	21.00	22.13
Insurance	3.40	4.71
Freight Outward	14.43	19.99
Repairs to Buildings	6.30	13.42
Repairs to Plant & Machinery	3.70	6.67
Repairs to Others	30.08	23.66
Auditors' Remuneration		
for Statutory Audit	0.83	0.82
for Tax Audit	0.44	0.22
In Other Capacity	0.62	0.50
Out of Pocket Exp.	0.08	0.08
Travelling Expenses		
Inland	33.28	41.15
Foreign	-	1.47
Vehicle Running Expenses	17.01	47.96
Finance / Bank Charges	186.36	137.08
Advertisement & Publicity	11.07	7.36
Consultant's Fees	10.72	23.39
Commission to Selling Agents	16.67	2.72
Legal Expenses	28.08	26.75
Loss on sale of Fixed Assets	-	11.68
Selling Expenses	49.97	61.03
Directors' Sitting Fees	1.00	1.15
Deferred Revenue Expenditure W/o	-	130.64
Miscellaneous Expenses	124.99	103.00
	563.89	689.40
Schedule - 19 Interest		
On Fixed Loan	274.74	274.75
On Other Loans		
To Banks	973.46	638.23
To Others	66.49	90.86
	1314.69	1003.84
Schedule - 20 Prior Period Adjustment		
Expenditure		
Other Expenses	11.83	8.12
	11.83	8.12

SCHEDULES TO THE ACCOUNTS

Schedule - 21 Accounting Policies and Notes on Accounts

A. SIGNIFICANT ACCOUNTING POLICY

1 Basis of Accounting

The financial statements are prepared under historical cost convention using the accrual system of accounting in accordance with the accounting principles generally accepted in India and the requirements of the Companies Act, 1956, including the mandatory Accounting Standards issued by the Companies Accounting Standard Rules, 2006.

2 Fixed Assets

- (a) Land is valued at cost including the cost of development.
- (b) Other fixed assets are valued at cost less cenvat credit but includes amount added on revaluation less accumulated depreciation.
- (c) The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment thereof based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price of assets and their 'value in use'.

3 Investments

Long Term investments are valued at cost. Provisions for dimunition in values other than temporary in nature are made wherever considered necessary.

4 Inventories

- (a) Raw materials, stores and spare parts, components and consumables are valued at cost.
- (b) Work-in-progress is valued at cost or net realizable value (including escalation), based on technical assessment as to the stage of completion and future cost to be incurred, whichever is lower.
- (c) Finished Goods are valued at cost or net realizable value (including escalation), whichever is lower.
- (d) Scrap materials identified for disposal, but not lifted, are valued at net realizable value.

5 Revenue Recognition

In accordance with Company's usual practice

- (a) Revenue from sale of goods is recognized upon passage of title to the customers, which generally coincides with delivery.

However in case of long production cycle products like cranes, structural, Fabrication,

EMU Coaches etc. sales are recognized at the agreed billing schedule as stipulated in the contract with the progressive dispatches/approved completion stages.

- (b) Sales include
 - i) Freight & Dispatch charges wherever applicable.
 - ii) Cenvat duty, Service tax, Cess but not VAT/CST and other Taxes.
- (c) Escalation and modification claims are accounted for as calculated in terms of the contracts.
- (d) Claims for insurance is accounted for as and when settled.

6 Depreciation

- (a) Leasehold land is amortized over the leased period.
- (b) Other fixed assets are depreciated on straight line method pro rata on the basis of the day on which such assets have been commissioned/capitalized at the following rates:-
 - i) Assets existing as on 1st April,1987, at the rate as per section 205(ii) of the Companies Act,1956.
 - ii) Assets purchased after 1st April 1987, at the rate prescribed in schedule XIV of the Companies Act,1956 as amended.
- (c) Depreciation on revalued assets is calculated on their respective revalued amounts and is computed on the basis of remaining useful life as estimated by the valuer on straight line method. The depreciation on amount added on revaluation is being set off by transfer from revaluation reserve.

7 Retirement benefit

Contribution of Provident Fund, Family Pension Fund & Employees State Insurance are accounted for on accrual basis and are paid to the respective authorities. These are defined contribution schemes and the Company has no other obligation other than the contribution payable. The liability on account of gratuity payable to employees is determined and provided for on the basis of actuarial valuation. Accrued leave either at the time of retirement or otherwise is not encashable. No other retirement benefits are paid by the Company.

8 Taxation

Current tax is determined as the amount of tax payable to the taxation authorities in respect of taxable income for the period, if any.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets are not recognized on unabsorbed depreciation and carry forward losses unless there is a virtual certainty with supporting evidence that sufficient taxable profits will be available against which such deferred tax assets can be realized.

9 Cenvat Duty

Cenvat duty is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factories as on the Balance sheet date.

10 Research & development expenditure

All expenditure other than on acquisition of fixed assets, are charged to revenue in the year of such expenditure.

11 Borrowing Costs

Borrowing costs relating to the acquisition/construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing cost are charged to revenue.

12 Foreign Currency Transactions

Foreign currency transactions are converted into rupee currency at the exchange rate prevailing on the date of transactions. Foreign currency monetary assets and liabilities (other than forward contract) are converted at year end exchange rates. The resultant gain or loss including transactions relating to fixed assets is recognized in profit and loss account.

In the case of transactions covered by forward contracts, the difference between the contract rate and the exchange rate prevailing on the date of transaction is charged to Profit & Loss Account, proportionately over the contract period.

13 Segment Reporting

- a) The Company's operations are divided into four business segments namely, CSF&Wagon, EMU, REH & EPC based on the financial reporting system and organization structure.
- b) Based on the relationship of revenue and expenses to its operating activities, the same are identified to a particular segment and the revenue and expenses, which are not allocable to any particular segments have been included under unallocated revenue/expenses.
- c) Capital employed for each segment has been arrived at on the basis of the allocable assets and allocable liabilities to the extent identified to a particular segment. Unallocable assets and liabilities have not been considered in segment wise capital employed.

14 Miscellaneous

- (a) Cenvat benefit is accounted for by reducing the purchase cost of material/Fixed Assets.
- (b) Dues from Government parties, Railway, Public Sector Undertakings are generally considered as good and recoverable.

- (c) i) All income and expenses relating to prior period up to ₹ 5000/- in each case are accounted for directly to the respective head of accounts instead of prior period adjustment account.
- ii) Prepaid expenses up to ₹ 5000/- are generally charged off to revenue.

15 Contingent Liabilities

No provision is made for liabilities which are contingent in nature, unless it is probable that future events will confirm that a liability has been incurred as at the balance sheet date and a reasonable estimate of the resulting loss can be made. However, all known, material contingent liabilities are disclosed by way of separate notes.

16 Use of Estimates

The preparation of financial statements require management to make estimates and assumption that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities and assets as at the balance sheet date and the reported amounts of income and expenses during the year.

17 Provisions

A provisions is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

B. NOTES ON ACCOUNTS

1 Contingent liability not provided for :-

- (a) Demand for Sales Tax/VAT for an amount of ₹ 6304.43 lacs (Previous Year ₹ 2278.31 lacs) which have been disputed by the company and under appeal.
- (b) Disputed Demand for Excise Duty for an amount of ₹ 451.92 lacs (Previous Year ₹ 137.57 lacs) in respect of past periods under appeal.
- (c) Bank Guarantees against limits by banks amounting to ₹ 1845.43 lacs (Previous Year ₹ 2496.54 lacs) secured upto 5%, ₹ 775.63 lacs (Previous Year ₹ 760.85 lacs) secured upto 10%, ₹ Nil (Previous Year ₹ 155.56 lacs) secured upto 20% by way of lien on Fixed Deposits. Further, Bank Guarantees amounting to ₹ Nil (Previous Year ₹ 10.03 lacs) from a bank are secured 100% by way of lien of Fixed Deposits.

- (d) Letter of Credit amounting to ₹ 1222.67 lacs (Previous year ₹ 2239.31 lacs) against limit by a bank secured upto 10% by way of lien on Fixed deposits of ₹ 122.33 lacs.
- (e) The Indemnity Bonds & Corporate Guarantees issued by the Company outstanding as on 31-03-2011 were ₹ 1786.91 lacs (Previous Year ₹ 9863.61 lacs) & ₹156.72 lacs (Previous Year ₹ 1120.50 lacs) respectively .
- (f) Claims of officers and non-unionised supervisors (except of existing officers, which has been settled & paid) towards pay-scale revision for the period 01-1-92 to 31-12-98 not admitted by the company, matter being sub-judice pending before Hon'ble High Court at Kolkata - Amount not ascertained.
- (g) Claims against the Company not acknowledged as debt - Amount not ascertained.
- 2** Estimated amount of Contract remaining to be executed on capital account and not provided for ₹ Nil (Previous Year Nil).
- 3** The Company based on the report as on 31.03.2010 issued by the registered external valuer has revalued fixed assets i.e. Building and Plant & Machinery situated at DumDum & Durgapur by an amount of ₹ 5323.57 lacs on replacement/ realisable value basis & an equivalent amount have been credited to Revaluation Reserve Account.
- 4** Confirmation of balances have been sought from sundry creditors, sundry debtors, other loans and advances and in some cases confirmation have been received.
- 5** Fixed Deposits with scheduled banks (Schedule - 8) includes a sum of ₹ 929.69 lacs (Previous Year ₹ 682.05 lacs) being the proceeds of invocation of bank guarantee (including accrued interest), against one of the Company's Foreign Collaborators, being kept till the final order of the Hon'ble Court of jurisdiction.
- 6** In view of the carried forward losses & unabsorbed depreciation in respect of earlier years, the Company may not have the taxable income in the near future and hence, the deferred tax assets net of deferred tax liabilities have not been recognized in the accounts on prudence basis as per Accounting Standard (AS-22) issued by the Institute of Chartered Accountants of India. Similarly the deferred tax effect on accounting of timing difference between the depreciation under Income Tax laws and Books for the current year has also not been recognized.
- 7** Income Taxes
- As per opinion obtained, MAT (Minimum Alternative Tax) is not applicable to the company and hence no provision has been made during the year.

- 8 The following table sets out the status of the gratuity plan as required under AS 15 (Revised 2005) and the reconciliation of opening and closing balances of the present value of the defined benefit obligation:

	2010-11 ₹ in lacs	2009-10 ₹ in lacs
Particulars		
<u>Change in present value of obligations:</u>		
Obligations at beginning of the year	894.19	788.33
Service cost	35.20	44.82
Interest cost	73.77	63.09
Plan amendments	6.38	0
Actuarial (gain)/ loss	(163.68)	97.58
Benefits paid	13.50	99.63
Obligations at the end of the year	832.36	894.19
<u>Change in the Plan assets:</u>		
Fair Value of Plan assets at beginning of the year	N.A.	N.A.
Expected return on plan assets	N.A.	N.A.
Actuarial gain/(loss)	N.A.	N.A.
Contributions	N.A.	N.A.
Benefits paid	N.A.	N.A.
Fair value of plan assets at the end of the year	N.A.	N.A.
<u>Particulars:</u>		
Reconciliation of present value of the obligation and the fair value of plan assets:		
Present value of the defined benefit obligation at the end of the year	832.36	894.19
Fair value of plan assets at the end of the year	0	0
Funded status amount of liability recognised in the Balance Sheet	832.36	894.19
<u>Gratuity Cost for the Year</u>		
Service Cost	35.20	44.82
Interest Cost	73.77	63.09
Plan amendments	6.38	0
Expected return on plan assets	0	0
Actuarial (gain)/ loss	(163.68)	97.58
Net Gratuity cost	(48.33)	205.49
<u>Assumptions</u>		
Inerest rate	8.25%	7.50%
Estimated rate of return on plan assets	N.A.	N.A.
Rate of growth in salary levels	5%	5%

9 Related Party Disclosure

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in Accounting Standard are given below:

A) List of the related parties and relationship

Sl. No.	Name of related Party & Relationship
1	<u>Holding Company</u> Indo Wagon Engineering Ltd
2	<u>Subsidiary Companies</u> Jessop Wagons & Coaches Ltd., Pallavi Manufacturers Pvt.Ltd., Jessop Estate Pvt. Ltd., Jessop Properties Pvt. Ltd., Jessop Infrastructure Pvt. Ltd.
3	<u>Joint Venture</u> Rose Investments Ltd, Mauritius
4	<u>Associate/ Group Co.</u> Aakashdeep Properties Pvt Ltd, Acurate Traders Pvt Ltd, Adhishwar Nivesh Pvt Ltd, Ajit Commercials Pvt Ltd, Alpha Airways pvt ltd, Always Properties & Finance Pvt Ltd, American Merchandising Ltd, Anchita Commercials Pvt Ltd, Angan Properties Private Limited, Aniket Traders Pvt Ltd, Anish Traders Pvt Ltd, Anumala Traders Pvt Ltd, Aparupa Properties Pvt. Ltd., Ayodhya Properties & Finance Pvt ltd, Anoush Traders Pvt Ltd, Bharatiya Hotels Pvt. Ltd., Bloom Billions Sdn Bhd- Malaysia, BTR Sealing System UK Ltd - UK, Ballard Commercials Pvt Ltd, Banalata Traders Pvt Ltd, Bandana Commercials Pvt ltd, Beadon Traders Pvt ltd, Bengal Institute of Neurosciences ltd, Bharat Vidyut Co. Ltd, Bipul Commercials Pvt ltd, Blackstone Holdings Private ltd, Blessings Commercials Pvt Ltd, Borneo Traders Pvt Ltd, Brawany Nivesh Pvt Ltd, Camac Traders Pvt Ltd, Chaity Commercials Pvt ltd, Chaman Trade Links Pvt Ltd, Chambal Marketing Pvt Ltd, Chemical Corporation of India Ltd, Chorus Trade Links Pvt Ltd, California Auto Tyres Pvt Ltd, Chinsurah Chemicals Pvt. Ltd, Climber Properties Pvt. Ltd., D K Properties Pvt Ltd, Dadar Properties & Finance Pvt Ltd, Deblok Traders Pvt Ltd, Deoghar Properties & Finance pvt ltd, Dhan E Commerce Pvt Ltd, Dipti Commercials Pvt ltd, Divya Mercantile Ltd, Double Plus Software (P) Ltd, Dunlop Latex Foam Europe Ltd, Durg Properties & Finance Pvt ltd, Draftex Automotive, GMBH, Dil Rim and Wheel Corporation Ltd.-Mauritius, Dunlop Estates Pvt. Ltd., Dunlop India Ltd., Dunlop Infrastructure Pvt. Ltd., Dunlop Investments Ltd., Dunlop Properties Pvt. Ltd., Dunlop Rubber limited, Dunlop Tyres limited, Dunlop Uk limited _UK, Dunlop Polymers Pvt Ltd (Formerly Jacob & Jacob Polymer Pvt Ltd), Ebony Commercials Pvt Ltd, Eco Traders Pte Ltd, Edina Marketing pvt Ltd, Electric Corporation of India ltd, Elloit Mercantile Pvt Ltd, eMotions Media Pvt Ltd, Empire Minerals Pvt Ltd, Enormous Nivesh Pvt Ltd, Eyelid Mercantile Pvt Ltd, Fabulous Nivesh Pvt Ltd, Fragment Nivesh Pvt Ltd, Falcon Tyres Ltd., Falcon Tyres & Rubber Pvt. Ltd., Falcon Tyres Impex Pvt. Ltd., Fiber Foam (Bombay) Pvt Ltd, Gain E-Commerce Pvt Ltd, Gain Dot Com Pvt Ltd, Goldman Securities Ltd, Gumasol Rubber Tec GMBH, Gyan Website Pvt Ltd, Global finvest Ltd _UK, Globe Sugar Refinery Ltd, Goldman Stock & Brokers ltd, Global Fin Pro Ltd, Hardcore Viniyog Pvt Ltd, Herald Investments Pvt ltd, Hardcore Viniyog Pvt Ltd, Herald

Investments Pvt Ltd, Hindustan Texknit pvt Ltd, Hriday Commercials Pvt Ltd, Hirakud Industrial Works Ltd., Hirakud Rolling Mill Ltd., Hiland Traders Pvt Ltd, Hiker Properties Pvt. Ltd., Ibcn(Calcutta) Pvt Ltd, India Finance Ltd, India Tyre & Rubber Co (India) Ltd., Jessop Infotech Pvt Ltd, Jessop Shipyard Limited, Jai Brijmohan Niketan Pvt. Ltd., Jai Vaibhav Niketan Pvt. Ltd., Janaki Marketing Pvt Ltd, Jai Harihor Tower Pvt. Ltd., Jai Raghuvir Enclave Pvt. Ltd., Jai Ganga Nirman Pvt. Ltd., Jai Badrinath Niketan Pvt. Ltd., Jai Tridev Vihar Pvt. Ltd., Jai Gokul Towers Pvt. Ltd., Kamapur Alcohol limited, Kamapur Sugar & Industries Ltd, Kanti Commercials Pvt Ltd, Kothi Lefin Pvt Ltd, Kailash Enterprises (NewDelhi) Pvt Ltd, Kulu Properties & Finance Pvt Ltd, Lona Commercials Pvt Ltd, Liluah Ceramics Pvt. Ltd., Mahant Merchandise Pvt Ltd, Manavendra Commercials Pvt Ltd, Mandhatri Traders Pvt Ltd, Mayank Services Ltd, Metro Developers Ltd, Monarch Exim Pvt Ltd, Moulishree Electricals & Electronics Ltd, Mridula Marketing pvt Ltd, Mugdha Properties Pvt Ltd, Manali Properties & Finance Pvt. Ltd., Malini Properties Pvt Ltd, Metropole Hills Hotel Pvt. Ltd., Monotona Tyres Limited, Mudrika Commercials Pvt. Ltd., Mugdha Properties Pvt Ltd, Manjari Properties Pvt. Ltd., Manidipa Properties Pvt. Ltd., Nandan Suppliers & Contractors Pvt Ltd, Nandini Properties Pvt Ltd, Nevadita Properties Pvt Ltd, Ocean Cement Limited, Ocean Constructions Pte Ltd, Olivia Tours & Travels Pvt Ltd, OM Cotex Ltd (Formerly Ruia Cotex Ltd), Onix Business Services Ltd, Our Films Productions Pvt Ltd, P.K. Constructions Pvt Ltd, Pacific Website Pvt Ltd, Pacific Apparels Ltd., Parnika Marketing Pvt. Ltd., Payneganga Sugars & Chemicals Ltd, Power Corporation of India Ltd, Pawan Herbals Pvt. Ltd., Renuka Resorts Pvt Ltd, Resource Cement Ltd, Rose E-Commerce Pvt Ltd, Ruia Electronics Pvt Ltd, Ruia Global Fasteners AG, Ruia Holding -GMBH, Radiant Investment Ltd-Mauritius, Raghav Industries Ltd., Rapid Investment Ltd - Mauritius, Ruia & Sons Pvt Ltd, Ruia Corporate Services Pvt Ltd. (Formerly Dibakar Traders Pvt Ltd), Ruia Agro Products Pvt. Ltd., Ruia Hospital & Educational Research Institution, Ryham Pte limited- Singapore, Ruia Hotels Pvt Ltd, Ruia Iron & Steel Co. Pvt Ltd, Ruia Marketing Ltd, Ruia Overseas Private limited, Ruia Properties GMBH, Ruia Technologies Ltd, Shakambari Communications Pvt Ltd, Shalimar Towers Pvt Ltd, Shankar Traders & Dealers Ltd, Sheetal Exports Ltd, Shresth (India) Pvt Ltd, Skypak Properties & Finance Pvt Ltd, SPR Sugar & Chemicals Ltd, Ruia Global Nivesh Pvt Ltd, (Formerly SPR Textiles Pvt. Ltd.), Stephen Financial Services Pvt Ltd, Sterling Share Brokers (P) Ltd, Subhlaxmi Compusis Pvt Ltd, Schlegel Automotive Europe Ltd _UK, Schlegel Automotive India Pvt.Ltd, Securities Brokers India limited, Shalini Properties & Developers Pvt. Ltd., Spices Valley Estates Ltd., SPR Resorts Ltd., Subhra Marketing Ltd., Suryamani Financing Company Ltd., Sugandha Industries Pvt Ltd, Sukaram Marketing Ltd., Surag Commercials Pvt Ltd, Tribhuban Marketing (P) Ltd, Tulip Machineries Pvt Ltd, U.P.Bio Chem Ltd, U.P.Hydro Projects Ltd, Udbav Commercials Pvt Ltd, Ventura Project Pvt Ltd, Vidyut Petrochem Pvt Ltd, Vilas Marketing Private Limited, Wealth Field Pte Ltd., Walker Properties Pvt Ltd, Wealthsea Pte. Ltd.-singapore, Wealth overseas Pte Ltd- Singapore, Wealth ocean Pte Ltd-Singapore, Wealthsea Ltd - Mauritius, Wealth Valley Pte Ltd., Wizer Advertising Pvt Ltd, Yamuna Website Pvt Ltd, Zeal Infotech Pvt Ltd, Zipco Industrial Finance Pvt. Ltd.

5 Key Management Personnel

Mr Ashok Kumar Agarwal (w.e.f. 04.10.10)

Mr. Sreekanta Banerjee (ceased w.e.f. 06.09.10)

B) Transaction carried out during the year with related parties:

	₹ in Lacs	
	2010-11	2009-10
1. Holding Company		
Dividend Paid	175.07	175.07
2. Subsidiary Companies		
Purchase of Investments	0.00	0.00
Year end Balances	1958.99	1958.99
Advances Taken	0.00	0.00
Year end Balances (Payable)	7.51	8.29
3. Joint Venture Company		
Purchase of Investments	0.00	0.00
4. Associate/ Group Companies		
Refund of Advances	0.00	22.00
Year end Balances	(3145.25)	5.32
Sale of Goods & Services	0.00	0.00
Purchase of Fixed Assets	—	—
Expenses	23.89	—
5. Key Management Personnel		
Managerial Remuneration	11.43	29.30
Sitting Fees	—	—

10 Disclosures of earning per share

		2010-11	2009-10
Profit/(Loss) after tax for the year	(₹ in lacs)	2379.01	2230.06
Weighted average number of shares used in computing Earning per share			
Basic	(No. in lacs)	6151.03	6151.03
Diluted	(No. in lacs)	6151.03	6151.03
Earnings per share (per equity share of ₹ 1/- each)			
Basic	(₹)	0.39	0.36
Diluted	(₹)	0.39	0.36

11 Impairment of Assets

The Accounting Standard on Impairment of Assets (AS-28) has become mandatory with effect from April 1, 2004. To ascertain the impairment of assets, if any, the estimated recoverable amount of assets has been assessed by the Company with the help of a registered technical valuer. The recoverable amount has been found to be more than the carrying amount. As such there has been no impairment of Assets.

12 Sales Tax loan from Government of West Bengal is to be repaid in Eight equal annual installments commencing from 1.4.2013 as per the proposal submitted by the company, awaiting confirmation from the Government of West Bengal.

13 Primary segment information (Business segment) for 2010-11 and 2009-10 (All figures in ₹ Lacs)

Particulars	CSWagon		EMU		REH		EPC		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
1 Revenue										
External Sales (Net of Centvat)	23960.06	20249.75	1185.40	1846.91	514.72	813.98	1209.08	824.39	26869.26	23735.03
Inter segment sales	-	-	-	-	-	-	-	-	-	-
Total Revenue	23960.06	20249.75	1185.40	1846.91	514.72	813.98	1209.08	824.39	26869.26	23735.03
2 Results										
Segment results Unallocated	3617.69	2807.42	(435.16)	(450.69)	(294.99)	(411.56)	720.19	365.15	3607.73	2310.32
Expenses less unallocated Income									(11.97)	843.70
Operating profit/(loss)									3595.76	3154.02
Interest expense									1314.69	1,003.84
Interest income									109.77	88.00
Profit/(Loss) before tax, prior period and extra ordinary items									2390.84	2238.18
Prior period items									(11.83)	(8.12)
Income Tax - FBT									0.00	0.00
Income Tax - MAT									0.00	0.00
Profit/(Loss) from ordinary activities									2379.01	2230.06
Extra - Ordinary activities									2379.01	2230.06
Net Profit/(Loss)									2379.01	2230.06
3 Other Information										
Segment assets	11697.68	10514.81	6794.47	5879.42	6074.36	4893.14	1933.52	67.53	26500.03	21354.90
Unallocated assets									14862.22	14315.33
Total assets									41362.25	35670.23
Segment liabilities	1969.92	2318.83	1266.03	225.23	520.42	117.93	87.86	11.30	3844.23	2673.29
Unallocated liabilities									1720.37	4273.59
Total liabilities									5564.60	6946.88
Capital Employed	9727.76	8195.98	5528.44	5654.19	5553.94	4,775.21	1,845.66	56.23	22655.80	18681.61
Unallocated Capital Employed									13141.85	10041.74
Total Capital Employed									35797.65	28723.35
Capital expenditure									3014.36	4263.96
Depreciation	303.30	238.86	130.44	72.94	183.22	114.53	-	0.00	616.94	426.33
Non-cash expenses other than Depreciation									0.00	0.00

(# includes unallocated assets and unallocated liabilities)

14 Directors Remuneration (including Managing Director, Joint Managing Director & Wholetime Director)

		₹ in Lacs	
		2010-11	2009-10
(i)	a) Salary & Allowances	10.73	29.30
	b) Provident Fund	0.00	0.00
	c) Others	0.70	0.00
		11.43	29.30
(ii)	Sitting fees of ₹ 1.00 lac (Previous year ₹ 1.15 lacs) were paid to Non-executive Directors for attending meetings.		

**15 Information Regarding Imports, Exports and consumption of Raw Material
(Required under paragraph “3” & “4” of Part II of Schedule VI of the Companies Act,1956)**

I.	Value of Imports on CIF basis		
	a) Raw Materials & Components	233.73	—
	b) Capital Goods	—	—
		233.73	—
II	Earning in Foreign Exchange FOB Value of Exports	—	—
III	Expenditure in Foreign Currency		
	Travelling	—	1.47
	Project Expenses	—	0.00
		0.00	1.47

		2010-11			2009-10
		Qty M/T	Value ₹ in Lacs	Qty M/T	Value ₹ in Lacs
IV	Material Consumed		2621.64		2986.32

		2010-11			2009-10
		Value ₹ in Lacs	Percentage	Value ₹ in Lacs	Percentage
V	Consumption of Imported & Indigenous Raw Materials, Components, Stores and Spares				
	(i) Raw Materials & Components				
	Imported	—	—	—	—
	Indigenous	2621.64	100.00	2986.32	100.00
		2621.64	100	2986.32	100
	(ii) Stores & Spares				
	Imported	0.00	—	—	—
	Indigenous	819.52	100.00	213.84	100.00
		819.52	100.00	213.84	100

16 Installed Capacity and Actual Production

S. No.	Class of Goods	Units	Installed Capacity	Production Quantities	
				2010-11	2009-10
1	WAGONS - Total	VU'S	12000	144	253
	(a) BOBRNHS			77	22
	(b) BOSTHS			37	100
	(c) BVZI			30	10
	(d) BOBSN				76
	(e) BLC				45
2	COACHES				
	(a) EMU AC Coaches	Coaches	144	15+P	9+P
	(c) MG Coaches	Nos	180	-	-
	(d) Bogies Frame	Nos	600	14	41
	(e) Bogie for BVZI Wagon	Nos		-	10
3	CRANES	Tonnes	12000	191.29	77
4	GATES, STRUCTURALS & FABRICATIONS	Tonnes	24000	-	129
5	CRANE SPARES	₹ Lacs		173.91	130.18
6	ERECTION & SERVICES (including Factored Goods)	₹ Lacs		21682.25	17758.38
7	ROAD ROLLERS (Incl. VIB)	Nos	240	55	84
8	ROAD ROLLERS - Spares & Assembly	₹ Lacs		20.65	17.37
9	Integrated Testing of Power Support for Mines	₹ Lacs	NA	83.07	37.24
10	Mining Tools, Components and Spares	₹ Lacs	NA	12.02	4.32
11	EPC/ Project Engineering Services	₹ Lacs	NA	2209.09	825.03
12	Crawler Tractor	Nos	120	-	-
13	Shuttle Dumper	Nos	50	-	-
14	Motor Grader	Nos	30	-	-
15	Paper Machine	Nos	2	-	-
			(1800 Lacs)		
16	Hyd Cir Saw M/C	Nos	48	-	-
17	Saw Blade Sharpen M/C	Nos	16	-	-
18	a) Gear Couplings	Sets	600	-	-
	b) Spl Flex Coupling	Sets	100	-	-
19	a) Hyd Operated Grab	Nos	24	-	-
	b) Rope Operated Grab	Nos	24	-	-
20	a) Side Dump Loader for Mines	Nos	50	-	-
	b) Self Adv Roof Support	Nos	500	-	-
	c) Heavy Duty Stacker & Support Convyr	Sets	500	-	-
	d) Hyd Props For Mines	Nos	12000	-	-
	e) Other Components	₹ Lacs	NA	-	-

Note : Licensed Capacity not applicable due to abolition of industrial licenses as per press note no. 12(1998 series) of Ministry of Industry, Government of India Dated 31/8/98 issued under the Industries (Development and Regulation) Act,1951.

17 Information Regarding Sales & Stock

(Required under paragraph "3" & "4" of Part II of Schedule VI of the Companies Act, 1956) (Value - ₹ in lacs)

Sl No	Class of Goods	Units	S T O C K				S A L E S				
			As on 31.03.11		As on 31.03.10		2010-2011		2009-2010		
			Qty	Value	Qty	Value	Qty	Value	Qty	Value	
1	STRUCTURAL FAB	Tonnes								129	57.57
2	CRANES	Tonnes					191.20	150.18		77	107.57
3	WAGONS										
	BOBRN	Nos	11	98.02			71	709.99		17	168.03
	BOST	Nos					37	295.08		100	705.29
	BVZI	Nos					30	127.75		10	147.16
	BOBSN	Nos								76	349.77
	BLC	Nos			45	1047.61	45	1047.61		45	1030.77
4	EMU COACHES A.C	Coaches					15+P	980.19		9+P	1527.37
	BOGIEFRAME ASSY	Nos					14	42.47		41	88.26
	MISC EMU COMP							4.76			
	BVZI BOGIE									10	43.58
5	ROAD ROLLERS (INCL VIB & SPARES)	Nos	8	64.38	3	43.03	50	501.34		82	796.90
6	INTEGRATED TESTING SERVICE FOR MINING MACHINERY	₹ Lacs						50.14			51.52
7	SPARES/EREC & SERV (including factored goods)	₹ Lacs						21863.75			17963.46
8	EPC/Project Engg Services	₹ Lacs						1209.09			825.03
9	SCRAP SALES	₹ Lacs		162.40		1090.64		87.93			90.56
								27070.28			23952.84

18 Balance Sheet Abstract and Company's General Business profile
(Submitted in terms of Part VI of the Companies Act, 1956)

I. Registration Details

Registration No.(CIN)	L51909WB1932PLC007491	State Code	21
Balance Sheet Date	3/31/2011		

II. Capital Raised During The Year (Amount in ₹ '000)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placements	NIL

III Position of Mobilisation and Deployment of Funds (Amount in ₹ '000)

Total Liabilities	3,579,765	Total Assets	3,579,765
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SOURCES OF FUNDS

Paid-up Capital	615,058	Reserve and Surplus	1,306,293
Secured Loan	767,918	Unsecured Loan	890,372
Long Term Liabilities	124		

APPLICATION OF FUNDS

Net Fixed Assets	1,905,828	Investments	196,098
Accumulated Losses	-	Long Term Assets	400,695
Miscellaneous Expenditure	-	Net Current Assets	1,077,144

IV. Performance of the Company (Amount in ₹ '000)

Turnover (including other income)	3,175,459	Total Expenditure	2,937,558
Profit Before Tax	237,901	Profit After Tax	237,901
Earning per Share (Annualised)(in Rs.)	0.39	Dividend	3%

V. Generic Names of Three Principal Products of the Company (as per monetary terms)

Item Code No. (ITC Code)	8426.00
Product Description	CRANES
Item Code No. (ITC Code)	8603.00 AND 8606.00
Product Description	ROLLING STOCK
Item Code No. (ITC Code)	8429.00
Product Description	ROAD CONSTRUCTION EQUIPMENT

19 Sales under Schedule - 12 include sale of services for ₹ 121.83 Lacs (Previous year ₹ 61.85 Lacs).

20 Based on the confirmations received from the parties till now, the Management has identified enterprises which have provided goods & services to the Company and which qualify under the definition of Micro & Small Enterprises Development Act, 2006. Accordingly disclosure in respect of the amount payable to such enterprises as at 31st March, 2011 has been made.

- 21** Sales includes Tax deducted at source on (a) Supply of Railway wagons & Coaches, (b) Erection and Commissioning charges and (c) Annual Maintenance Charges, amounting to ₹ 20.16 Lacs (Previous Year ₹ 66.24 Lacs) and (d) Interest Income includes Tax deducted at source amounting to ₹ 15.92 Lacs (Previous Year ₹ 8.48 Lacs).
- 22** Liabilities & Assets (Net) ₹ 333.36 lacs (Previous Year ₹ 312.97 lacs) for which realisability/ payability is not ascertainable has been directly adjusted from General Reserve.
- 23** In the opinion of the Board, the value of realisation of Current Assets, Loans & Advances in the ordinary course of the business would not be less than the amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities is adequately provided.
- 24** Pursuant to General Circular No. 02/2011 dt. 08/02/2011 from the Government of India, Ministry of Corporate Affairs u/s.212(8) of the Companies Act, 1956, the reports and accounts of the subsidiaries of the company, all of which are yet to commence commercial production, are not attached. However, the consolidated financial statements are attached. The key figures of the subsidiary companies are attached to this annual accounts.
- 25** Disclosures as required under AS 27 in respect of Joint Venture Company have not been made as the same are not readily available.
- 26** Figures for the previous year have been regrouped/rearranged/restated, wherever considered necessary.

Signature to Schedules 1 to 21

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

On behalf of the Board of Directors

K.C.Sharma
Partner
Membership No. 50819
Dated: 30th May, 2011

M C Gupta
Chief Finance Officer
& Company Secretary

V K Agrawal
Director

A K Agarwal
Director

Statement regarding Subsidiary Companies
Pursuant to Section 212 of the Companies Act, 1956

Name of Subsidiary	Pallavi Manufacturers Pvt. Ltd.	Jessop Infrastructure Pvt. Ltd.	Jessop Estate Pvt. Ltd.	Jessop Properties Pvt. Ltd.	Jessop Wagons & Coaches Ltd	(₹ in lacs)	
						Equity Shares of ₹ 10/- each fully paid-up	Percentage
1) Holding Company's interest: No. of Shares held by Jessop & Co. Ltd. with its nominees in the subsidiaries at the end of the financial year of the Subsidiary Companies Extent of the interest of Holding Company at the end of financial year of the Subsidiary Companies	1,07,690 Equity Shares of ₹ 10/- each fully paid-up 100%	10,000 Equity Shares of ₹ 10/- each fully paid-up 100%	10,000 Equity Shares of ₹ 10/- each fully paid-up 100%	10,000 Equity Shares of ₹ 10/- each fully paid-up 100%	49,670 Equity Shares of ₹ 10/- each fully paid-up 99.999%	—	—
2) Net aggregate amount of Subsidiary's Profits/ (losses) not dealt with in the Holding Company's accounts: i) for the Subsidiary's financial year ended 31st March, 2011 ii) for the previous financial years of the subsidiary since it became the holding company's subsidiary	—	—	—	—	—	—	—
3) Net aggregate amount of Subsidiary's Profits/ (Losses) dealt with in the Holding Company's accounts: i) for the Subsidiary's financial year ended 31st March, 2011 ii) for the previous financial years	—	—	—	—	—	—	—

On behalf of the Board of Directors

M C Gupta
Chief Finance Officer
& Company Secretary

V K Agrawal
Director

A K Agarwal
Director

Dated: 30th May, 2011

Statement pursuant to exemption received from the Ministry of Corporate Affairs, under Section 212(8) of the Companies Act, 1956 related to subsidiary Companies

(₹ in lacs)

Name of Subsidiary	Pallavi Manufacturers Pvt. Ltd.	Jessop Infrastructure Pvt. Ltd.	Jessop Estate Pvt. Ltd.	Jessop Properties Pvt. Ltd.	Jessop Wagons & Coaches Ltd
1 Paid Up Capital	10.77	1.00	1.00	1.00	5.00
2 Reserves & Surplus	1949.25	—	—	—	—
3 Total Assets	1967.57	1.02	1.02	1.02	5.02
4 Total Liabilities	1967.57	1.02	1.02	1.02	5.02
5 Investment	0.00	0.00	0.00	0.00	0.00
6 Turnover	—	—	—	—	—
7 Profit Before Tax	—	—	—	—	—
8 Provision for Taxation	—	—	—	—	—
9 Profit After Tax	—	—	—	—	—
10 Proposed Dividend	—	—	—	—	—

On behalf of the Board of Directors

A K Agarwal
Director

V K Agrawal
Director

M C Gupta
Chief Finance Officer
& Company Secretary

Dated: 30th May, 2011





Auditors' Report on Consolidated Financial Statement To the Board of Directors of Jessop & Co. Ltd.

We have examined the attached Consolidated Balance Sheet and Cash Flow Statement of Jessop & Co. Ltd. and its subsidiaries as at 31st March, 2011 and the Consolidated Profit & Loss Account for the year ended on that date annexed thereto. The preparation of these consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of ₹1975.45 lacs as at 31st March, 2011 and the Cash Flow of ₹ 0.93 lacs total revenues of ₹ Nil for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far it relates to the amounts included in respect of the subsidiaries, is based solely on the reports of the auditor of the Subsidiary companies.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS) 21 on "Consolidated Financial Statements" issued by the Companies Accounting Standard Rules 2006 and on the basis of the separate audited financial statements of the Company, and its subsidiaries included in Consolidated Financial Statements. *The consolidated financial statement do not include the figures of joint venture company as per AS-27 as the same is not readily available.*

On the basis of the information and explanations given to us and on the consideration of separate audit report on individual audited financial statements of the Company and its subsidiaries, we are of the opinion that the attached consolidated financial statements, read with the notes and the significant accounting

policies thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at 31st March, 2011; and
- (ii) In the case of the Consolidated Profit and Loss Account, of the consolidated Profit of the Company and its subsidiaries for the year ended on that date.
- (iii) In the case of Consolidated Cash Flow Statement, of the Cash flows for the year ended on that date

For K.N. Gutgutia & Co.
Chartered Accountants
Firms Registration No.304153E

6C, Middleton Street
Kolkata – 700 071
Dated : 30th May, 2011

K.C. Sharma
Partner
Membership No. 50819



JESSOP & CO. LTD.

Consolidated Balance Sheet as at 31st March, 2011

₹ In Lacs

	Schedules	As at 31.03.2011	As at 31.03.2010
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Capital	1	6150.58	6150.38
(b) Reserve & Surplus	2	13071.37	10687.31
(c) Minority Interest		0.03	0.03
2. Loan Funds	3		
(a) Unsecured Loans		8903.72	6688.35
(b) Secured Loans		7679.18	5203.79
3. Long Term Liabilities		1.24	1.24
	Total	35806.12	28731.10
II. APPLICATION OF FUNDS:			
1. Fixed Assets	4		
(a) Gross Block		25590.22	22575.86
(b) Less: Depreciation		6531.94	5800.43
(c) Net Block		19058.28	16775.43
(d) Capital Work-in-Progress		1963.93	1959.05
		21022.21	18734.48
2. Investments	5	1.99	1.99
3. Long Term Assets		4006.95	1844.30
4. Current Assets, Loans & Advances			
(a) Inventories	6	9750.67	4369.06
(b) Sundry Debtors	7	4603.70	8791.30
(c) Cash & Bank Balances	8	1340.27	1205.18
(d) Other Current Assets	9	165.69	331.86
(e) Loans & Advances	10	484.47	396.37
		16344.80	15093.77
Less: Current Liabilities and Provisions	11		
(a) Current Liabilities		4523.48	5834.01
(b) Provisions		1046.81	1110.06
		5570.29	6944.07
Net Current Assets		10774.51	8149.70
5. Miscellaneous Expenditure (to the extent not written off or adjusted) Preliminary expenses		0.46	0.63
	Total	35806.12	28731.10

Significant Accounting Policies and Notes on Accounts 21
Schedules 1 to 11 & 21 form an integral part of Balance Sheet.

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

K.C.Sharma
Partner
Membership No. 50819
Dated : 30th May, 2011

M C Gupta
Chief Finance Officer &
Company Secretary

On behalf of the Board of Directors

V K Agrawal
Director

A K Agarwal
Director

JESSOP & CO. LTD.

Consolidated Profit and Loss Account For The Year Ended 31st March, 2011

	Schedules	2010-11	2009-10
₹ In Lacs			
I. INCOME:			
Sales	12	27070.28	23952.84
Less: Cenvat Duty, Service Tax & Cess		201.02	217.81
		26869.26	23735.03
Other Revenues	13	4217.21	3729.41
Accretion/(Decretion) to Inventory	14	668.12	286.81
	Total	31754.59	27751.25
II. EXPENDITURE			
Consumption of Raw Materials & Components, including Purchases	15	23456.66	20622.84
Consumption of Stores & Spares Parts		819.52	213.84
Other Direct Manufacturing Expenses	16	610.21	387.19
Employees' Remuneration & Benefits	17	1910.80	1881.01
Power & Fuel		165.88	186.77
Cenvat Duty on Closing Stock		(94.84)	101.85
Other Expenses	18	563.89	689.79
Interest	19	1314.69	1003.84
Depreciation	731.51		426.33
Less: Transfer from Revaluation Reserve (Refer Note. Schedule)	114.57		0.00
		616.94	426.33
		29363.75	25513.46
Profit before Prior Period Adjustment		2390.84	2237.79
Less: Prior Period Adjustments	20	11.83	8.12
Profit Before Taxation		2,379.01	2,229.67
Provision for Taxation -See Note No. 6 & 7 of Schedule 21		0.00	0.00
Profit after Taxation		2,379.01	2,229.67
Balance brought forward from Previous Year		2613.77	2,086.67
Less: Dividend for Previous Year		0.01	-
Add: Tax Adjustments		0.72	13.30
Profit Available for Appropriations		4993.49	4329.64
Appropriations			
Proposed Dividend -			
On Equity Shares		184.52	184.51
Tax on Dividend (Including Surcharge)		29.93	31.36
Transfer to General Reserve		1500.00	1500.00
Balance Carried to Balance Sheet		3279.04	2613.77
		4993.49	4329.64
Earning Per Share - Basic & Diluted (Rs per equity share of ₹ 1/-)		0.39	0.36

Significant Accounting Policies and Notes on Accounts 21

Schedules 12 to 20 & 21 form an integral part of Profit and Loss Account.

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

K.C.Sharma
Partner
Membership No. 50819
Dated : 30th May, 2011

M C Gupta
Chief Finance Officer &
Company Secretary

On behalf of the Board of Directors

V K Agrawal
Director

A K Agarwal
Director

CASH FLOW STATEMENT

	₹ In Lacs	
	2010-2011	2009-2010
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit/(loss) before tax, Prior Period and extraordinary items	2,390.84	2,237.79
Adjustments for:		
Depreciation	616.94	426.33
Profit/ Loss on sale of Fixed Assets	-	11.68
Interest Paid / Payable	1,314.69	1,003.84
Interest Received / Receivable	(109.77)	(88.00)
Long term Liabilities/ Assets written back/adjusted	333.36	(835.53)
Preliminary expenses W/o	0.17	0.20
Operating profit before working capital changes	4,546.23	2,756.31
Adjustments for:		
Trade and other Receivables	1,905.82	408.70
Inventories	(5,381.61)	190.63
Trade Payables	(1,372.36)	(225.42)
Misc. Expenditure Paid	-	647.97
Cash generated from Operations	(301.92)	3,778.19
Direct Taxes	31.75	(82.79)
Cash Flow Before Prior Period and extraordinary items	(270.17)	3,695.40
Prior Period Expense	(11.84)	(8.12)
Extra Ordinary Items	-	-
Net Cashflow from Operating Activities	(282.01)	3,687.28
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(3,019.24)	(4,263.96)
Sale of Fixed Assets	-	12.50
Interest Received	275.94	41.71
Net Cash used in Investing Activities	(2,743.30)	(4,209.75)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Right Issue of Shares	0.20	0.05
Advance against right issue of Equity Shares	-	-
Purchase of Investments	(0.00)	-
Interest paid	(1,086.19)	(676.59)
Dividend Paid (on Equity & Redeemable Cumulative Preference Shares)	(215.87)	(201.23)
Proceeds from Bank Borrowing	2,475.39	835.52
Proceeds from Bank Borrowing (Suppliers' Finance Scheme)	-	-
Increase in Unsecured loan	2,131.77	673.15
Increase in Unsecured loan from Bank	(144.90)	61.42
Net Cash used in Financing Activities	3,160.40	692.32
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	135.09	169.85
Opening Cash and Cash equivalents	1,205.18	1,035.33
Closing Cash and Cash equivalents	1,340.27	1,205.18
Cash & Cash Equivalents include:-		
a) Cash and Bank balances other than those mentioned in (b) below	658.22	523.13
b) Cash and Bank balances not immediately available for use by the Company	682.05	682.05
	1,340.27	1,205.18

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

K.C.Sharma
Partner
Membership No. 50819
Dated : 30th May, 2011

On behalf of the Board of Directors

M C Gupta
Chief Finance Officer &
Company Secretary

V K Agrawal
Director

A K Agarwal
Director

SCHEDULE TO THE ACCOUNTS

₹ In Lacs

	Ast at 31.03.2011	As at 31.03.2010
Schedule - 1 Share Capital		
AUTHORISED		
99,00,00,000 Equity Shares of ₹ 1/- each	9900.00	9900.00
1,00,000, 6.5% Redeemable Cumulative Preference Shares of ₹100/- each	100.00	100.00
	<u>10000.00</u>	<u>10000.00</u>
ISSUED, SUBSCRIBED & PAID UP		
61,51,02,475 Equity Shares of ₹1/- each (Previous Year 61,51,02,475 Equity Shares of ₹ 1/- each) fully paid-up	6151.03	6151.03
Less : Calls in arrear	(0.45)	(0.65)
	<u>6150.58</u>	<u>6150.38</u>
Note		
1. Of the above, 5,09,950 Equity Shares were issued as fully paid-up pursuant to a contract for consideration other than in cash.		
2. Of the above shares, 43,02,99,283 Equity Shares of ₹1/- each fully paid up (Previous Year 58,35,64,453 Equity Share of ₹1/- each fully paid up) in cash are held by the Holding Company i.e. Indo Wagon Engineering Ltd (IWEL).		
Schedule - 2 Reserves and Surplus		
Capital Reserve	19.57	19.57
Capital Redemption Reserve	44.57	44.57
Preference Share Premium	0.30	0.30
Equity Share Premium	29.40	29.40
Revaluation Reserve	5323.57	5323.57
Less: Transferred to Profit and Loss Account (Refer Note 3, Schedule 21)	<u>114.57</u>	<u>0.00</u>
	<u>5209.00</u>	<u>5323.57</u>
General Reserve		
As per last Balance Sheet	2656.13	1991.66
Add : Transferred from Profit & Loss Account	1500.00	1500.00
Add/Less: Adjustments (Refer note 17, schedule 21)	<u>333.36</u>	<u>(835.53)</u>
	4489.49	2656.13
Profit & Loss Account	3279.04	2613.77
	<u>13071.37</u>	<u>10687.31</u>
Schedule - 3 Loan Funds		
(a) Unsecured Loans		
Loan from W.B.Govt. (Sales Tax Loan)	4070.38	4070.38
Financial Assistance from Bodies Corporate	3453.29	1321.52
Funded Interest Demand Loan from Bank	0.00	144.90
Interest accrued and due W B Govt Loan	1380.05	1151.55
	<u>8903.72</u>	<u>6688.35</u>
(b) Secured Loans		
Cash Credit Facilities from Banks (Secured by hypothecation of stocks and book debts and mortgage of Immovable Properties of the Company.)	7044.80	3804.82
Working Capital Demand Loan from Bank (Secured by hypothecation of stocks and book debts and mortgage of Immovable Properties of the Company at DumDum)	634.38	1392.00
Car Loan from Banks	0.00	6.97
(Secured by hypothecation of Cars)	<u>7679.18</u>	<u>5203.79</u>

SCHEDULE TO THE ACCOUNTS

Schedule - 4 Fixed Assets

₹ In Lacs

Fixed Assets	Gross Block			Depreciation			Net Block			
	Gross Block as at 01.04.2010	Additions during the year	Deductions during the year	Gross Block as at 31.03.2011	Depreciation upto 31.03.2010	Depreciation during the year	Depreciation on Deductions	Total Depreciation upto 31.03.2011	Net Block as at 31.03.2011	Net Block as at 31.03.2010
Freehold Land	9.46	-	-	9.46	0.00	-	-	0.00	9.46	9.46
Leasehold Land	21.05	-	-	21.05	8.83	0.20	-	9.03	12.02	12.22
Building	6120.26	1956.70	-	8076.96	732.26	180.14	-	912.40	7164.56	5388.00
Plant & Machinery	15592.76	1056.31	-	16649.07	4483.97	524.00	-	5007.97	11641.10	11108.8
Computers	269.81	1.35	-	271.16	215.61	6.51	-	222.12	49.04	54.20
Electrical Installations	95.64	-	-	95.64	78.55	3.43	-	81.98	13.66	17.09
Furniture & Fittings, Off Equip	325.05	-	-	325.05	159.43	14.75	-	174.18	150.87	165.62
Motor Vehicle Including Lorries, Tractors & other Transport Equipment	141.83	-	-	141.83	121.78	2.48	-	124.26	17.57	20.05
Total	22575.86	3014.36	0	25590.22	5800.43	731.51	0	6531.94	19058.28	16775.43
Previous Year	12881.50	4400.29	5323.57	22575.86	5379.42	426.33	5.32	5800.43	16775.43	7502.08
Capital Work-in-progress (B)									1963.93	1959.05
Total Fixed Assets (A) + (B)									21022.21	18734.48

Notes:

1. Gross Block includes ₹ 5323.57 lacs on revaluation of Building and Plant & Machinery as at 31st March, 2010 based on report issued by Registered External Valuer.
2. Building includes depreciated value of Building ₹ 565.46 Lacs (Previous Year ₹ 585.0 Lacs) on leasehold land at Durgapur.
3. Addition to Buildings and Plant & Machinery during the year represents certain replacements, major revamping, renovation and capital repair work undertaken for upgradation of the assets to make them operational/ to improve efficiency.

SCHEDULE TO THE ACCOUNTS

₹ In Lacs

Schedule - 5 Investments (Long term at Cost)			As at 31.03.2011	As at 31.03.2010
	No. of Shares/Units	Face Value of Shares/Units (₹)	Book Value	Book Value
I. TRADE INVESTMENTS (UNQUOTED)				
Fully paid-up Equity Shares in				
Mawmluh- Cherra Cements Ltd.	70000	10	7.35	7.35
Wagon India Ltd.	1500	100	1.50	1.50
Richardson & Cruddas Ltd	17300	10	4.74	4.74
5.5% Cum Preference Shares in				
Richardson & Cruddas Ltd	455	100	0.40	0.40
			13.99	13.99
Less: Provision for Loss on Investments			13.99	13.99
			0.00	0.00
<u>In Joint Venture Company</u>				
Rose Investments Ltd.	4000	USD 1	1.70	1.70
II. OTHERS (UNQUOTED)				
0.50% Debentures in Woodland Medical Centre Ltd	200	100	0.20	0.20
6.50% Debentures in Bengal Chamber of Commerce & Industry	9	1000	0.09	0.09
			1.99	1.99
Schedule - 6 Inventories				
(as taken, valued and certified by the management)				
Raw Materials			5470.77	1021.13
Scrap			82.09	82.14
Components and Consumable (incl.shop-floor stocks)			538.12	330.98
Finished Stock			162.40	1090.64
Work-in-Progress			3440.58	1844.17
Stock in transit			56.71	–
			9750.67	4369.06
Schedule - 7 Sundry Debtors (Considered Good)				
Debts outstanding for a period exceeding six months			409.49	2408.55
Other Debts			4194.21	6382.75
			4603.70	8791.30
Schedule - 8 Cash and Bank Balances				
Cash balance on hand			0.20	1.23
Balance with Scheduled Banks				
In Current Accounts			93.12	36.80
In Fixed Deposits Accounts			1246.95	1167.15
			1340.27	1205.18

SCHEDULE TO THE ACCOUNTS

₹ In Lacs

Schedule - 9 Other Current Assets	As at 31.03.2011	As at 31.03.2010
Unsecured considered good unless otherwise stated :-		
Interest receivable from a Bank	123.41	123.41
Interest accrued & not due on deposits	42.28	208.45
	165.69	331.86
Schedule - 10 Loans and Advances		
Unsecured, Considered Good Unless Otherwise Stated		
Advances recoverable in Cash or in Kind or for value to be received		
Advance to Suppliers and Others	144.59	261.71
Government Grant Receivable	12.55	12.55
Other Deposits	327.33	122.11
	484.47	396.37
Schedule - 11 Current Liabilities & Provisions		
Current Liabilities:		
Sundry Creditors		
for Goods		
- Micro, Small & Medium Enterprises (See Note no. 15 of Schedule 21)	11.40	6.36
- Other than Micro, Small & Medium Enterprises	2454.41	3147.96
for Expenses & Others	1482.01	938.93
Unclaimed Dividend *	4.30	4.30
Advances from Customers	571.36	1729.94
Preference Shareholder's Redemption Liab.	0.00	6.52
	4523.48	5834.01
Provisions :		
Provision for Gratuity	832.36	894.19
Proposed Dividend		
On Equity Shares	184.52	184.51
Tax on Dividend	29.93	31.36
	1046.81	1110.06

* There is no amount due & outstanding to be credited to the Investor Education & Protection Fund

SCHEDULE TO THE ACCOUNTS

₹ In Lacs

Schedule - 12 Sales	2010-11	2009-10
Sales (including Cenvat Duty, Service Tax & Cess)	26989.32	23842.72
Sale of Scrap	79.72	85.44
Freight Charges	1.24	24.68
	27070.28	23952.84
Schedule - 13 Other Revenues		
Liability no longer required written back	64.41	111.14
Interest on Bank/other Deposits	109.77	88.00
Forwarding & Insurance Charges	0.34	1.01
Miscellaneous Income	4042.69	3529.26
	4217.22	3729.41
Schedule - 14 Accretion/(Decretion) to Inventory		
CLOSING BALANCE		
Finished Goods	162.40	1090.64
Work-in-Progress	3440.58	1844.17
Scrap	82.09	82.14
	3685.07	3016.95
Less: OPENING BALANCE		
Finished Goods	1090.64	1124.11
Work-in-Progress	1844.17	1453.94
Scrap	82.14	152.09
	3016.95	2730.14
NET ACCRETION/(DECRETION)	668.12	286.81
Schedule - 15 Consumption of Materials		
Consumption of Raw Materials & Components	2621.64	2986.32
Direct Purchases	20835.02	17636.52
	23456.66	20622.84
Schedule - 16 Other Direct Manufacturing Expenses		
Sub Contracting Charges	514.26	239.63
Other Mfg. expenses	95.95	147.56
	610.21	387.19

SCHEDULE TO THE ACCOUNTS

	₹ In Lacs	
	2010-11	2009-10
Schedule - 17 Employees' Remuneration & Benefits		
Salaries,Wages,Bonus and Allowances	1571.11	1413.61
Provident Fund Contribution	111.56	92.51
Gratuity	136.37	261.03
Staff Welfare Expenses	91.76	113.86
	1910.80	1881.01
Schedule - 18 Other Expenses		
Rent	3.86	1.82
Rates & Taxes	21.00	22.13
Insurance	3.40	4.71
Freight Outward	14.43	19.99
Repairs to Buildings	6.30	13.42
Repairs to Plant & Machinery	3.70	6.67
Repairs to Others	30.08	23.66
Auditors' Remuneration		
for Statutory Audit	0.83	0.88
for Tax Audit	0.44	0.22
In Other Capacity	0.62	0.50
Out of Pocket Exp.	0.08	0.08
Travelling Expenses		
Inland	33.28	41.15
Foreign	0.00	1.47
Vehicle Running Expenses	17.01	47.96
Finance / Bank Charges	186.36	137.11
Advertisement & Publicity	11.07	7.36
Consultant's Fees	10.72	23.42
Commission to Selling Agents	16.67	2.72
Legal Expenses	28.08	26.75
Loss on sale of Fixed Assets	0.00	11.68
Selling Expenses	49.97	61.03
Preliminary Expenses		0.20
Directors' Sitting Fees	1.00	1.15
Deferred Revenue Expenditure W/o		130.64
Miscellaneous Expenses	124.99	103.07
	563.89	689.79
Schedule - 19 Interest		
On Fixed Loan	274.74	274.75
On Other Loans		
To Banks	973.46	638.23
To Others	66.49	90.86
	1314.69	1003.84
Schedule - 20 Prior Period Adjustment		
Expenditure		
Other Expenses	11.83	8.12
	11.83	8.12

SCHEDULE TO THE ACCOUNTS

Schedule - 21 Accounting Policies and Notes on Accounts

A. SIGNIFICANT ACCOUNTING POLICY

1 Basis of Consolidation

- a) The Consolidated Financial Statements relate to Jessop & Co. Ltd. (“the Company or “the Parent Company”) and its subsidiary companies namely:

Name of Companies		Percentage of Holding
Pallavi Manufacturers Pvt. Ltd.	Incorporated in India	100%
Jessop Infrastructure Pvt. Ltd.	Incorporated in India	100%
Jessop Estate Pvt. Ltd.	Incorporated in India	100%
Jessop Properties Pvt. Ltd.	Incorporated in India	100%
Jessop Wagons & Coaches Ltd	Incorporated in India	99.99%

- b) The financial statements of its subsidiary companies used in the preparation of the Consolidated Financial Statement are drawn upto the same reporting date as that of the Company i.e. 31st March, 2011.
- c) The Consolidated financial statements have been prepared in accordance with the Accounting Standard 21 “Consolidated Financial Statements” in Consolidated Financial Statements” issued by Companies Accounting Standard Rules, 2006.
- d) Principles of Consolidation:

The Consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Company & its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balance/ transactions and unrealised profits or losses.
- ii) The Consolidated financial statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate financial statements.

- 2 The Accounting policy of the Company & its Subsidiaries is set out in their respective financial statements.

B. NOTES ON ACCOUNTS

1 Contingent liability not provided for :-

- (a) Demand for Sales Tax/VAT for an amount of ₹ 6304.43 lacs (Previous Year ₹ 2278.31 lacs) which have been disputed by the company and under appeal.
- (b) Disputed Demand for Excise Duty for an amount of ₹ 451.92 lacs (Previous Year ₹ 137.57 lacs) in respect of past periods under appeal.

- (c) Bank Guarantees against limits by banks amounting to ₹ 1845.43 lacs (Previous Year ₹ 2496.54 lacs) secured upto 5%, ₹ 775.63 lacs (Previous Year ₹ 760.85 lacs) secured upto 10%, ₹ Nil (Previous Year ₹ 155.56 lacs) secured upto 20% by way of lien on Fixed Deposits. Further, Bank Guarantees amounting to Rs.0.50 (Previous Year ₹ 10.03 lacs) from a bank are secured 100% by way of lien of Fixed Deposits.
- (d) Letter of Credit amounting to ₹ 1222.67 lacs (Previous year ₹ 2239.31 lacs) against limit by a bank secured upto 10% by way of lien on Fixed deposits of ₹ 122.33 lacs.
- (e) The Indemnity Bonds & Corporate Guarantees issued by the Company outstanding as on 31-03-2011 were ₹ 1786.91 lacs (Previous Year ₹ 9863.61 lacs) & ₹ 156.72 lacs (Previous Year ₹ 1120.50 lacs) respectively.
- (f) Claims of officers and non-unionised supervisors (except of existing officers, which has been settled & paid) towards pay-scale revision for the period 01-1-92 to 31-12-98 not admitted by the company, matter being sub-judice pending before Hon'ble High Court at Kolkata - Amount not ascertained.
- (g) Claims against the Company not acknowledged as debt - Amount not ascertained.
- 2** Estimated amount of Contract remaining to be executed on capital account and not provided for ₹ Nil (Previous Year Nil).
- 3** The Company based on the report as on 31.03.2010 issued by the registered external valuer has revalued fixed assets i.e. Building and Plant & Machinery situated at DumDum & Durgapur by an amount of ₹ 5323.57 lacs on replacement/ realisable value basis & an equivalent amount have been credited to Revaluation Reserve Account.
- 4** Confirmation of balances have been sought from sundry creditors, sundry debtors, other loans and advances and in some cases confirmation have been received.
- 5** Fixed Deposits with scheduled banks (Schedule - 8) includes a sum of ₹ 929.69 lacs (Previous Year ₹ 682.05 lacs) being the proceeds of invocation of bank guarantee (including accrued interest), against one of the Company's Foreign Collaborators, being kept till the final order of the Hon'ble Court of jurisdiction.
- 6** In view of the carried forward losses & unabsorbed depreciation in respect of earlier years, the Company may not have the taxable income in the near future and hence, the deferred tax assets net of deferred tax liabilities have not been recognized in the accounts on prudence basis as per Accounting Standard (AS-22) issued by the Companies Accounting Standard Rules 2006. Similarly the deferred tax effect on accounting of timing difference between the depreciation under Income Tax laws and Books for the current year has also not been recognized.
- 7** Income Taxes
- As per opinion obtained, MAT (Minimum Alternative Tax) is not applicable to the company and hence no provision has been made during the year.

- 8 The following table sets out the status of the gratuity plan as required under AS 15 (Revised 2005) and the reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	2010-11 ₹ in lacs	2009-10 ₹ in lacs
<u>Change in present value of obligations:</u>		
Obligations at beginning of the year	894.19	788.33
Service cost	35.20	44.82
Interest cost	73.77	63.09
Plan amendments	6.38	0
Actuarial (gain)/ loss	(163.68)	97.58
Benefits paid	13.50	99.63
Obligations at the end of the year	832.36	894.19
<u>Change in the Plan assets:</u>		
Fair Value of Plan assets at beginning of the year	N.A.	N.A.
Expected return on plan assets	N.A.	N.A.
Actuarial gain/(loss)	N.A.	N.A.
Contributions	N.A.	N.A.
Benefits paid	N.A.	N.A.
Fair value of plan assets at the end of the year	N.A.	N.A.
<u>Particulars:</u>		
Reconciliation of present value of the obligation and the fair value of plan assets:		
Present value of the defined benefit obligation at the end of the year	832.36	894.19
Fair value of plan assets at the end of the year	0	0
Funded status amount of liability recognised in the Balance Sheet	832.36	894.19
<u>Gratuity Cost for the Year</u>		
Service Cost	35.20	44.82
Interest Cost	73.77	63.09
Plan amendments	6.38	0
Expected return on plan assets	0	0
Actuarial (gain)/ loss	(163.68)	97.58
Net Gratuity cost	(48.33)	205.49
<u>Assumptions</u>		
Interest rate	8.25%	7.50%
Estimated rate of return on plan assets	N.A.	N.A.
Rate of growth in salary levels	5%	5%



9 Related Party Disclosure

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in Accounting Standard are given below:

A) List of the related parties and relationship

Sl. No. Name of related Party & Relationship

1 Holding Company

Indo Wagon Engineering Ltd

2 Subsidiary Companies

Jessop Wagons & Coaches Ltd., Pallavi Manufacturers Pvt.Ltd., Jessop Estate Pvt. Ltd., Jessop Properties Pvt. Ltd., Jessop Infrastructure Pvt. Ltd.

3 Joint Venture

Rose Investments Ltd, Mauritius

4 Associate/ Group Co.

Aakashdeep Properties Pvt Ltd, Acurate Traders Pvt Ltd, Adhishwar Nivesh Pvt Ltd, Ajit Commercials Pvt Ltd, Alpha Airways pvt ltd, Always Properties & Finance Pvt Ltd, American Merchandising Ltd, Anchita Commercials Pvt Ltd, Angan Properties Private Limited, Aniket Traders Pvt Ltd, Anish Traders Pvt Ltd, Anumala Traders Pvt Ltd, Aparupa Properties Pvt. Ltd., Ayodhya Properties & Finance Pvt Ltd, Anoush Traders Pvt Ltd, Bharatiya Hotels Pvt. Ltd., Bloom Billions Sdn Bhd- Malaysia, BTR Sealing System UK Ltd - UK, Ballard Commercials Pvt Ltd, Banalata Traders Pvt Ltd, Bandana Commercials Pvt Ltd, Beadon Traders Pvt Ltd, Bengal Institute of Neurosciences Ltd, Bharat Vidyut Co. Ltd, Bipul Commercials Pvt ltd, Blackstone Holdings Private Ltd, Blessings Commercials Pvt Ltd, Borneo Traders Pvt Ltd, Brawany Nivesh Pvt Ltd, Camac Traders Pvt Ltd, Chaity Commercials Pvt Ltd, Chaman Trade Links Pvt Ltd, Chambal Marketing Pvt Ltd, Chemical Corporation of India Ltd, Chorus Trade Links Pvt Ltd, California Auto Tyres Pvt Ltd, Chinsurah Chemicals Pvt. Ltd, Climber Properties Pvt. Ltd., D K Properties Pvt Ltd, Dadar Properties & Finance Pvt Ltd, Deblok Traders Pvt Ltd, Deoghar Properties & Finance pvt ltd, Dhan E Commerce Pvt Ltd, Dipti Commercials Pvt Ltd, Divya Mercantile Ltd, Double Plus Software (P) Ltd, Dunlop Latex Foam Europe Ltd, Durg Properties & Finance Pvt ltd, Draftex Automotive, GMBH, Dil Rim and Wheel Corporation Ltd.-Mauritius, Dunlop Estates Pvt. Ltd., Dunlop India Ltd., Dunlop Infrastructure Pvt. Ltd., Dunlop Investments Ltd., Dunlop Properties Pvt. Ltd., Dunlop Rubber limited, Dunlop Tyres limited, Dunlop Uk limited _UK, Dunlop Polymers Pvt Ltd (Formerly Jacob & Jacob Polymer Pvt Ltd), Ebony Commercials Pvt Ltd, Eco Traders Pte Ltd, Edina Marketing pvt Ltd, Electric Corporation of India Ltd, Elloit Mercantile Pvt Ltd, eMotions Media Pvt Ltd, Empire Minerals Pvt Ltd, Enormous Nivesh Pvt Ltd, Eyelid Mercantile Pvt Ltd, Fabulous Nivesh Pvt Ltd, Fragment Nivesh Pvt Ltd, Falcon Tyres Ltd., Falcon Tyres & Rubber Pvt. Ltd., Falcon Tyres Impex Pvt. Ltd., Fiber Foam (Bombay) Pvt Ltd, Gain E-Commerce Pvt Ltd, Gain Dot Com Pvt Ltd, Goldman Securities Ltd, Gumasol Rubber Tec GMBH, Gyan Website Pvt Ltd, Global finvest Ltd _UK, Globe Sugar Refinery Ltd, Goldman Stock &

Brokers Ltd, Global Fin Pro Ltd, Hardcore Viniyog Pvt Ltd, Herald Investments Pvt Ltd, Hardcore Viniyog Pvt Ltd, Herald Investments Pvt Ltd, Hindustan Texknit Pvt Ltd, Hriday Commercials Pvt Ltd, Hirakud Industrial Works Ltd., Hirakud Rolling Mill Ltd., Hiland Traders Pvt Ltd, Hiker Properties Pvt. Ltd., Ibcon(Calcutta) Pvt Ltd, India Finance Ltd, India Tyre & Rubber Co (India) Ltd., Jessop Infotech Pvt Ltd, Jessop Shipyard Limited, Jai Brijmohan Niketan Pvt. Ltd., Jai Vaibhav Niketan Pvt. Ltd., Janaki Marketing Pvt Ltd, Jai Harihor Tower Pvt. Ltd., Jai Raghuvir Enclave Pvt. Ltd., Jai Ganga Nirman Pvt. Ltd., Jai Badrinath Niketan Pvt. Ltd., Jai Tridev Vihar Pvt. Ltd., Jai Gokul Towers Pvt. Ltd., Kamlapur Alcohol limited, Kamlapur Sugar & Industries Ltd, Kanti Commercials Pvt Ltd, Kothi Lefin Pvt Ltd, Kailash Enterprises (NewDelhi) Pvt Ltd, Kulu Properties & Finance Pvt Ltd, Lona Commercials Pvt Ltd, Liluah Ceramics Pvt. Ltd., Mahant Merchandise Pvt Ltd, Manavendra Commercials Pvt Ltd, Mandhatri Traders Pvt Ltd, Mayank Services Ltd, Metro Developers Ltd, Monarch Exim Pvt Ltd, Moulishree Electricals & Electronics Ltd, Mridula Marketing Pvt Ltd, Mugdha Properties Pvt Ltd, Manali Properties & Finance Pvt. Ltd., Malini Properties Pvt Ltd, Metropole Hills Hotel Pvt. Ltd., Monotona Tyres Limited, Mudrika Commercials Pvt. Ltd., Mugdha Properties Pvt Ltd, Manjari Properties Pvt. Ltd., Manidipa Properties Pvt. Ltd., Nandan Suppliers & Contractors Pvt Ltd, Nandini Properties Pvt Ltd, Nevadita Properties Pvt Ltd, Ocean Cement Limited, Ocean Constructions Pte Ltd, Olivia Tours & Travels Pvt Ltd, OM Cotex Ltd (Formerly Ruia Cotex Ltd), Onix Business Services Ltd, Our Films Productions Pvt Ltd, P.K. Constructions Pvt Ltd, Pacific Website Pvt Ltd, Pacific Apparels Ltd., Parnika Marketing Pvt. Ltd., Payneganga Sugars & Chemicals Ltd, Power Corporation of India Ltd, Pawan Herbals Pvt. Ltd., Renuka Resorts Pvt Ltd, Resource Cement Ltd, Rose E-Commerce Pvt Ltd, Ruia Electronics Pvt Ltd, Ruia Global Fasteners AG, Ruia Holding - GMBH, Radiant Investment Ltd-Mauritius, Raghav Industries Ltd., Rapid Investment Ltd - Mauritius, Ruia & Sons Pvt Ltd, Ruia Corporate Services Pvt Ltd., (Formerly Dibakar Traders Pvt Ltd), Ruia Agro Products Pvt. Ltd., Ruia Hospital & Educational Research Institution, Ryham Pte limited- Singapore, Ruia Hotels Pvt Ltd, Ruia Iron & Steel Co. Pvt Ltd, Ruia Marketing Ltd, Ruia Overseas Private limited, Ruia Properties GMBH, Ruia Technologies Ltd, Shakambari Communications Pvt Ltd, Shalimar Towers Pvt Ltd, Shankar Traders & Dealers Ltd, Sheetal Exports Ltd, Shresth (India) Pvt Ltd, Skypak Properties & Finance Pvt Ltd, SPR Sugar & Chemicals Ltd, Ruia Global Nivesh Pvt Ltd, (Formerly SPR Textiles Pvt. Ltd.), Stephen Financial Services Pvt Ltd, Sterling Share Brokers (P) Ltd, Subhlaxmi Compusis Pvt Ltd, Schlegel Automotive Europe Ltd _UK, Schlegel Automotive India Pvt.Ltd, Securities Brokers India limited, Shalini Properties & Developers Pvt. Ltd., Spices Valley Estates Ltd., SPR Resorts Ltd., Subhra Marketing Ltd., Suryamani Financing Company Ltd., Sugandha Industries Pvt Ltd, Sukaram Marketing Ltd., Surag Commercials Pvt Ltd, Tribhuban Marketing (P) Ltd, Tulip Machineries Pvt Ltd, U.P.Bio Chem Ltd, U.P.Hydro Projects Ltd, Udbav Commercials Pvt Ltd, Ventura Project Pvt Ltd, Vidyut Petrochem Pvt Ltd, Vilas Marketing Private Limited, Wealth Field Pte Ltd., Walker Properties Pvt Ltd, Wealthsea Pte. Ltd.-sinagpore, Wealth overseas Pte Ltd- Sinagpore, Wealth ocean Pte Ltd-Sinagpore, Wealthsea Ltd - Maurititius, Wealth Valley Pte Ltd., Wizer Advertising Pvt Ltd, Yamuna Website Pvt Ltd, Zeal Infotech Pvt Ltd, Zipco Industrial Finance Pvt. Ltd.

5 Key Management Personnel

Mr Ashok Kumar Agarwal (w.e.f. 04.10.10)

Mr. Sreekanta Banerjee (ceased w.e.f. 06.09.10)

B) Transaction carried out during the year with related parties:

	₹ in Lacs	
	2010-11	2009-10
1. Holding Company		
Dividend Paid	175.07	175.07
2. Subsidiary Companies		
Purchase of Investments	0.00	0.00
Year end Balances	1958.99	1958.99
Advances Taken	0.00	0.00
Year end Balances (Payable)	7.51	8.29
3. Joint Venture Company		
Purchase of Investments	0.00	0.00
4. Associate/ Group Companies		
Refund of Advances	0.00	22.00
Year end Balances	-3145.25	5.32
Sale of Goods & Services	0.00	0.00
Purchase of Fixed Assets	-	-
Expenses	23.89	-
5. Key Management Personnel		
Managerial Remuneration	11.43	29.30

10. Disclosures of earning per share

		2010-11	2009-10
Profit/(Loss) after tax for the year	(₹ In Lacs)	2379.01	2242.97
Weighted average number of shares used in computing Earning per share			
Basic	(No. in lacs)	6151.03	6151.03
Diluted	(No. in lacs)	6151.03	6151.03
Earnings per share (per equity share of ₹ 1/- each)			
Basic	(₹)	0.39	0.36
Diluted	(₹)	0.39	0.36

11. Impairment of Assets

The Accounting Standard on Impairment of Assets (AS-28) has become mandatory with effect from April 1,2004. To ascertain the impairment of assets, if any, the estimated recoverable amount of assets has been assessed by the Company with the help of a registered technical valuer. The recoverable amount has been found to be more than the carrying amount. As such there has been no impairment of Assets.

12. Sales Tax loan from Government of West Bengal is to be repaid in Eight equal annual installments commencing from 1.4.2013 as per the proposal submitted by the company , awaiting confirmation from the Government of West Bengal.

13 Primary segment information (Business segment) for 2010-11 and 2009-10 (All figures in ₹ Lakhs)

Particulars	CS&Wagon		EMU		REH		EPC		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
1 Revenue										
External Sales (Net of Cenvat)	23960.06	20249.75	1185.40	1846.91	514.72	813.98	1209.08	824.39	26869.26	23735.03
Inter segment sales	-	-	-	-	-	-	-	-	-	-
Total Revenue	23960.06	20249.75	1185.40	1846.91	514.72	813.98	1209.08	824.39	26869.26	23735.03
2 Results										
Segment results	3617.69	2807.42	(435.16)	(450.69)	(294.99)	(411.56)	720.19	365.15	3607.73	2310.32
Unallocated										
Expenses less unallocated Income									(11.97)	843.70
Operating profit/(loss)									3595.76	3153.63
Interest expense									1314.69	1,003.84
Interest income									109.77	88.00
Profit/(Loss) before tax, prior period and extra ordinary items									2390.84	2237.79
Prior period items									(11.83)	(8.12)
Profit/(Loss) from ordinary									2379.01	2229.69
Profit/(Loss) from ordinary activities extra - Ordinary										
Activity										
Net Profit/(Loss)									2379.01	2229.67
3 Other Information										
Segment assets	11697.68	10514.81	6794.47	5879.42	6074.36	4893.14	1933.52	67.53	26500.03	21354.90
Unallocated assets									14876.38	14320.27
Total assets									41376.41	35675.17
Segment liabilities	1969.92	2318.83	1266.03	225.23	520.42	117.93	87.86	11.30	3844.23	2673.29
Unallocated liabilities									1728.00	4270.78
Total liabilities									5570.29	6944.07
Capital Employed	9727.76	8195.98	5528.44	5654.19	5553.94	4,775.21	1,845.66	56.23	22655.80	18681.61
Unallocated Capital Employed									13150.32	10049.49
Total Capital Employed									35806.12	28731.10
Capital expenditure									3019.24	4263.96
Depreciation	303.30	238.86	130.44	72.94	183.22	114.53	-	0.00	616.94	426.33
Non-cash expenses other than Depreciation									0.00	0.00

(# includes unallocated assets and unallocated liabilities)



- 14 Sales under Schedule - 12 include sale of services for ₹ 121.83 Lacs (Previous year ₹ 61.85 Lacs).
- 15 Based on the confirmations received from the parties till now, the Management has identified enterprises which have provided goods & services to the Company and which qualify under the definition of Micro & Small Enterprises Development Act, 2006. Accordingly disclosure in respect of the amount payable to such enterprises as at 31st March, 2011 has been made.
- 16 Sales includes Tax deducted at source on (a) Supply of Railway wagons & Coaches,(b) Erection and Commissioning charges and (c) Annual Maintenance Charges amount to ₹ 20.16 Lacs (Previous Year ₹ 66.24 Lacs) and Interest Income includes Tax deducted at source amounting to ₹ 15.92 Lacs (Previous Year ₹ 8.48 Lacs).
- 17 Liabilities & Assets (Net) ₹ 333.36 lacs (Prevoius Year ₹ 312.97 lacs) for which realisability/ payability is not ascertainable has been directly adjusted from General Reserve.
- 18 In the opinion of the Board, the value of realisation of Current Assets, Loans & Advances in the ordinary course of the business would not be less than the amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities is adequately provided.
- 19 Figures for the previous year have been regrouped/rearranged/restated, wherever considered necessary.

Signature to Schedules 1 to 21

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

On behalf of the Board of Directors

K.C.Sharma

Partner
Membership No. 50819
Dated: 30th May, 2011

M C Gupta

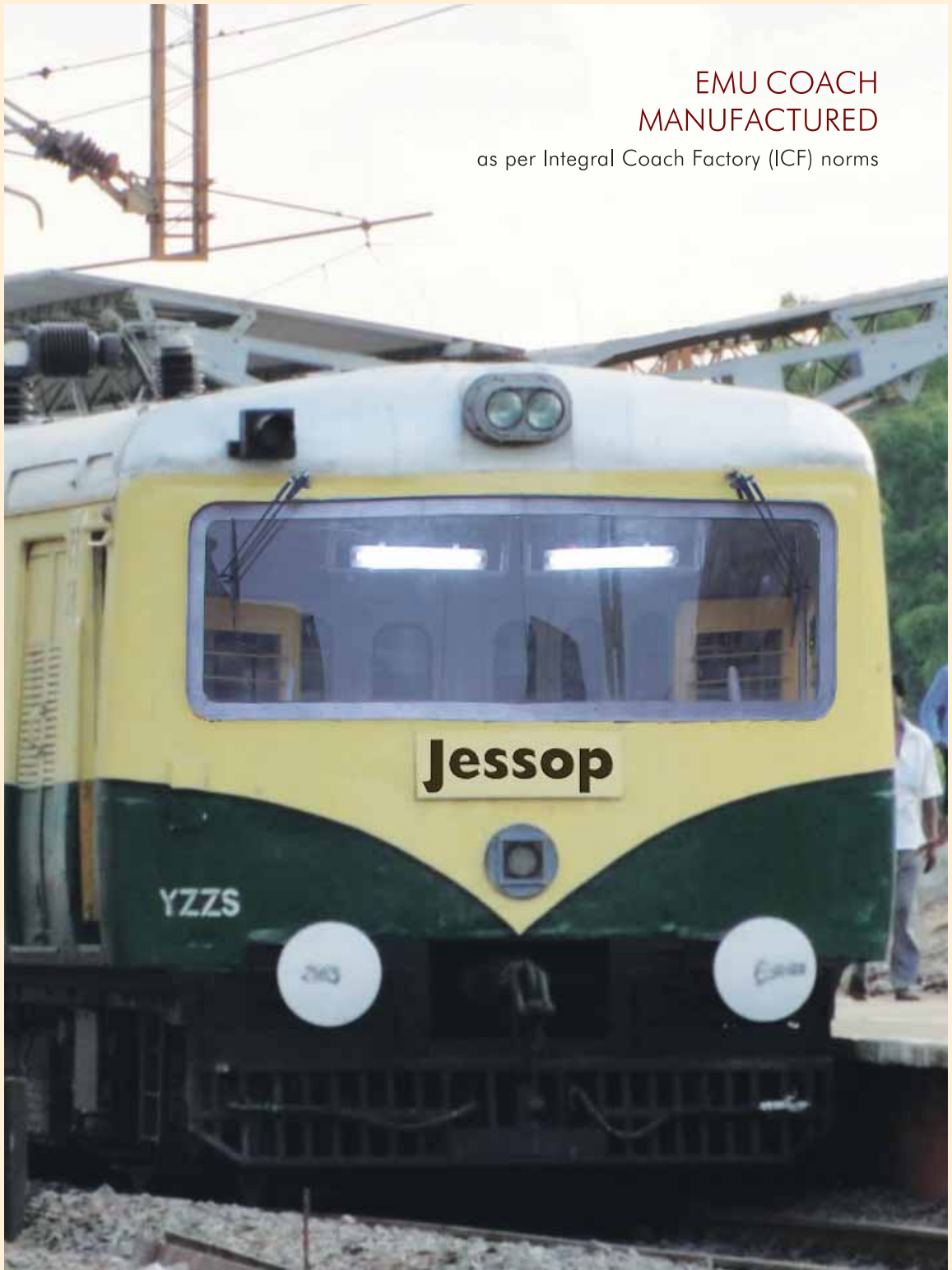
Chief Finance Officer
& Company Secretary

V K Agrawal
Director

A K Agarwal
Director

EMU COACH
MANUFACTURED

as per Integral Coach Factory (ICF) norms





JESSOP & CO. LTD.

[A JOINT VENTURE COMPANY WITH GOVT. OF INDIA]

REGISTERED OFFICE

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