

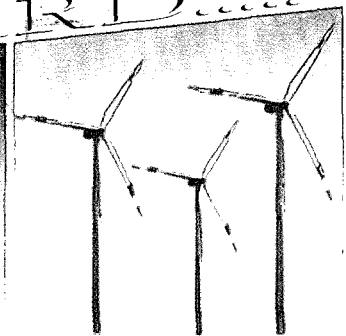
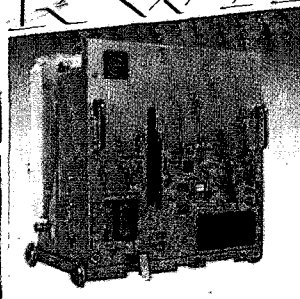
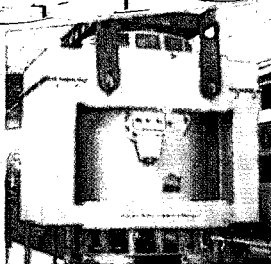
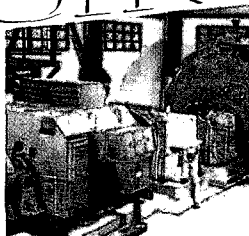


Jyoti Ltd.

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63rd ANNUAL REPORT 2006-2007

GOING FORWARD





Jyoti Ltd.

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

Dr. Mahesh Haribhai Mehta

(B. Tech., Ph.D.)

Director

Mr. Sanjay Vasant Jagtap

B.E., (Mech.)

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	6
Auditors' Report	23
Balance Sheet	26
Profit and Loss Account	27
Schedules to Balance Sheet and Profit and Loss Account	28
Cash Flow Statement	47



NOTICE

NOTICE is hereby given that the SIXTYTHIRD 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 27th September, 2007 at 9.00 a.m.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007, 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. U.V. Desai, 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 appoint a Director in place of Mr. Sanjay V. Jagtap, who was appointed as an Additional Director of the Company under Article 124 of the Articles of Association of the Company and who according to Section 260 of the Companies Act, 1956, holds Office upto the date of this Annual General Meeting and who being eligible, offers himself for appointment.
5. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as Special 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 the approval of the Central Government and such other approval as may be necessary, the Company hereby approves the terms of re-appointment and remuneration of Mr. Rahul Amin as Managing Director of the Company for a period of three years with effect from 25th June, 2007, as approved by the Board of Directors at its meeting held on 1st June, 2007 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 Central Government, the Board of Directors and Mr. Rahul Amin."

Regd. Office :
Nanubhai Amin Marg
Industrial Area
P.O. Chemical Industries
Vadodara-390 003
2nd July, 2007

By Order of the Board

S.Singhal
Dy. 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 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 item 4 and 5 of the Notice is annexed hereto.

63rd Annual Report

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. The Register of Members and Share Transfer Books of the Company will remain closed from 18th September, 2007 to 27th September, 2007, (both days inclusive) for the purpose of Annual General Meeting.
6. 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 Unit Jyoti Limited.

MCS Limited

Neelam Apartment, 88, Sampatrao Colony, Alkapuri, Vadodara – 390 007

Tel. : 0265-2339397

Fax : 0265-2341639

E-Mail : mcsbaroda@iqara.net

7. Shareholders are requested to notify any change of address.
8. Shareholders are requested to send their queries in respect of Financial Accounts of the Company for the year ended on 31st March, 2007 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.
9. A profile of the Director retiring by rotation and eligible for re-appointment and profile of Managing Director are given in the Directors Report, which form part of this Annual Report.
10. 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.
11. 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.
12. 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

At the Board Meeting held on 28th September, 2006, Mr. Sanjay V. Jagtap was appointed as an Additional Director of the Company w.e.f. 28th September, 2006. By virtue of the provisions of Section 260 of the Companies Act, 1956 and Article 124 of the Articles of Association of the Company, Mr. Sanjay V. Jagtap holds office upto the date of this Annual General Meeting of the Company. Notice under Section 257 of the Companies Act, 1956 has been received by the Company from a Member signifying his intention to propose Mr. Sanjay V. Jagtap as candidate for the Office of Director.

Mr. Sanjay V. Jagtap is B.E. (Mechanical) from College of Engineering of University of Pune and DBM from Pune University. He has 24 years of experience in the field of Pumps and Valves. Currently Mr. Sanjay V. Jagtap is working as General Manager, Metel Group of Companies, Dubai. Prior to this, he has held top positions in various Corporate Sectors.

Your Directors feel that his joining the Board will be beneficial and in the interest of the Company. None of the Directors of the Company is in any way concerned or interested in the said Resolution.


Item 5

In accordance with provisions of Sections 198, 269 and 309 read together with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Shareholders of the Company and the Central Government, the Board of Directors of the Company at its meeting held on 1st June, 2007 passed resolution for the re-appointment of Mr. Rahul Amin as Managing Director of the Company for a period of three years with effect from 25th June, 2007. The said appointment is subject to the approval of the Central Government since one of the terms of Schedule XIII to the Companies Act, 1956 are not complied with. The re-appointment of Mr. Rahul Amin as Managing Director of the Company was also approved by the Remuneration Committee at its meeting held on 1st June, 2007.

Mr. Rahul Amin is B.E. (Electrical), M:Engg. (Cornell-USA) having more than 28 years of experience in Business & Management. The draft of the Agreement to be entered into by the Company with Mr. Rahul Amin, which is placed before this meeting and available for inspection by the Members, contains inter-alia the following principle terms and conditions:

Period of Appointment : Three years with effect from 25th June, 2007.

Salary : Rs.2,75,000/- (Rupees Two Lacs Seventyfive Thousand only) per month.

Commission : Commission as may be decided by the Board of Directors, based on the net profits 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 Managing Director shall also be entitled to perquisites and allowances like accommodation (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 his family including dependents; personal accident insurance; club fees and such other perquisites, benefits and allowances in accordance with Rules of the Company. The aggregate of aforesaid perquisites and allowances will be restricted to Rs 3,00,000/- (Rupees Three Lacs only) per annum.

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

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 Managing Director's residence, reimbursement of expenses including entertaining expenses will not be considered as perquisites.

The following shall not be included for the purpose of computation of the Managing Director's 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 to the Managing Director at the rate of half month's salary for each completed year of service.
- iii) Encashment of leave at the end of the Managing Director's tenure.

Minimum Remuneration : Subject to the ceiling specified in Section II, Part II of Schedule XIII to the Companies Act, 1956, the Managing Director shall be paid remuneration by way of salary and perquisites (except commission specified above) notwithstanding that in any Financial Year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate.

Compensation : If before the expiry of the Agreement, the tenure of his office as Managing Director is determined, he shall be entitled to compensation for the loss of office subject to the provisions of Section 318 of the Companies Act, 1956.

63rd Annual Report

As long as Mr. Rahul Amin functions as Managing Director, he shall not be interested or otherwise concerned directly or indirectly 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 / re-appointment of Mr. Rahul Amin, as Managing Director of the Company which is required to be given to every member under the 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 a.m. and 12.00 noon on any working day upto the date of the Annual General Meeting.

The Board recommends the adoption of this Resolution.

Mr. Rahul Amin and Mrs. Tejal Amin, who are related to each other are interested in the Resolution as it relates to his own / relative's term of appointment / remuneration.

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

Regd. Office :

Nanubhai Amin Marg

Industrial Area

P.O. Chemical Industries

Vadodara-390 003

2nd July, 2007

By Order of the Board

S.Singhal

*Dy. General Manager (Legal)
& Company Secretary*

Statement in terms of Schedule XIII of the Companies Act, 1956 as amended vide Notification No.GSR 36(E), Dated 16.1.2002 relating to remuneration payable to Managing Director.

I. General Information

1. Nature of Industry – Engineering.
2. Date or expected date of commencement of commercial production – The Company is in operation since the year 1943.
3. Financial performance based on given indicators – As per the audited financial results for the year ended on 31.03.2007.

Particulars	Amount (Rs in Lacs)
Sales	14578.36
Other Income	34.02
Total Income	14612.38
Material Cost	10042.24
Staff Cost	1632.94
Manufacturing & Other Expenses	1022.96
Total Expenditure	12698.14
Profit Before Depreciation, Interest and Tax	1914.24
Depreciation	144.56
Profit before Interest and Tax	1769.68
Interest	1199.91
Profit Before Tax	569.77
Exceptional items, if any	49.85
Profit Before Tax	519.92
Net Profit after Tax	502.27



4. Export Performance and net foreign exchange earned for the year ended on 31.03.2007
 - Export Sales (in Rs.) 1168.08 lacs
 - Foreign Exchange earnings (in Rs.) 511.23 lacs
5. Foreign investments or collaborators, if any – The Company holds 49% in M/s. Jyoti Sohar Switchgear L.L.C., a Joint Venture Company in Sultanate of Oman.
 The Company has technical collaboration with:
 - Toshiba Corporation of Japan for manufacture of Vacuum Circuit Breakers.
 - Jeumont Industrie of France for High Voltage Alternators with Cylindrical Rotor Generators.
 - Turboinstitut of Slovenia for Hydel Turbines.
 - M/s Harakosan Co.Ltd., Japan for manufacture of 2 MW Permanent Magnet based Wind Turbine.
 - M/s. SETEC Gmbh, Germany for development of 650 KW Permanent Magnet based Wind Turbine.

II. Information about the appointee:

1. Background Details - Mr. Rahul Amin is B.E. (Elec.) from M.S. University of Baroda and Master of Engineering from Cornell (USA). He joined the Company in 1979 as Manager and gradually became General Manager and then Executive Director. He took charge as Managing Director of the Company in the year 1997. He is having more than 28 years of experience in Business and Management. Mr. Rahul Amin is also actively associated with various Professional Bodies, Education, Charitable and other Trusts.
2. Past Remuneration – Rs.13,80,000 (salary), Rs.5,54,147 (perquisites), Rs. Nil (commission) – Total Rs.19,34,147 paid as remuneration during the year ended on 31.03.2007.
3. Job profile and suitability – Mr. Rahul Amin renders services as Chairman and Managing Director of the Company.
4. Remuneration proposed – Salary Rs.2,75,000 per month, Commission on net profit and perquisites more particularly described in the explanatory statement herein before.
5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person – Looking to the size of the Company, the profile of the appointee, the responsibilities shouldered by him, the above said remuneration is commensurate with the remuneration package paid to similar senior level appointees in other Companies.
6. Pecuniary relationship directly or indirectly or relationship with the managerial personnel, if any – Besides the remuneration proposed, the Managing Director does not have any other pecuniary relationship with the Company. Mrs. Tejal R. Amin, Director of the Company is a relative of the appointee.

III. Other information:

1. Reasons for loss or inadequacy of profit – The Company is making profits. After the disbursement of funds from the Consortium of Banks as per restructuring package approved by the Corporate Debt Restructuring Cell in September 2004, the operations of the company have shown marked improvement.
2. Steps taken or proposed to be taken for improvement – The Company has strengthened its Balance Sheet by increasing cash flows, reducing interest cost and improving working capital management. With the streamlining operations, overall improved business scenario and healthy order book position, the Company would grow in the coming years.
3. Expected increase in productivity and profits in measurable terms –

Particulars	This Year(Rs.Lacs)	Previous Year(Rs.Lacs)
Sales	14578.36	10429.09
Other Income	34.02	25.26
Net Profit	502.27	440.96

63rd Annual Report

DIRECTORS' REPORT

To,
The Members of Jyoti Limited

Your Directors present this SIXTYTHIRD ANNUAL REPORT and Audited Accounts for the year ended on 31st March, 2007.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	<u>2006-07</u>	<u>2005-06</u>
Profit before Interest and Depreciation	1,914.25	1,341.27
Less: Interest and Bank Charges	1,199.91	951.94
Profit before Depreciation	714.34	389.33
Less: Depreciation	144.56	140.48
Profit from Operations	569.78	248.85
Less: Contractual deductions and Bad Debts written off	49.85	44.86
Profit before Taxation	519.93	203.99
Provision for Taxation		
- Current Tax	—	—
- Deferred Tax	—	265.60
- Fringe Benefit Tax	17.66	28.63
Balance of Profit for the year	502.27	440.96
Balance brought forward from the previous year	(1,518.10)	(1,959.06)
Balance Profit / (Loss) carried to Balance sheet	(1,015.83)	(1,518.10)

REVIEW

As evident from the financial results, the performance of the Company during the year under review has been encouraging. There has been an all round improvement in the performance of the Company and each of its Divisions have contributed significantly better than in the previous year. The Company has made operating profit of Rs.569.78 lacs for the year ended on 31st March, 2007 as compared to profit of Rs.248.85 lacs in the previous year. The sales and other income (gross) for the financial year under review were Rs.15379.45 lacs as against Rs.11330.54 lacs in the previous year.

PROSPECTS

In view of overall economic growth and focus of the Government on infrastructure projects and with the present order book position, your Company is poised for a better performance in the coming years.

In spite of selective order booking, the Company has pending orders worth Rs.39889 lacs at the beginning of the current year i.e. 1st April, 2007 which itself demonstrates the confidence the customers have in the Company.

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.


Jyoti Ltd.

DIVISIONAL PERFORMANCE

PUMPS & PROJECTS

During the year under review, the Division has recorded a growth of more than 100% compared to the previous financial years. Among other orders, the Division has received order from IVRCL Infrastructure Ltd. for Handri Neeva Sujlam Sufflam (HNSS) Project for supply of 27 nos. Pumps and Motors worth Rs 56 Crores. The Division has also received order from Defence Machinery Design Establishment (DMDE) for supply of 6 nos. Main Circulating Pumps and 6 nos. Condensate Extraction Pumps with Motors valued at Rs. 17 Crores. The Order from DMDE is in special metallurgy namely Nickel Aluminium Bronze and this order is bagged by the Company mainly because of its design capability and past performance.

For the prestigious Godavari Lift Irrigation Scheme Phase-II order for Rs 255 Crores received in the last financial year, the Company has completed the design activities. The model test for this project was conducted successfully at Czech Republic and were also witnessed by representatives of Hindustan Construction Co.Ltd., Nagarjuna Construction Co.Ltd. and the Government of Andhra Pradesh. The Company has also started its supplies towards this project.

The Division has also supplied and erected 6 nos. of 3000 HP Pumps along with other electro mechanical equipment for Lift Irrigation Project by Krishna Bhagya Jal Nigam Ltd., Govt. of Karnataka. With this Project, the Company will get pre-qualified in future for many similar projects coming up in the country. The Division has also supplied, executed and commissioned successfully 15 nos. of Horizontal Split Casing Pumps of 750 mm size with Motors for CESPO Dalmau Project.

HYDEL SYSTEMS

During the year under review, amongst major orders executed, the Division successfully commissioned 3 x 1200 KW capacity Machines for Sheetla HEP A/c for Uttar Pradesh Jal Vidyut Nigam Ltd. (UPJVNL). It also completed supply portion of Hydro Generating sets for 3 x 5000 KW Mannapitlu MHS A/c for Bobba Power Project and Hydro Generating Equipment for 3 x 4000 KW Hullahalla A/c Limbavali Power Project. The Division has also completed supply of E&M Equipments 4 x 3.6 MW at Vietnam for Tata International Ltd., Kolkata. The Mechanical spinning of this Project is already over and the same is expected to be commissioned in a short time.

The Division, among others, has received an order worth Rs. 982 lacs from Tata International Ltd., Kolkata for supply of 2 x 8000 KW Namchim HEP Twin Jet Pelton Turbine and its accessories. The Division has also received an order worth Rs.1435 lacs for supply, erection and commissioning of electro mechanical equipment for 2 x 5000 KW Manjanadka MHS A/c Bhoruka Power Corporation Ltd., Bangalore. The Division has also received repeat order for 4th unit of 1 x 6000 KW Shimsa HEP A/c Atria Power Corporation Ltd., Bangalore.

SWITCHGEAR

During the year under review, the Division, among others, has received an order worth Rs. 186 lacs from Gujarat Energy Transmission Corporation.

The execution of prestigious order received from National Thermal Power Corporation Ltd. (NTPC) for largest mega power project of 3 x 660 MW, Sipat STPP, Stage I has already commenced from November, 2006.

The demand for Medium Voltage Switchgear will continue to grow at faster pace on account of implementation of various Government Power Projects, IPP, CPP etc. Corporatisation of various Electricity Boards have also generated lot of requirements for medium voltage Switchgear and will be in demand in the years to come.

63rd Annual Report

ROTATING ELECTRICAL MACHINES

During the year under review, the Division has executed orders worth Rs.2471 lacs which included various ratings of Alternators, Wind Mill Generators, LT & HT Motors, etc.

The Division, among others, has received an order for 389 nos. Wind Mill Generators from various parties valued at Rs. 1692 lacs and also received an order worth Rs. 460 lacs LT & HT Motors from various parties.

EXPORTS

During the year under review, your Company's total exports is valued at Rs.1168 lacs including Deemed Exports.

The Company mainly exports Switchgear to Sultanate of Oman. As many Electrification Projects are coming up in the Gulf Countries, particularly in Oman, the demand for Medium Voltage Switchgears are increased. Jyoti Sohar Switchgear L.L.C. being the local manufacturer in Oman, is well placed to tap this demand.

WIND TURBINE PROJECT

As part of forward integration, the Company is planning to enter into the business of Wind Turbine. The Company is already in the business of manufacturing and selling various power generation equipments including Generator for Wind Turbine for so many years. Wind Energy Sector is experiencing tremendous boom in India and World-wide. For this Project, the Company has entered into agreement with M/s. SETEC, GmbH, Germany for development of 650 KW permanent magnet based wind turbine. The Company has also entered into Technical Collaboration Agreement with M/s Harakosan Co.Ltd., Japan for manufacture of 2 MW permanent magnet based wind turbine in India.

PREFERENTIAL ISSUE

To fund Wind Turbine Project, meeting normal capital expenditures and working capital requirements, the Company issued 11,20,960 equity shares of Rs. 10/- each at a premium of Rs. 94/- per share to Harakosan Co. Ltd., Japan and 16,75,000 Equity warrants with an option to subscribe to one fully paid up equity share of Rs 10/- each for every equity warrant aggregating upto 16,75,000 equity shares at an exercise price of Rs.104/- per Equity Share to Mr. Marut R. Patel, a non resident Indian.

DE-REGISTRATION WITH BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR)

Since the net worth of the Company became positive as on 31st March, 2006, the Board for Industrial and Financial Reconstruction (BIFR) discharged the Company from the purview of Sick Industrial Companies (Special Provisions) Act,1985 and disposed off the reference filed by the Company vide its Order dated 8th May, 2007.

DIVIDEND

In view of the accumulated losses, your Directors are not able to recommend any dividend.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from the Public during the year under review.

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.