

61st Annual Report 2004-05

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Jyoti Ltd.

VADODARA

**BOARD OF DIRECTORS***Chairman & Managing Director***Mr. Rahul Nanubhai Amin**
B.E. (Elect.), M. Engg. (Cornell-U.S.A.)*Wholetime Director***Ms. Keki Rambhai Patel**
B.Com., D.T.P.*Director***Mrs. Tejal Rahul Amin**
B.Com.*Director***Mr. Kantilal Lallubhai Dalal**
B.Com., B.Sc. (Econ-L.S.E.)*Director***Mr. Uresh Vivekchandra Desai**
B.Sc. (Elec. Engg.), U.K.*Director***Mr. Dipak Ratilal Shah**
C.A.
(IIC Nominee)**AUDITORS****Messrs V. H. Gandhi & 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.

CONTENTS	PAGE NO.
Notice	1
Directors' Report	3
Auditors' Report	19
Balance Sheet	22
Profit and Loss Account	23
Schedules to Balance Sheet and Profit and Loss Account	24
Cash Flow Statement	43

**NOTICE**

NOTICE is hereby given that the SIXTYFIRST ANNUAL GENERAL MEETING of the Members of JYOTI LIMITED will be held at the Registered Office of the Company situated at Nanubhai Amin Marg, Industrial Area, P.O. Chemical Industries, Vadodara-390 003, on **THURSDAY, the 29th September, 2005 at 7.30 a.m.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005, 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. K.L. Dalal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. V.H. Gandhi & Co., Chartered Accountants, as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until conclusion of next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of clause 49 of the Listing Agreement with the Stock Exchanges, the consent of the Company be and is hereby accorded for payment of Rs.2000/- (Rupees Two thousand Only) or such other amount as may be approved by the Board of Directors subject to the ceiling prescribed under the Companies Act, 1956 or rules framed thereunder, as amended from time to time, as sitting fees for each meeting of the Board of Directors or the Committee(s) thereof, attended by the Non-Executive Directors of the Company."

Regd. Office :
Nanubhai Amin Marg
Industrial Area
P.O. Chemical Industries
Vadodara-390 003
28th July, 2005

By Order of the Board

S.SINGHAL
Asst. General Manager (Legal)
& Company Secretary

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 FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item 4 of the Notice is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 20th September, 2005 to 29th September, 2005, (both days inclusive) for the purpose of Annual General Meeting.
5. The Company has appointed M/s. MCS Limited as its Registrars and Share Transfer Agents for rendering the entire range of services to the Shareholders of the Company. Accordingly, all documents, transfers, demat requests, change of address intimation and other communications in relation thereto with respect to shares in electronic and physical form should be addressed to the Registrars directly at their following address quoting Folio No., full name and name of the Company as Jyoti Limited.

61st Annual Report

MCS Limited
Neelam Apartment
55, Sampatrao Colony
Akapuri
VADODARA - 390 007
Tel. : 0265-2339397
Fax : 0265-2341639
E-Mail : mcsbaroda@iqara.net

6. Shareholders are requested to notify any change of address.
7. Shareholders are requested to send their queries in respect of Financial Accounts of the Company for the year ended 31st March, 2005 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.
8. A profile of the Director retiring by rotation and eligible for re-appointment is given in the Directors Report, which form part of this Annual Report.
9. As you are aware, the Company's Shares have been dematerialised for all investors. Members holding Share Certificates in the physical form are requested to dematerialise their shares by approaching any of the Depository Participants registered with SEBI.
10. Shareholders are entitled to nominate by filling up Form No.2B, a person in whom his / her shares in the Company shall vest in the event of his / her demise. The Shareholders are requested to avail of this facility. The duly filled in and signed Nomination Form No. 2B should be sent to the Registrars M's. MCS Limited at the above mentioned address.
11. Relevancy of questions and the order of speakers at the meeting will be decided by the Chairman.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item 4

The Securities and Exchange Board of India has issued a circular to all the Stock Exchanges advising them to amend the Listing Agreement by inserting the revised clause 49 relating to corporate governance requirements to be fulfilled by the Companies. Your Company is required to comply with the same on or before 31st December, 2005. One of the requirements stipulated under the revised clause 49 is that all the fees / compensation payable to Non-Executive Directors, including the independent Directors, shall be fixed by the Board of Directors and shall require previous approval of the members in General Meeting.

At present, the Company is paying to all the Directors of the Company excluding the Chairman & Managing Director and Whole-time Director sitting fees of Rs.2000/- for each of the meeting of the Board of Directors attended by them.

In view of the revised clause 49 of the Listing Agreement, the approval of members is requested for the payment of sitting fees to the Directors of the Company.

All of the Directors except Mr. Rahul Amin and Ms. Keki R. Patel are concerned / interested in the resolution.

Your Directors recommend the resolution as at item No.4 for your approval.

Regd. Office :
Nanubhai Amin Marg
Industrial Area
P.O. Chemical Industries
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28th July, 2005

By Order of the Board

S.SINGHAL
Asst. General Manager (Legal)
& Company Secretary

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61st Annual Report

The Government has also announced a number of policy measures for Power and Water Schemes which have resulted in increased demand for Company's products. With the outlook brightening for capital goods manufacturers the future holds good opportunity for the Company and its products.

With the streamlining operations, overall improved business scenario and healthy order book position, your Directors expect that the Company would grow in the coming years and will be out of the financial difficulties very soon.

DIVISIONAL PERFORMANCE

SWITCHGEAR

During the year under review, this Division among other orders, has received an Export Order worth US \$ 234,581 from L&T Muscat against tough international competition. The order was executed in record time of four months. Spares and retrofit business also recorded all time high turnover this year.

The Division, among other orders, has received a prestigious order worth Rs.2238 lacs for supply, erection and commissioning of 3.3 KV and 11 KV Switchgear Package from National Thermal Power Corporation Ltd. for Sipat - 1 Super Thermal Power Station (3 x 660 MW) located in Chhatissgarh. With the Power output of 1980 MW, Sipat-1 is the largest Thermal Power Station in India. This is the largest single order received by the Company for Jyoti Products.

The year saw very good increase in requirement of the medium voltage switchgear due to several APDRP, Industrial and Power Projects taking off. This trend is likely to continue in future in view of recent National Electricity Policy issued by the Government in pursuance of ongoing power reforms programme.

ROTATING ELECTRICAL MACHINES

During the year under review, the Division has executed orders worth Rs.1848 lacs which included various ratings of Alternators, Wind Mill Generators, LT & HT Motors, Arno Converters etc. During the year, this Division has also executed orders worth Rs.108 lacs for spare parts business.

The Division among other orders has received an order for 800 Nos. Wind Mill Generators from various parties valued at Rs.3043 lacs and also received an order worth Rs.840 lacs for LT & HT Motors from various parties.

HYDEL SYSTEMS

During the year under review, amongst major orders executed, the Division successfully commissioned 1 x 6000 KW capacity Machine for International Power Corporation Limited, Bangalore for their Kemphole Hydro Electric Project (HEP). It also successfully commissioned 1 x 6000 KW Shimsha HEP for Atria Power Corporation Limited, Bangalore and 1 x 500 KW Bhadenwah HEP for PDC, Jammu & Kashmir. It also completed supply portion of Hydro Generating Equipment for 2x 1.5 MW Triveni Link Canal Project for Bihar Hydro Power Corporation, Patna.

The Division, among others, has received an order worth Rs.1665 lacs from M/s. Bobba Power Project, Bangalore, for erection, testing and commissioning of Electro Mechanical Works for 3 x 5 MW Mannapilto Mini Hydel Scheme, Near Mudabidre of Dakshina District, Karnataka. The Division has also received an order worth Rs.1512 lacs for supply of E&M Equipment for 3 x 4 MW Horizontal Francis Turbine for Hullahalla Project from Limbavali Power Pvt. Ltd., Bangalore. The Division has also received prestigious order worth Rs.873 lacs for supply of E&M Equipment for 4 x 3.6 MW Horizontal Francis Turbine for Suoi Sap Project at Vietnam from Tata International Ltd., Kolkata.


Jyoti Ltd.

PUMPS

During the year under review, among other orders, the Division received an order worth Rs. 600 lacs from U.P. Irrigation Department, Lucknow, for supply, erection, testing and commissioning of 15 Nos. Horizontal Split Case Pumps with 550 HP HT Motors.

The Division has also made a break through in the State of Gujarat by securing an order worth Rs.1300 lacs for supply, testing, erection and commissioning of E & M Equipments from Gujarat Water Resources Development Corporation, Gandhinagar under stiff competition. Many such Lift Irrigation Schemes are proposed in the State of Gujarat and your Company in Joint Venture with Nagarjuna Construction Company Limited, Hyderabad is well placed.

Various Schemes are coming up under Godavari Lift Irrigation Scheme in the State of Andhra Pradesh. The total business for pump and motors is around Rs.1500 crores. These pumps are the largest of its kind each rated from 4 MW to 30 MW. Your Company has collaborated with three leading Engineering Companies in Czech Republic for transfer of technology for such large rating pumps and is targeting good amount of business in the next financial year.

EXPORTS

During the year under review, your Company's total exports is valued at Rs.390 lacs including Deemed Exports.

The Company's major Exports are Switchgear to Sultanate of Oman. The Company is also targeting Exports of Switchgear to UAE countries, Nepal, Saudi Arabia and Kenya and Alternators / Generators to Bangladesh and Nepal. The Company hopes to achieve better export performance in the years to come.

REGISTRATION WITH BOARD OF INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR)

As the Net Worth of the Company was fully eroded as on 31st March, 2004, the Company had to make a reference to the Board of Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provisions) Act, 1985. The Board of Industrial and Financial Reconstruction have already registered the reference filed by the Company.

DIVIDEND

In view of the loss incurred during the year under review, your Directors are not able to recommend any dividend.

FIXED DEPOSITS

No Fixed Deposits were accepted / renewed during the year. There are unclaimed deposits of Rs.3.13 lacs as on 31st March, 2005.

AUDITORS' REPORT

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

DELISTING OF SHARES

During the year the Company's equity shares were delisted from Ahmedabad Stock Exchange. The Company's shares continue to be listed on the Mumbai and Vadodara Stock Exchanges.

61st Annual 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 Annexure-A forming part of this Report.

PARTICULARS OF EMPLOYEES

The Company does not have any employee who was in receipt of remuneration aggregating to the sum prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2002.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis, a Report on Corporate Governance and a Certificate from the Auditors of the Company are given in Annexure-B and Annexure-C respectively which form part of this Report.

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;
- (ii) such accounting policies have been selected and consistently applied and judgements and estimates 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, 2005 and of the Loss of the Company for the year ended on that date;
- (iii) 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;
- (iv) annual accounts have been prepared on a going - concern basis.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. K.L. Dalal retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Brief details about Mr. K.L. Dalal, as required under the Corporate Governance Code, are given hereunder:

Mr. K.L. Dalal, 81 is B.Com. B.Sc. (Econ - L.S.E.). He was head of Economics, West Asia and Africa Divisions, Ministry of External Affairs, New Delhi. He was also Ambassador of India to Austria. Mr. K.L. Dalal is Director of the Company since 25th January, 1988.

Directorship held in other Companies are:

- (1) Spaco Carburetors (I) Ltd., Pune
- (2) Industrial Organics Ltd., Ludhiana

Mr. K.L. Dalal is not a Member of any Committee of Directors of any Company.



Jyoti Ltd.

AUDITORS

The Members are requested to appoint Statutory Auditors at the ensuing Annual General Meeting to hold office from the conclusion of the said meeting until conclusion of the next Annual General Meeting. M/s. V.H. Gandhi & Co., Chartered Accountants, Vadodara, the existing Auditors have under Section 224 (1B) of the Companies Act, 1956, furnished Certificate of their eligibility for re-appointment.

APPRECIATION

Your Directors place on record their appreciation for the excellent support the Company has received from its employees, customers and shareholders. They also express their sincere thanks to the financial institutions & bankers and the Government of Gujarat for their valuable support extended to the Company.

On Behalf of the Board of Directors

RAHUL AMIN

Chairman & Managing Director

Vadodara

28th July, 2005

Report  Junction.com

61st Annual Report

ANNEXURE 'A' TO DIRECTORS' REPORT

Statement containing particulars pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report.

A. CONSERVATION OF ENERGY:

Energy Conservation Measures taken:

- i) By maintaining the Power Factor and improved voltage regulations resulting rebate in monthly Energy Bill.
- ii) Energy saver tube lights installed for energy saving.
- iii) Electronic Fan Regulators have been installed / are being installed to ensure energy saving in fans.
- iv) Awareness about the need for energy conservation at all levels of employees is being created through posters, hoardings etc.

B. TECHNOLOGY ABSORPTION

(a) Research & Development

1. Specific areas in which R&D was carried out by the company :

- Medium Voltage Switchgear
- Rotating Electrical Machines (Motors and Generators)
- Hydraulic Turbines and Pumps
- Electronic Control Systems (including Automatic Voltage Regulators)

2. Benefits derived as a result of above R&D :

The above R&D work has helped the Company in maintaining its technical competitiveness and leadership in the liberalised market scenario through upgradation of various core products, cost reduction through Value Engineering and also range extension in the main products areas.

3. Future Plan of Action :

The future R&D activities will be aimed at consolidation of existing product range through upgradation and cost reduction by various means. Wherever necessary, new technologies will be introduced by in-house development or through acquisition from external sources. Increased use of computerised techniques by using advanced state-of-art softwares for design / development work will be on the priority.

4. Expenditure on R&D

	(Rs. in Lacs)
a) Capital	Rs. —
b) Recurring	Rs. 125.81
c) Total	Rs. 125.81
d) Total R&D expenditure as percentage of total turnover	1.33