

# CUTTING THE COST



**57th Annual Report  
2000-2001**

## **PTC Awards 2001 International Competition \***

### **One of the top five entries**

*In heavy Equipment Category*

**1200 KW Hydro Turbine Generator set**



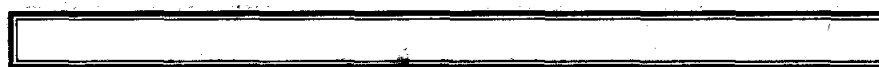
Report  junction.com

*In Industrial Equipment Category*

**Horizontal Pump-Motor Set**



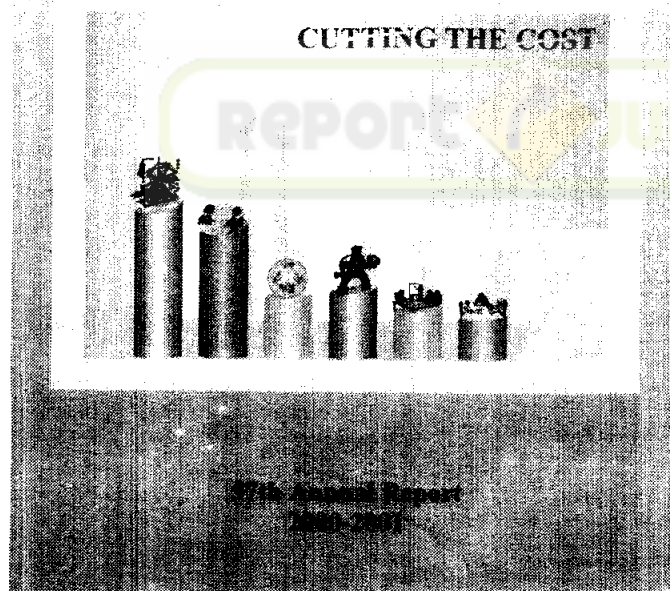
\*The PTC Awards 2001 Competition is an International forum for PTC's customers to display their successful achievements using PTC solutions. The Pro/ENGINEER & Pro/MECHANICA software tools help Jyoti Ltd. to provide its customer detailed virtual depictions of the final product, as it will look and function at site.

**Jyoti Ltd.****57th Annual Report for the Financial Year Ended on 31st March, 2001****BOARD OF DIRECTORS**

Chairman & Managing Director	: <b>Mr. Rahul Nanubhai Amin</b> B.E. (Elect.), M. Engg. (Cornell-U.S.A.)
Wholetime Director	: <b>Mrs. Tejal Rahul Amin</b> B.Com.
Directors	: <b>Dr. Narayan Ranchhodlal Sheth</b> M.A., Ph.D.  <b>Mr. Kantilal Lallubhai Dalal</b> B.Com., B.Sc. (Econ.-L.S.E.)  <b>Mr. Uresh Vivekchandra Desai</b> B.Sc. (Elec. Engg.), U.K.  <b>Mr. Hosi Navalshah Elavia</b> B.Com., LL.B., A.I.C.W.A.  <b>Mr. Ashwin Pundarikrai Hathi</b> B.A., LL.B., D.L.P.
Auditors	: Messrs K.S. Aiyar & Co. Chartered Accountants
Bankers	: Central Bank of India Dena Bank Bank of Maharashtra
Registered Office	: Nanubhai Amin Marg Industrial Area P.O. Chemical Industries Vadodara-390 003.

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**CUTTING THE COST**
 **Jyoti Ltd.**


Liberalisation and globalisation have resulted into a shift from 'Sellers Market' to 'Buyers Market' where customer demands total quality and service and prices are determined by the lowest cost Manufacturers. At Jyoti, the endeavour has been to monitor six "Ms" i.e. Material (minimum inventory levels), Men (effective utilisation of manpower), Money (controlling working fund requirements and interest cost), Manufacturing (maximum capacity utilisation), Marketing (prompt after-sales service) and Management (better co-ordination) to reduce the cost.



## NOTICE

NOTICE is hereby given that the FIFTYSEVENTH 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 20<sup>th</sup> September, 2001 at 3.00 p.m.** to transact the following Business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2001, Profit and Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of **Mr. A.P. Hathl**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Mr. H.N. Elavia**, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

"RESOLVED that M/s. V.H. Gandhi & Co., Chartered Accountants, 404, Safron Complex, Opp. Fountain Circle, Fatehgunj, Vadodara-390 002, be and are hereby appointed Auditors of the Company in place of the retiring Auditors to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting of the Company and the Board of Directors be and are hereby authorised to fix their remuneration."

### SPECIAL BUSINESS

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

"RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered to insert the following Heading and Article as Article 54-A after Article 54:

#### Article 54-A Dematerialisation of Securities

##### Definitions 54-A

- (1) For the purpose of this Article :-

"Beneficial Owner" means the beneficial owner as defined in clause (a) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.

"Depositories Act" means the Depositories Act, 1996 and shall include any statutory modifications or re-enactment thereof for the time being in force.

"Depository" means the Depository as defined under clause (e) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.

"Security" means such security as may be specified by the Securities & Exchange Board of India from time to time.

##### Dematerialisation of Securities

- (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities pursuant to the Depositories Act, 1996 and to offer its securities for subscription in dematerialised form.

##### Securities in Depositories to be in fungible form

- (3) All Securities held by a Depository shall be dematerialised and be in fungible form. The provision relating to progressive numbering shall not apply to the shares of the Company which have been dematerialised .

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**Rights of Depositories and Beneficial Owners** (4) (a) Notwithstanding anything to the contrary contained in the act or these articles, Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the Depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a Member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

**Transfer of Securities** (5) Nothing contained in the Act or these Articles shall apply to transfer of securities effected by the transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

In the case of transfer of securities where the Company has not issued any certificates and where such securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996, shall apply.

**Register and Index of Beneficial Owners** (6) The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders, as the case may be, for the purpose of the Act, or these Articles."

"RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, proper or expedient to give effect to this resolution."

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Explanatory Statement pursuant to Section 173(2) 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 Members on all working days between 10.00 a.m. and 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, 2001 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 3rd September, 2001 to 20th September, 2001 (both days inclusive) for the purpose of Annual General Meeting.
8. Relevancy of questions and the order of speakers at the Meeting will be decided by the Chairman.

**REGISTERED OFFICE :**

Nanubhai Amin Marg  
Industrial Area  
P.O. Chemical Industries  
Vadodara-390 003

By Order of the Board

**SURESH SINGHAL**  
Company Secretary

26th July, 2001

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 5**

Some of the provisions of the Companies Act, 1956, have been amended consequent to the passing of the Depositories Act, 1996 and the introduction of the depository system to facilitate holding of securities in dematerialised/electronic form. It is, therefore, necessary to alter the Articles of Association of the Company in certain respects so that they conform to the amended Provisions of the Companies Act, 1956 and the Depositories Act, 1996.

None of the Directors of the Company is in any way concerned or interested in passing of this resolution.

A copy of the Memorandum and Articles of Association of the Company together with the proposed changes is open for inspection by the Members at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all working days of the Company.

**REGISTERED OFFICE :**

Nanubhai Amin Marg  
Industrial Area  
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By Order of the Board

**SURESH SINGHAL**  
Company Secretary

26th July, 2001



## 57th Annual Report

### DIRECTORS' REPORT

To,

The Members of Jyoti Limited

Your Directors have pleasure in presenting the FIFTYSEVENTH ANNUAL REPORT and Audited Accounts for the year ended on 31st March, 2001.

### FINANCIAL RESULTS

	2000-01	1999-00
	(Rs. in Lacs)	
Profit before Interest and Depreciation	1519.44	1410.44
Less: Interest and Bank Charges	779.09	720.72
Profit before Depreciation	740.35	689.72
Less: Depreciation	203.32	170.66
Profit from Operations	537.03	519.06
Less: Contractual deductions and Bad debts written off	249.82	120.29
Amortization of V.R.S. Compensation	96.48	—
Profit before Taxation	190.73	398.77
Provision for Taxation	75.00	95.00
Balance of profit for the year	115.73	303.77
Balance brought forward from the previous year	268.64	264.87
Profit available for Appropriation	384.37	568.64
Less: Transferred to General Reserve	200.00	300.00
Balance profit carried to Balance Sheet	184.37	268.64

### REVIEW

The Sales and other income for the Financial Year under review was Rs.16,418 lacs (Rs.15,227 lacs). The Profit from operations was Rs.537.03 lacs (Rs.519.06 lacs).

The overall recessionary trend extended its grip to the year under review. There was also an overall financial strain due to delayed collections that hampered the growth. The recession, coupled with shortage of finance, reduced the bottom line as well as expected orders.

In consonance with the present global practices, the Company decided to have a lean structure and accordingly introduced a Voluntary Retirement Scheme under which more than 400 employees opted for voluntary retirement. Also stringent cost reduction measures continued during the year.

The Company has, during the year under review, achieved 8% improvement in sales over the previous year. Unit-wise growth was also more compared to last year.

### PROSPECTS

Your Company's order booking was Rs.5,114 lacs at the beginning of the current year i.e. 1st April, 2001. Your Company is confident of securing sufficient orders for execution during the current year for which effective steps have already been taken.



## **DIVISIONAL PERFORMANCE**

### **SWITCHGEAR**

In the year 2000-01, Switchgear Division achieved growth as market share of VCBs increased in terms of quantity and value over the previous year despite prices remaining low throughout the year. During the year under review, this Division received prestigious orders from Gujarat Electricity Board for 11 KV Switchboards of the value of Rs.900 lacs and from IOCL, Barauni for 6.6 KV Switchboards of the value of Rs.389 lacs. The present trend shows that MV Switchgear market promises further improvement in the year 2001-2002 and thereafter as the Union Budget (2001-2002) of Government of India has laid emphasis on Power Sector. With the increase in power restructuring, power factor improvement projects, clearance of mega power projects and importance being given to rural electrification, etc., your Company is hopeful that the demand for MV Switchgear will substantially increase.

### **ROTATING ELECTRICAL MACHINES**

During the year under review, your Company sold more number of alternators with a growth rate of 30% over previous year inspite of severe competition on the one hand and sluggish growth of economy due to recession on the other. Our market share for large alternators has also improved, particularly for Sugar Alternators. During the year, this Division has received a developmental order for 70 KW High Frequency Induction Motor for running Electric Bus. Prototype has been developed, manufactured and supplied. Initial trials are successful and manufacturing of 3 Motors has been approved by the customer.

### **HYDEL SYSTEMS**

During the year, Hydel Division has also shown improved performance and order booking position is very satisfactory. During the year under review, this Division has successfully commissioned 2 x 1500 KW Yelleru Reservoir Hydro Electric Project (HEP) of Manihamsa Power Projects Ltd. at Yeleshwaram, Andhra Pradesh. This Division, has among other orders, received a prestigious order from Ministry of Non-Conventional Energy Sources (MNES) financed by World Bank for their 2x100 KW Pussimbing HEP 1x50 + 1x100 KW Chamong HEP in West Bengal, of the value of Rs.104 lacs.

### **PUMPS**

Among other Projects, Pumps Division executed Turnkey Contract from Gujarat Water Supply and Sewerage Board for their prestigious Project "Emergency Water Supply Scheme" for pumping Narmada Water from Narmada Dam to draught-prone areas in Saurashtra along the Districts of Ahmedabad and Vadodara. The order was bagged under stiff competition for supply and erection of 8 Nos. Pump-sets on war-footing basis for total capacity of 200 Cusecs. The project was completed and commissioned within a record time of 10 weeks.

### **EXPORTS**

During the year under review, your Company's total physical Exports is valued at Rs.176 lacs. In order to meet stiff competition in the Middle East market, your Company has set up a Joint Venture Company for manufacturing 11 KV Indoor Vacuum Circuit Breaker Panels at Sohar, Sultanate of Oman. The joint venture company viz. Jyoti Sohar Switchgear L.L.C. has successfully type tested 11 KV indoor VCB Panels at KEMA Laboratory, The Netherlands. The Company has already received an order valued at Rs.175 lacs which is under execution and orders valued at Rs.300 lacs are in the pipeline. In view of this, your Company is hopeful to achieve better export performance in the years to come.

### **FINANCE**

During the year, your Company has taken Corporate Loan of Rs.700 lacs from Gujarat Industrial Investment Corporation Ltd. for financing capital expenditure for its expansion project and downsizing of manpower in consonance with the current global practices.

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Quantitative increase in production, cost reduction measures coupled with financial discipline assisted the Company to a great extent in tiding over the difficult year. However, the result of such measures will be felt only in the ensuing year.

With this background and keeping in view the long term interest of its shareholders, your Directors have thought it desirable not to recommend any dividend for the year under report.

The observations made in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

### **SUBSIDIARY COMPANY**

Pursuant to Section 212 of the Companies Act, 1956, the Annual Accounts for the year ended on 31st March, 2001 of Nima Limited, a subsidiary of your Company, are annexed.

### **PERSONNEL**

During the year under review, the manpower of the Company reduced by more than 400 under Voluntary Retirement Scheme.

Information pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is given in the enclosed annexure, which forms a part of this Report.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the prescribed format as an Annexure to this Report.

### **DEMATERIALISATION OF SHARES**

Your Company has linked up with National Securities Depository Limited and Central Depository Services (India) Limited to provide Members with flexible trading in Company's Shares in electronic form. The Company's shares are now compulsorily required to be traded in dematerialised form and, therefore, Members will find it beneficial to dematerialise their shares at the earliest. Your Directors hereby advise all the Shareholders to dematerialise their shareholding.

### **LISTING ARRANGEMENTS**

Your Company's shares are listed on the Mumbai, Ahmedabad and Vadodara Stock Exchanges. The listing fees to all the Stock Exchanges have been paid up-to date.

### **COMPOSITION OF AUDIT COMMITTEE**

The Company has reconstituted the Audit Committee of the Directors as required under Section 292A of the Companies Act, 1956. The reconstituted Committee comprises Dr. N.R. Sheth (Chairman), Mr. R.N. Amin, Mrs. T.R. Amin, Mr. H.N. Elavia, Mr. U.V. Desai and Mr. A.P. Hathi.

### **DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956**

The Directors confirm that :-

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed by the Company;