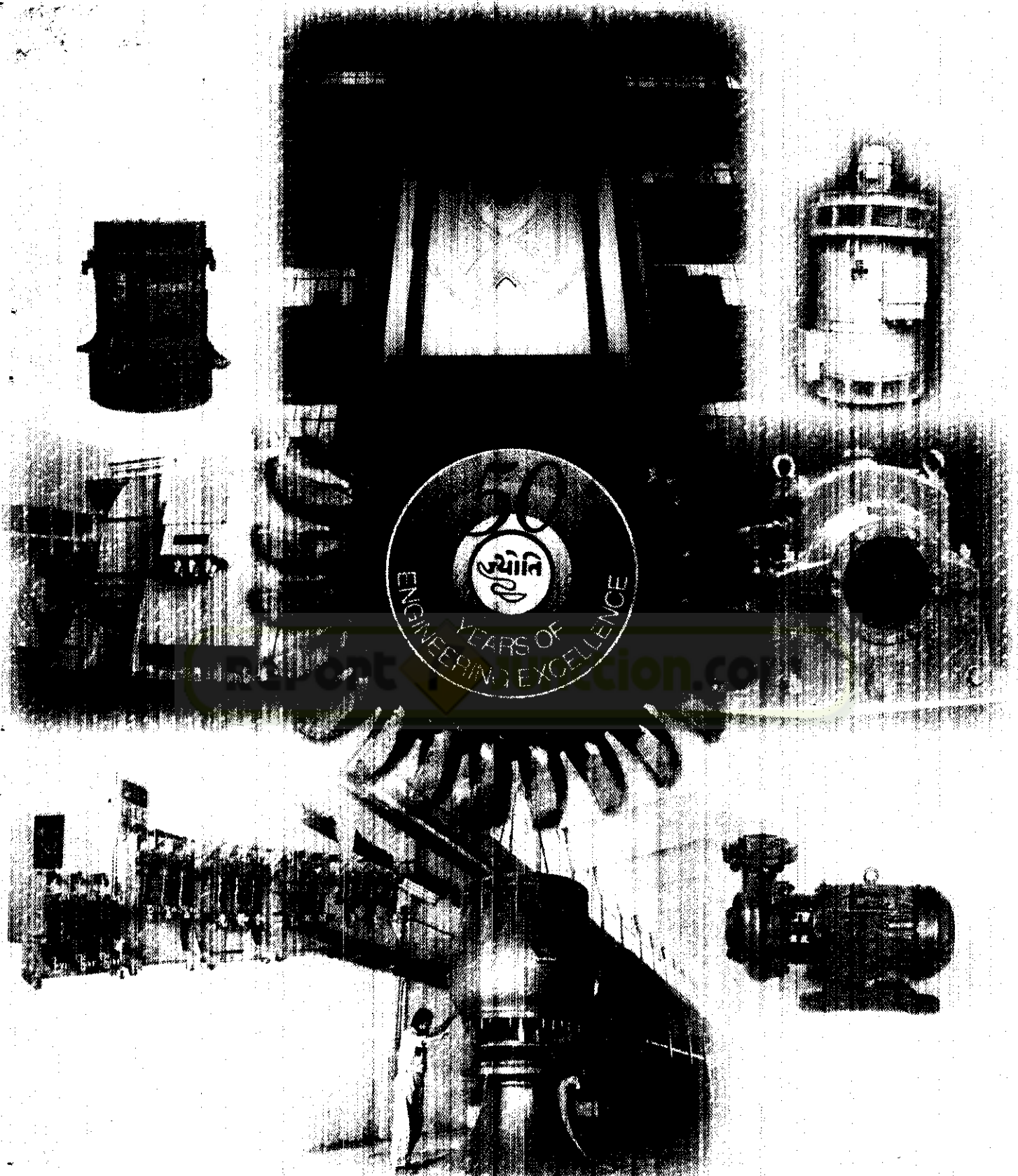




Jyoti Ltd.



55th Annual Report 1998-99

In fond memory of our late chairman, Shri Nanubhai Amin



In pursuit of the true customer relationship, customer becomes the purpose of all our endeavours. Meeting customer needs, even if unique, has been the guiding force behind 50 years of our engineering excellence. This has helped us to be innovative, researching and developing products, to develop not only our 'know-how' but our 'know why'. This is what Jyoti has stood for over the decades and that is what it will stand by for times to come.



55TH ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 1999

BOARD OF DIRECTORS

Chairman	Mr. Nanubhai Bhallabhai Amin S.B. (M.I.T., U.S.A.), M.Sc. (Cornell-U.S.A.) (Chairman upto 21-3-1999)
Chairman & Managing Director	Mr. Rahul Nanubhai Amin B.E. (Elec.), M.Engg. (Cornell - U.S.A.) (Chairman w.e.f. 6-5-1999)
Directors	Dr. Narayan Ranchhodlal Sheth M.A., Ph.D. Mr. Kantilal Lallubhai Dalal B.Com., B.Sc. (Econ. - L.S.E.) Mr. Vinodrai Chhaganlal Desai M.Sc., LL.B. Mr. Uday Shantilal Shah B.Com. (Hons.), F.C.A. Mr. Uresh Vivekchandra Desai B.Sc. (Elec. Engg.), U.K. Mr. Hosi Navalshah Elavia B.Com., LL.B., A.I.C.W.A. Mr. Buddhavarapu Surya Mahadev B.Tech. (Met. Enggs.), P.G.D.M. Mr. Kewal K. Taneja B.Sc., D.I.I.Sc., F.I.E. Mr. Ashwin Pundarikrai Hathi B.A., LL.B., D.L.P. Mrs. Tejal Rahul Amin B.Com. (w.e.f. 6-5-1999)

AUDITORS	Messrs K.S. Aiyar & Co. Chartered Accountants
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BANKERS	Central Bank of India Dena Bank Bank of Maharashtra
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REGISTERED OFFICE	Industrial Area P.O. Chemical Industries Vadodara - 390 003
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Some of the many 'Firsts' in terms of Products symbolise 50 Years of Engineering Excellence. It is our commitment to think and act ahead of others, to be innovative, researching and developing not only our own 'know-how' but also our 'know-why'. So that we meet customers' needs, even if unique, in pursuit of life time relationship. We reiterate our commitment to pursue this pioneering spirit for times to come as a tribute to our Chairman.

NOTICE

The FIFTY-FIFTH ANNUAL GENERAL MEETING of the Members of JYOTI LIMITED will be held at the Campus of Jyoti Colony, situated at Sama Road, Vadodara-390 008, on **Thursday, the 16th September, 1999 at 3.00 p.m.** to transact the following Ordinary and Special Business :

Ordinary Business :

1. To receive and adopt Directors' Report and Audited Profit and Loss Account for the year ended on 31st March, 1999 and the Balance Sheet as at that date.
2. To appoint a Director in place of **Mr. U.V. Desai**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Dr. N.R. Sheth**, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit to pass, with or without modifications, the following Resolution as a Special Resolution :

"RESOLVED that **Messrs K.S. Alyar & Company**, Chartered Accountants, Mumbai, be and are hereby appointed as Auditors of the Company to hold Office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting on a remuneration of Rs. 2,00,000/- per annum plus travel and other out-of-pocket expenses."

Special Business :

5. To consider and if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution :

"RESOLVED that pursuant to Section 262 and other applicable provisions, if any, of the Companies Act, 1956, **Mrs. Tejal Rahul Amin** be and is hereby appointed as a Director in the casual vacancy caused by the death of Mr. N.B. Amin."

6. **Sale of Electronics & Control Systems Division :**

To consider and if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution :

"RESOLVED that pursuant to provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors to sell as a going concern the Company's Electronics & Control Systems Division located at B/13-15, BIDC Gorwa, Vadodara 390 016 to a separate company specifically formed for the purpose, namely Jyoti Relays Pvt. Ltd. (hereinafter referred to as JRPL) and that the Board of Directors or any Committee thereof be and is hereby authorised to negotiate and determine with JRPL the consideration, the terms of payment and other conditions as may be beneficial to the Company and to do all such acts, deeds, formalities and things as they may, in the exercise of their absolute discretion, consider necessary, expedient and desirable in the best interest of the Company".

7. **Disposal of Ceramic Division :**

To consider and if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution :

"RESOLVED that pursuant to provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors/any Committee thereof to sell or otherwise dispose off land, buildings, plant and machinery, etc. and the current assets of the Ceramic Division located at 179/186-A, GIDC Industrial Estate, Derol (W. Rly.) Dist: Godhra to M/s. Khyati Ceramics, Kalol (hereinafter referred to as the Buyers) for a total consideration of Rs. 25 lacs



(Rupees Twenty Five lacs only) and that the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as they may in the exercise of their absolute discretion, consider necessary, expedient and desirable in the best interest of the Company."

8. Amendment of Article — Nomination of Shares and transmission

To consider and if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution :

"RESOLVED that pursuant to provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is hereby amended as under :

1. Following article be added as Article 62A :

"62A Every holder of shares in or debentures of the Company, may at any time nominate in the prescribed manner, a person to whom his shares in, or debentures of, the Company shall vest in the event of his death and such nomination shall be governed by the provisions of Companies Act, 1956 and Rules and Regulations framed thereunder."

2. Following shall be added at the end of Article 63 :

"Provided, however, that where a shareholder has nominated a person to whom his shares or debentures of the Company shall vest in the event of his death, the title to the shares/debentures of the deceased holder in such a case shall be governed by provisions of Companies Act, 1956 and the Rules and Regulations framed thereunder".

9. Appointment of Mrs. Tejal Amin as Whole Time Director :

To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution :

"RESOLVED that in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to other approvals as may be necessary, the Company hereby approves the terms of appointment and remuneration of Mrs. Tejal Amin as Whole Time Director of the Company for a period of five years with effect from 26th July, 1999 as approved by the Board of Directors at its Meeting held on 22nd July, 1999 and as set out in the draft Agreement submitted to this meeting which Agreement is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and perquisites so as not to exceed the limits of remuneration specified in Schedule XIII to the Companies Act, 1956 and as may be agreed to between the Directors and Mrs. Tejal Amin.

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By Order of the Board

Shrikar Bhattbhatt
General Manager &
Company Secretary

REGISTERED OFFICE

Industrial Area
P.O. Chemical Industries
Vadodara-390 003

26th July, 1999



NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Explanatory Statement as required under Section 173 of the Companies Act, 1956, in respect of Special Business set out above is annexed hereto.
4. All documents referred to in the Notice and Explanatory Statement will be available at the Registered Office of the Company for inspection by the Members on all working days between 10.00 a.m. to 12.00 noon.
5. Shareholders are requested to notify any change of address.
6. Shareholders are requested to send their queries in respect of Financial Accounts of the Company for the year ended 31st March, 1999 at least a week in advance so as to enable the Management to keep the information ready at the time of the Annual General Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 24-8-1999 to 16-9-1999 (both days inclusive).
8. The Companies (Amendment) Act, 1999 has inserted a new Section 109A, providing for the facility of nomination to Share/Debenture/Deposit holders. This facility is mainly useful for all holders holding the Shares/Debentures/Deposits in single name. In cases where the Securities/deposits are held in joint names, the nomination will get effective only on the death of all the holders.

Members are advised to avail of this facility, especially those members holding securities in single name, to avoid the process of transmission by law. Members desirous of making a nomination are requested to send the enclosed Nomination Form No. 2B duly completed to the Share Department of the Company.
9. Relevance of questions and the order of speakers at the meeting will be decided by the Chairman.

EXPLANATORY STATEMENT (Pursuant to Section 173 of the Companies Act, 1956)**Item No. 5**

At the meeting held on 6th May, 1999, the Board of Directors appointed Mrs. Tejal Rahul Amin as Director of the Company to fill the casual vacancy caused by the death of Mr. N.B. Amin.

Mrs. Tejal Amin is a Graduate in Commerce and has considerable experience in the areas of General Management and Finance. She has been successfully managing a few manufacturing units for the last several years. She is also associated with Educational Institutions, Trusts and Cultural Associations. Your Directors feel that her joining the Board will be beneficial and in the interest of the Company.

Except Mr. Rahul Amin, who is related to Mrs. Tejal Amin, none of the Directors is interested in the resolution.

Item Nos. 6 & 7

The increased competition on account of liberalisation and globalisation has forced the Companies to concentrate in the areas of their core competence. Your Company has therefore taken a policy decision of consolidating and concentrating on established product lines of the Company and support them with adequate funds. In view of this, your Directors thought it advisable and in the interest of the Company to get out of manufacturing and marketing of products of Ceramic and E&CS Divisions.





Ceramic Division of the Company located at Derol, Dist: Godhra is very small in size. The normal production and sales of this Division are of the order of Rs. 50 lacs p.a. Because of the small size, it does not allow economy of scale of operations and consequently expected results are not achieved. In view of this, your Directors deem it advisable and in the interest of the Company to sell or otherwise dispose off land, buildings, plant and machinery, etc. and current assets of this Division located at 179/186-A, G.I.D.C., Industrial Estate, Derol (W.Rly), Dist. Godhra, to M/s. Khyati Ceramics, Kalol (hereinafter referred to as "Buyer") for a total consideration of Rs. 25 lacs (Rupees Twenty five lacs only) on the terms and conditions as specified in the Memorandum of Understanding dated 14th June, 1999. As a matter of fact, the Company had earlier also passed a resolution for disposal of Ceramic Division, but could not be implemented as the then prospective buyer did not proceed on the offer.

Electronics & Control Systems (Relay) Division of the Company is also very small in size and is located at B/13-15, BIDC Gorwa, Vadodara. This Division was established mainly to cater to captive requirements and to sell the surplus production outside. However, the Division has not been able to give the expected performance and its operations are at low level of around Rs. 200 lacs p.a., mostly for inhouse consumption. In order that the Division progresses faster, it has been thought advisable and in the interest of the Company to hive off this Division into a separate company, namely, Jyoti Relays Pvt. Ltd., which has been specifically formed for this purpose with Mr. Rahul Amin & Mrs. Tejal Amin as Directors, amongst others. The new company will be able to put in additional funds and obtain technical collaboration, if required, for expanding the operations. With the segregation of E&CS Division into a separate group company, not only that the supply of relays which are crucial to manufacturing of switchgears will be ensured to the Company, but the operations of the Division under the new Company are expected to improve considerably over a period.

Funds released by divestment of Ceramic and E&CS Divisions can be employed to more profitable Divisions of the Company such as Switchgears, Rotating Electrical Machines, Hydrel, etc. in which the Company is more favourably placed.

The Board commends the resolutions for your approval.

Mr. Rahul Amin & Mrs. Tejal Amin may be deemed to be interested in the Resolution at item 6. None of the other Directors is interested in the resolution.

Item No. 8

A New provision has been added to Companies Act, 1956 vide Companies (Amendment) Act, 1999 providing for Nomination of Shares and transmission of Shares. Accordingly, individual as well as joint holders of shares or debentures are permitted to nominate a person to whom his shares in or debentures of the Company shall vest in the event of his death. The Articles have been proposed to be amended by addition of new Article 62A and proviso to Article 63 as set out in the resolution at item No. 8, which will give opportunity to the shareholders to exercise the option of nomination.

None of the Directors of the Company is interested in the resolution.

Item No. 9

In accordance with the provisions of Sections 198, 269 and 309 read together with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company, at its meeting held on 22nd July, 1999, passed resolution for the appointment of Mrs. Tejal Amin as Whole Time Director of the Company for a period of five years with effect from 26th July 1999. Mrs. Tejal Amin is a Graduate in Commerce and has considerable experience in the areas of General Management and Finance. She has been successfully managing a few manufacturing units for the last several years.

The draft of the Agreement to be entered into by the Company with Mrs. Tejal Amin, which is placed before this meeting and available for inspection by the members, contain *inter-alia* the following principal terms and conditions:

Appointment :

Mrs. Tejal Amin shall work as Whole Time Director for a period of 5 years with effect from 26th July, 1999.

Salary :

Rs. 50,000/- per month which may be increased by the Board of Directors upto Rs. 87,500/- per month.

Commission & Perquisites

Commission

Commission as may be decided by the Board of Directors, based on the net profit of the Company in each Financial Year, subject to the overall ceilings laid down in Sections 198 and 309 of the Companies Act, 1956.

Perquisites and Allowances

In addition to salary and commission, the appointee, Mrs. Tejal Amin shall also be entitled to perquisites and allowances like accomodation (furnished or otherwise) or house rent allowance in lieu thereof, reimbursement of expenditure or allowances in respect of maintenance, utilities such as gas, electricity, furnishings and repairs of the house, medical reimbursement, medical insurance and leave travel concession for self and her family including dependents, personal accident insurance; club fees and such other perquisites, benefits and allowances equivalent to her annual salary.

"Family" mentioned above means the spouse and dependent children of the appointee.

For the purpose of calculating the above ceilings, perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual costs.

Provision of car with driver for use on the Company's business and telephone facility at the residence, reimbursement of expenses including entertainment expenses will not be considered as perquisites.

The following shall not be included for the purpose of computation of remuneration or perquisites as aforesaid :

- i) The Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act;
- ii) Gratuity payable at the rate of half month's salary for each completed year of service and
- iii) Encashment of leave at the end of the tenure of the appointee.

Minimum Remuneration

Subject to the ceilings specified in Section II Part II of Schedule XIII to the Companies Act, 1956, the appointee shall be paid remuneration by way of salary and perquisites except commission specified above notwithstanding that in any financial year during the currency of her tenure, the Company has no profits or its profits are inadequate.

Compensation

If before the expiry of the Agreement, the tenure of Office of the appointee is determined, she shall be entitled to compensation for the loss of Office subject to the provisions of Section 318 of the Companies Act, 1956.

As long as appointee, Mrs. Tejal Amin functions as Whole Time Director, she shall not be interested or otherwise concerned directly or through her husband and/or minor children in any Selling Agency of the Company in future without the prior approval of the Central Government.



The particulars set out above, may be treated as an Abstract of the Terms of Contract for the remuneration/ appointment of Mrs. Tejal Amin as Whole Time Director of the Company which is required to be given to every Member under provisions of Section 302 (2) of the Companies Act, 1956.

The Draft of the Agreement referred to above is open for inspection by the Members at the Registered Office of the Company between 10.00 AM and 12.00 Noon on any working day upto the date of the Annual General Meeting.

The Board recommends the adoption of this Resolution.

Both Mr. Rahul Amin and Mrs. Tejal Amin, who are related to each other, are interested in the resolution at item No. 9.

None of the other Directors is concerned or interested in the Resolution.

By Order of the Board

Shrikar Bhattbhatt
General Manager &
Company Secretary

REGISTERED OFFICE

Industrial Area
P.O. Chemical Industries
Vadodara-390 003

26th July, 1999

