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JSL

JYOTI STRUCTURES LTD.

ANNUAL REPORT 2000-2001

Silverwater,
September 5, 2000

"This is to certify that Jyoti Structures Ltd. Mumbai have designed, manufactured, tested and supplied to us 3,150 MT of galvanized steel towers for the Kemerton - Kuinana 330 kV D/C Transmission Line Project in Australia. We erected the supplied towers in 1996 and the line was commissioned on June 1997. Since then, the line has been in commercial operation without any failures."

Balfour Beatty - Kilpatrick Green Joint Venture

Kemerton - 330 kV D/C
Transmission
Line Project, Australia

Montreal,
August 23, 2000

"Jyoti's world-class in-house facilities such as design, tower testing and manufacturing facilities have contributed to the success of the project."

Societe d'energie de la Baie James

Mantaro - Socabaya
Transmission
Line System, Peru

Allahabad,
July 27, 2000

"This is to certify that M/s. Jyoti Structures Ltd. has completed the 800 kV Single Circuit Anpara-Jhusi Transmission Line including design, fabrication, testing, supply of towers, casting of foundation, erection of towers, stringing and revetment as per the contract. The line has been tested and commissioned on 12-7-2000."

U. P. Power Corporation Limited

800 kV Single Circuit Anpara-Jhusi
Transmission Line, India

Silverwater,
May 23, 2000

"We are pleased to convey our satisfaction of JSL's performance on this project, which was completed one month ahead of schedule. JSL's attention to customer focus and service deserves specific mention."

Kilpatrick Green Pty. Ltd.

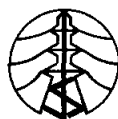
Calcutta,
March 27, 2000

"We are pleased to place on record our appreciation towards the successful completion of supplies much ahead of the stipulated period, the extent of co-operation accorded and the cordial relationship sustained over this period."

Tata International Limited

230 kV Transmission Line Towers for
Krabi Thungson Transmission System -
for Krabi Thermal Power Plant Project -
EGAT Thailand

275 kV towers for
Pelican Point Project for
ElectraNet SA, South Australia



JYOTI STRUCTURES LIMITED
ISO 9001-CERTIFIED

BOARD OF DIRECTORS

S. D. Kulkarni	<i>Chairman</i>
K. R. Thakur	<i>Managing Director</i>
P. K. Thakur	<i>Whole-Time Director</i>
V. P. Valecha	
S. H. Mirchandani	
M. P. Tejwani	

**SR. GENERAL MANAGER (FINANCE & ACCOUNTS)
AND COMPANY SECRETARY**

S. G. Kulkarni

BANKERS

State Bank of India
UTI Bank Ltd.
IndusInd Bank Ltd.
ICICI Banking Corpn. Ltd.
Global Trust Bank Ltd.
Oriental Bank of Commerce
Canara Bank
Bank Muscat

LEGAL ADVISORS

Amarchand & Mangaldas and Suresh A. Shroff & Co.
Mulla & Mulla and Craigie Blunt & Caroe

AUDITORS

R. M. Ajgaonkar & Co.
Chartered Accountants

REGISTERED AND CORPORATE OFFICE

Valecha Chambers, 5th/6th Floor,
New Link Road, Oshiwara,
Andheri (W), Mumbai-400 053.
Maharashtra State, India.
Tel : 691 5000 **Fax**: 691 5014/5

Website : www.jyotisttructures.com**Email** : contact@jyotisttructures.com**26TH ANNUAL GENERAL MEETING**

Day : Friday,
Date : 21st September, 2001
Time : 3.30 p.m.
Venue : M. C. Ghia Hall,
Bhogilal Hargovindas Building,
18/20, Kaikhushru Dubash Marg,
Mumbai - 400 001.

CONTENTS

Working Results at a Glance	2
Directors' Report	4
Auditors' Report	17
Balance Sheet	20
Profit & Loss Account	21
Cash Flow Statement for the year ended 31 st March, 2001	22
Schedules to Accounts	24
Notes to Accounts	32
Balance Sheet Abstract and Company's General Business Profile	37
Statement Pursuant to Section 212 of the Companies Act, 1956 regarding Subsidiary Companies	38
Annual Report of JSL Refractories Limited	40
Annual Report of JSL Finance Limited	57

ENCLOSURES

Notice
Attendance Slip
Proxy Form &
Nomination Form.

JYOTI STRUCTURES LIMITED**WORKING RESULTS AT A GLANCE****(Rs. in'Lacs)**

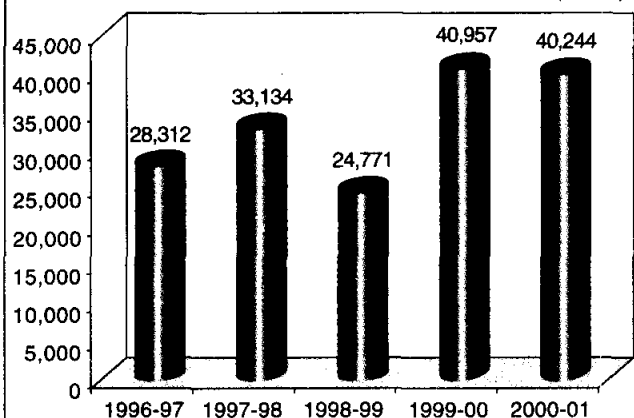
	2000-01	1999-00	1998-99	1997-98	1996-97
SALES & EARNINGS :					
Sales & Other Income	26,510	23,112	20,779	18,447	14,458
Profit Before Taxes	1,090	904	810	839	827
Profit After Taxes	801	754	701	689	615
Equity Dividend	25%	*30%	25%	25%	25%
ASSETS :					
Gross Block	6,582	6,167	5,624	4,476	3,708
(Including Capital W.I.P.)					
Net Block	4,699	4,641	4,371	3,552	3,059
Total Net Assets	18,982	14,853	10,631	8,709	6,662
REPRESENTED BY :					
Net Worth	6,137	4,597	4,108	3,544	2,991
Share Capital	969	491	491	491	491
Reserves & Surplus	5,168	4,106	3,617	3,052	2,500
Borrowings	12,845	10,256	6,523	5,166	3,671
Total Funds	18,982	14,853	10,631	8,709	6,662
OTHER HIGHLIGHTS :					
Foreign Exchange Earnings (Including Deemed Exports & Sales through Export Houses)	19,751	14,182	10,186	13,015	9,040
Foreign Exchange Outgo	4,494	3,165	1,366	3,525	5,267
INSTALLED CAPACITY AND PRODUCTION :					
Installed Capacity (M.T. p.a.)	52,000	52,000	52,000	52,000	42,000
Production (M.T.)	40,244	40,957	24,771	33,134	28,312
EARNING PER SHARE	9.22**	15.35	14.25	14.02	12.52

* Includes 5% Silver Jubilee Year Dividend

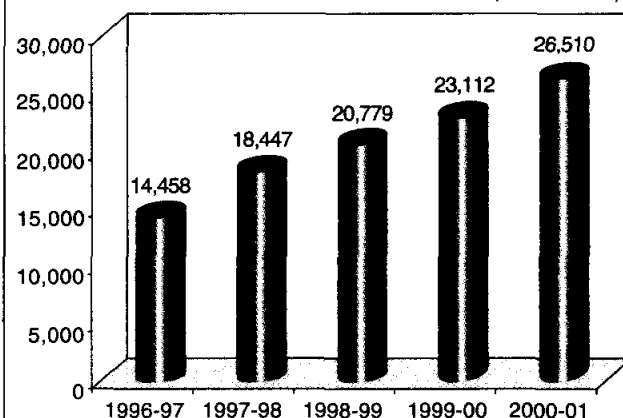
** On the expanded capital base after the Rights issue

ANNUAL REPORT 2000-2001**PRODUCTION**

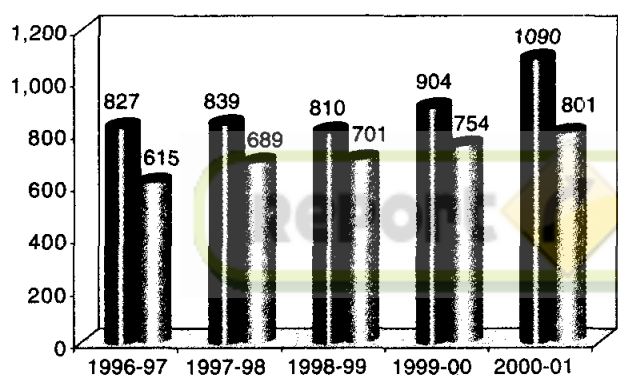
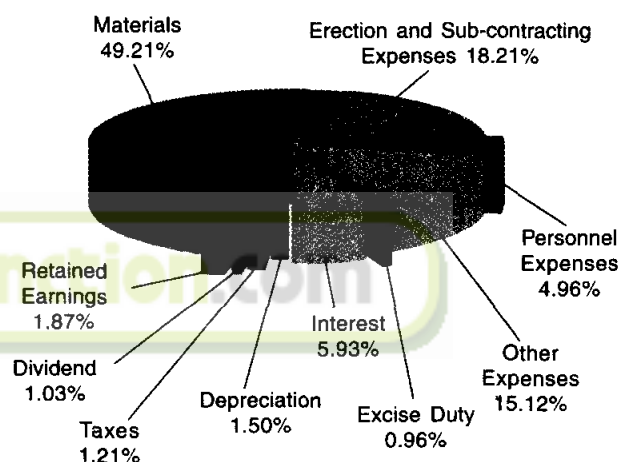
(in MT)

**TOTAL INCOME**

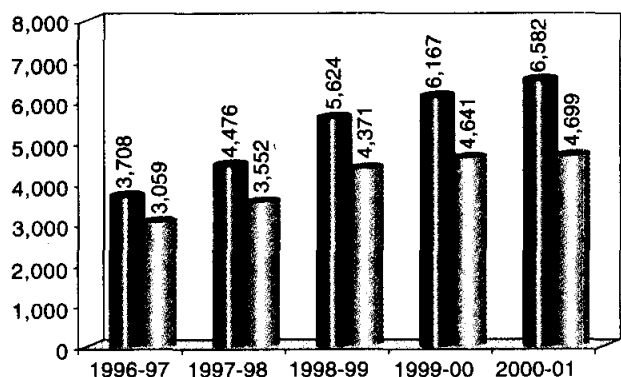
(Rs. in Lacs)


■ PROFIT BEFORE TAXES
■ PROFIT AFTER TAXES

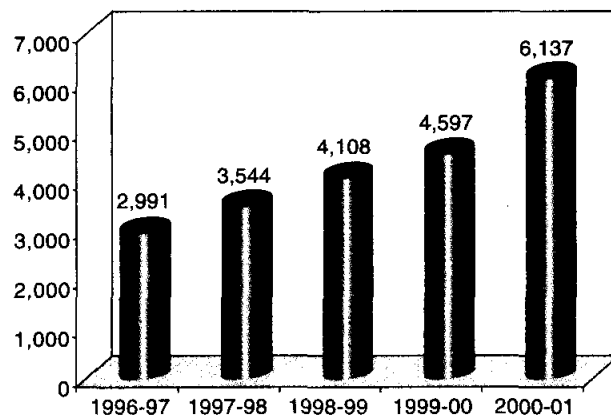
(Rs. in Lacs)

**INCOME DISTRIBUTION PATTERN**
■ GROSS FIXED ASSETS
■ NET FIXED ASSETS

(Rs. in Lacs)

**NET WORTH**

(Rs. in Lacs)



JYOTI STRUCTURES LIMITED**DIRECTORS' REPORT**

The Directors present their Twenty-sixth Annual Report and the audited Statements of Account for the year ended 31st March, 2001.

Financial Results :

	2000-2001 Rs. in Lacs	1999-2000 Rs. in Lacs
Sales and Other Income	26,510.44	23,112.26
Profit before Depreciation and Taxes	1,488.72	1,283.18
Less : Depreciation	399.10	379.36
Profit before Taxes	1,089.62	903.82
Less : Taxes	289.00	150.00
Profit after Taxes	800.62	753.82
Balance brought forward from previous year	55.93	115.54
Loss on Advances made	—	(85.82)
Prior Year Adjustment (Net)	1.12	2.17
Profit available for Appropriations	857.67	785.71

Appropriations :

Proposed Dividend - Equity Shares	245.52	147.36
- Preference Shares	27.32	—
Corporate Dividend Tax	30.81	32.42
Transfer to General Reserve	200.00	550.00
Transfer to Capital Redemption Reserve	200.00	—
Transfer to Debenture Redemption Reserve	100.00	—
Balance carried to Balance Sheet	54.02	55.93
	857.67	785.71

Dividend :

The Directors recommend payment of dividend @Rs. 2.50 per equity share (P.Y. Rs. 3.00 per share, including a special dividend of Rs. 0.50 per share to commemorate the Silver Jubilee of the Company) for the year ended 31st March, 2001. The dividend, if approved by you, shall be paid in proportion to the amount paid-up on equity shares.

The Directors also recommend payment of dividend @10.50%, 10.25% and 11.00% respectively on series 'A', 'B' and 'C' of Redeemable Non-convertible Preference Shares.

Rights Issue :

The Directors thank all investors who have reposed faith in the Company by fully subscribing to the Rights Issue, which closed in October 2000. As a result of the Rights Issue, the paid up equity capital has gone up from Rs. 491.20 Lacs to Rs. 868.68 Lacs and the Security Premium Account has gone up from Rs. 295.27 Lacs to Rs. 1,295.69 Lacs. The Company has sent call notices to all successful allottees. As on 31/3/2001, calls in arrears were Rs. 340.23 Lacs.

The proceeds of the Rights Issue have been utilised for the purposes stated in the Letter of Offer dated 11th

ANNUAL REPORT 2000-2001

September, 2000. As stated in the Letter of Offer, the Company had estimated for the financial year 2000-2001 total income of Rs. 26,067.50 Lacs and profit after tax of Rs. 960.00 Lacs. As against this, the Company has achieved total income of Rs. 26,510.44 Lacs and profit after tax of Rs. 800.62 Lacs. While the Company surpassed its sales forecast, the profit after tax was lower because of pressure on margins resulting from highly competitive market situation.

Operations :

Operations during the year have been satisfactory. The capacity utilisation was at 77.39% as compared to 78.76% in the previous year. Notwithstanding intense competition in domestic and global markets, the turnover has shown an increase of about 15%. Net profit after tax rose by 6.21% to Rs. 800.62 Lacs. In the year under report, the Company put emphasis on cost control and efficient use of resources. The ERP package in the areas of procurement, inventory, accounts, finance and other related activities has been installed and is under trial run.

The pursuit of excellence in quality and thrust on exports/deemed exports continued during the year. The Company has been executing a major turnkey contract for Transmission Lines in Oman. In the current year, the Company is executing a turnkey contract for Transmission Line in Ethiopia. The Company is also executing export orders from Chile, Senegal and Canada. The export turnover (including deemed exports) has gone up by about 40% to Rs. 20,239 Lacs as compared to Rs. 14,547 Lacs in the previous year and constitutes over 76% of the Company's total sales.

Opportunities :

The growth momentum gathered over the past two years is likely to accelerate in the current year. The Company started the current year with an order book of more than Rs. 38,500 Lacs. In the first quarter of the current year, the Company received new orders worth Rs. 6,367 Lacs. The Company has planned for higher capacity utilization in the current year.

It is expected that the acceleration of pace of the Power Sector reforms may open up new opportunities and challenges. Your Company is ideally poised to take on the challenges.

Subsidiaries :

The sluggish demand in steel, glass and cement industries affected growth of the ancillary industries such as refractories. JSL Refractories Ltd. has however, continued its growth momentum and has posted a rise in production from 4,139 MT of bricks and monolithics in

1999-2000 to 5,674 MT in 2000-2001. While the turnover rose from Rs. 444.92 Lacs to Rs. 581.41 Lacs, the pressure on the margins continued. To strengthen the management, Mr. J. R. Panda has taken over as the Managing Director of JSL Refractories Ltd. Directors of JSL Refractories are continuously monitoring the performance of the unit and are hopeful of turning it around. JSL Refractories Ltd. is taking requisite steps under applicable statute in view of erosion of more than 50% of its Net Worth.

JSL Finance Ltd., the other subsidiary, is a NBFC registered with the Reserve Bank of India.

In accordance with Section 212 of the Companies Act, 1956, the audited statements of account along with reports of the Board of Directors and the Auditors of the two subsidiaries are annexed to the Annual Report.

Directors :

During the year, Mr. S. A. Krishnan resigned from the Board. Mr. Krishnan has consented to remain as an advisor to the Company for some time. The Directors wish to place on record their appreciation of the services rendered by Mr. Krishnan during his tenure as Director of the Company.

In accordance with Article 80 of the Articles of the Association of the Company, Mr. K. R. Thakur and Mr. M. P. Tejwani retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Auditors :

M/s. R. M. Ajaonkar & Co., Chartered Accountants, Mumbai, the Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and have given their consent for re-appointment.

M/s. Ernst & Young, Chartered Accountants, Muscat, Sultanate of Oman have given their consent for their appointment as Oman Branch Auditors.

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.

Your Directors request you to appoint Auditors for the current year and fix their remuneration.

Deposits :

The Company has not accepted deposits by way of invitation to the public and has complied with the provisions of Section 58 A of the Companies Act, 1956, wherever applicable.

JYOTI STRUCTURES LIMITED**Effluent Treatment Plant :**

As a part of continuing efforts to better environmental conservation, your Company has made several modifications at its factory at Nashik including upgradation of effluent treatment plant and installation of Fugitive Emissions Control System for Pickling Section.

The Company is also contemplating Fugitive Emissions Control System for Zinc baths.

The Company complies with the relevant standards laid down under the provisions of the Environment (Protection) Act, 1986 and Rules made thereunder, as also, with the provisions of the Water (Prevention and Control of Pollution) Act, 1974.

Particulars as per Section 217 of the Companies Act, 1956 :

Information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo 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 attached hereto as **Annexure – A**.

The particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is given in **Annexure – B** to the Directors' Report.

Corporate Governance :

The implementation of Corporate Governance practices prescribed by the Securities and Exchange Board of India (SEBI) will be mandatory for your Company by March 2002. The Company has, however, complied in material respects, with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreements with Stock Exchanges.

A detailed report on compliance of the Corporate Governance and Management's Discussion and Analysis as stipulated in Clause 49 of Listing Agreements with Stock Exchanges is given in **Annexure – C** to the Directors' Report.

Directors' Responsibility Statement :

As stipulated in Section 217(2AA) of Companies Act, 1956, your Directors subscribe to the "Directors' Responsibility Statement" and confirm that :

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the directors have prepared the annual accounts on a going concern basis.

Appreciation :

Your Directors would like to express their grateful appreciation for the assistance and co-operation and thank our esteemed Shareholders, Customers and Suppliers, Business Associates, Financial Institutions and Banks for their timely support.

Your Directors also wish to place on record their appreciation of the dedication and commitment of your Company's employees who have been instrumental to your Company's success.

For and on behalf of the Board

Mumbai,
27th June, 2001

S. D. Kulkarni
Chairman

ANNUAL REPORT 2000-2001**ANNEXURE – A**

Information pursuant to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

1. Conservation of Energy :

During the year under review, all possible efforts were made to ensure optimum consumption of electricity and fuel at the plants of the Company.

Consumption	2000-2001		1999-2000	
	Units	Amount (Rs. in Lacs)	Units	Amount (Rs. in Lacs)
Electricity (KWH)	14,41,447	60.40	13,08,564	56.97
Furnace Oil (KL)	1,768	192.09	2,014	173.49

2. Foreign Exchange Earnings & outgo :

Earnings (including deemed exports and sales through Export Houses)	19,750.89	14,182.00
Outgo	4,493.61	3,165.40

3. Technology Absorption and Expenditure on Research and Development

The Tower Testing Station suitable for Testing of Double Circuit Towers upto 1,000 KV at Ghoti, Dist. Nasik was commissioned in the year 1998. During the year, 13 Nos. of tower proto types were tested and the operations of the centre are satisfactory. The expenditure on R & D was Rs. 9.30 Lacs.

ANNEXURE – B

Statement pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Sr. No.	Name of the Employee	Designation, Nature of Duties	Age (Yrs.)	Gross Remuneration (Rs.)	Qualification	Experience in No. of Years	Last Employment Held	Commencement of Employment
A.	Names of employees employed throughout the year and were in receipt of remuneration of not less than Rs. 12,00,000/- p.a.							
1.	Mr. K. R. Thakur	Managing Director	59	22,56,609	B.E. (Mech.)	37	Self Employed	1977
2.	Mr. P. K. Thakur	Whole-time Director	32	16,72,000	B. E., M.B.A	6	AES Transpower	1996
B.	Name of employee employed for part of the year and were in receipt of remuneration of not less than Rs. 1,00,000/- p.m.							
1.	Mr. S. A. Krishnan	Whole-time Director	56	16,81,869	B.Com., C.W.A. MBA (IIM,C)	32	Ceat Financial Services Ltd.	1999

Note : Gross Remuneration comprises of salary, allowances, monetary value of perquisites and the Company's contribution to Provident Fund and Superannuation Fund but excludes contribution to Gratuity Fund.

JYOTI STRUCTURES LIMITED**ANNEXURE – C****CORPORATE GOVERNANCE REPORT :**

The Corporate Governance Code introduced by the Securities & Exchange Board of India (SEBI) and as adopted by incorporating a new clause No. 49 in Listing Agreements by Stock Exchanges and also pursuant to applicable provisions of the Companies (Amendment) Act, 2000 has been implemented by your Company. In compliance with the above, the Directors submit their report on the matters mentioned in the said clause and practice followed by the Company.

1. Company's Philosophy on Corporate Governance :

The Company believes that the foundation of good corporate governance is disclosures, transparency, accountability, responsibility and fairness to the stakeholders including shareholders, government, lenders and employees. It is with this belief that Jyoti Structures initiated the process and is practising these broad principles of corporate governance and making substantial disclosures to enhance long-term value to stakeholders.

2. Board of Directors :

The Board of Directors has six Directors consisting of two executive directors, and four non-executive directors including two independent directors.

During the year 2000-01, the Board met seven times, with at least one meeting in every quarter and with a gap of less than four months between two meetings on various dates, namely, 7th April, 2000, 23rd June, 2000, 31st July, 2000, 29th September, 2000, 30th October, 2000, 22nd November, 2000 and 31st January, 2001.

The following table gives details of directors, attendance of directors at the board meetings and the last annual general meeting, number of memberships held by directors in the board/committees of various other companies:

Name	Category	Attendance particulars		Number of other directorship and Committee Membership/Chairmanship		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
S. D. Kulkarni	Non-Executive & Independent	7	Yes	9	8	3
K. R. Thakur	Executive & Non-Independent	7	Yes	4	1	1
P. K. Thakur	Executive & Non-Independent	7	Yes	1	2	—
V. P. Valecha	Non-Executive & Non-Independent	7	Yes	7	3	—
S. H. Mirchandani	Non-Executive & Non-Independent	6	Yes	2	4	—
M. P. Tejwani	Non-Executive & Independent	5	Yes	8	7	5
S. A. Krishnan*	Executive & Independent	7	Yes	1	1	1

* Mr. S. A. Krishnan has ceased to be a director of the Company with effect from 31.01.2001

3. Audit Committee :

The Audit Committee has been constituted by the Board of Directors at its meeting held on 23rd June, 2000 in compliance with the requirements of Clause 49 of the Listing Agreements with Stock Exchanges and the applicable provisions of the Companies (Amendment) Act, 2000. The Audit Committee comprises of Non-Executive Independent members of the Board.

Shri M. P. Tejwani – Chairman

Shri S. D. Kulkarni – Member

The Board has filled up the vacancy of 3rd member by nominating Shri S. H. Mirchandani on the Committee on 29th May, 2001.

The terms of reference of the Audit Committee include various matters in conformity with the statutory guidelines, including the following :

To ensure proper accounting policies and practices, going concern assumption, compliance with accounting standards, significant adjustments, compliance with the Stock Exchanges and other legal requirements and to look into the reason for substantial defaults, if any, in the payments to depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and to review various matters related to statutory audit, internal audit, internal control, investigation, and risk management policies, financial reporting process and disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.

The Audit Committee meeting was held on 25th June, 2001. The Committee has considered, reviewed and recommended to Board for its approval the Annual Accounts for the year ended 31st March, 2001 and other allied matters.