



**JYOTI STRUCTURES LIMITED**

Annual Report 2003-2004



**WORKING RESULTS AT A GLANCE**

Rs. in Lacs

	2003-04	2002-03	2001-02	2000-01	1999-00
<b>SALES &amp; EARNINGS</b>					
Sales & Other Income	30,402	27,778	32,104	26,539	23,112
Profit Before Taxes	944	143	(1,503)	1,090	904
Profit After Taxes	547	46	(964)	801	754
Equity Dividend	NIL	NIL	NIL	25%	30%*
<b>ASSETS</b>					
Gross Block (Including Capital W.I.P.)	6,700	6,535	6,733	6,582	6,167
Net Block	4,169	4,392	4,542	4,699	4,641
Total Net Assets	19,912	15,280	18,233	18,982	14,853
<b>REPRESENTED BY</b>					
Net worth	6,261	4,762	4,573	6,137	4,597
Share Capital	1,182	980	930	969	491
Reserves & Surplus	5,079	3,782	3,643	5,168	4,106
Borrowings	13,059	10,268	13,506	12,845	10,256
Deferred Tax Liability	592	250	154	-	-
Total Funds	19,912	15,280	18,233	18,982	14,853
<b>OTHER HIGHLIGHTS</b>					
Foreign Exchange Earnings (Including deemed Exports & Sales through Export Houses)	5,294	9,327	21,969	19,751	14,182
Foreign Exchange Outgo	20	646	2,921	4,494	3,165
<b>INSTALLED CAPACITY AND PRODUCTION</b>					
Installed Capacity (M.T. p.a.)	52,000	52,000	52,000	52,000	52,000
Production (M.T.)	21,343	24,054	43,551	40,244	40,957
<b>EARNINGS PER SHARE</b>					
	5.04	0.46	(9.94)	11.37	15.35

\* Includes 5% Silver Jubilee Year Dividend

**ANNUAL REPORT 2003- 2004****DELISTING OF SHARES**

Pursuant to the resolution passed by the Members at the last Annual General Meeting and in accordance with the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, the equity shares of the Company have been delisted from The Stock Exchange, Ahmedabad and The Delhi Stock Exchange Association Limited.

**SUBSIDIARIES**

**JSL Refractories Limited** - Due to shortage of working capital the Company could not sustain its growth momentum and continued to incur losses. With upswing in steel industry demand for refractories has increased.

To tap the opportunities available, the management is working hard to implement Company's turn around strategy. With change in focus on high end products, constant reduction of costs through improved processes and operating efficiencies pressure on margins will reduce. The management is considering effective steps to control further losses.

**JSL Corporate Services Ltd** - No business was transacted during the year under review.

**Shree Chhatrapati Shahu Power Company Limited** - Implementation of power generating station based on non conventional resources has been deferred.

Central Government in exercise of the power conferred by sub section 212(8) of the Companies Act, 1956 has accorded its approval for exemption from attaching the accounts of subsidiaries to the Balance Sheet of the Company.

The Company shall provide the copy of Annual Report and other documents of its subsidiary companies as required under Section 212 of the Act to the members on their request, free of cost.

**DIRECTORS**

In accordance with Section 255 and 256 of the Companies Act read with Article 80 of the Articles of the Association of the Company, Mr M P Teiwani and Mr S H Mirchandani retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

On 9.9.2003, ICICI Bank Limited nominated Mr. A K Gore on the Board of Directors of the Company and subsequently on repayment of loan the nomination has been withdrawn.

**AUDITORS**

Members are requested as usual, to appoint Auditors and to authorize the Board of Directors to fix their remuneration.

Members are also requested to pass a resolution at item no 5 of the Notice, authorizing the Board of Directors to appoint Auditors/ Branch auditors/ Accountants for the purpose of auditing the accounts maintained at the Branch offices of the Company in India and abroad.

The observation 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.

**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.

**EFFLUENT TREATMENT PLANT**

As a part of continuing efforts to protect environment, your Company has made several modifications at its factory at Nasik. The Company complies with the relevant standards laid down under the provisions of the Environment (Protection) Act, 1986 and Rules made there under, as also, complies with the provisions of the Water (Prevention and Control of Pollution) Act, 1974.

In recognition of maintaining High Standard of Environmental Management System at Nasik factory, your Company has been awarded with the prestigious certificate, ISO 14001 by DET NORSKE VERITAS, The Netherlands.

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### 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 is given as **Annexure – A** to this report.

The information required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 is given as **Annexure – B** to this report.

### CORPORATE GOVERNANCE

The Company continues to implement Corporate Governance Practices prescribed by SEBI and Clause 49 of the Listing Agreement with the Stock Exchanges. The detailed report on compliance of Corporate Governance and Management's Discussion Analysis as stipulated in clause 49 of the Listing Agreement is given in **Annexure– C** and forms part of this Report.

In line with the said provisions, the Company has obtained a certificate from the Auditors of the Company, which is annexed and forms part of the Annual Report.

### DIRECTOR'S RESPONSIBILITY STATEMENT

As stipulated in Section 217(2AA) of the 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 judgments 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 of 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.

### Industrial Relations

Your Directors wish to place on record the commitment and involvement of the employees at all levels and look forward to their continued co-operation.

### Acknowledgements

The Directors convey their gratitude to all the stakeholders including the Company's Bankers, Financial Institutions and Business Associates for their continued support.

For and on behalf of the Board

**M P Tejwani**  
Chairman

Mumbai, June 5, 2004

**Annexure C****CORPORATE GOVERNANCE REPORT****PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

In compliance with the provisions of Clause 49 of the Listing Agreement with Stock Exchanges and applicable provisions of the Companies Act, 1956, your Directors submit their report on the matters mentioned in the said Clause and practice followed by the Company.

**BOARD OF DIRECTORS**

The composition of Board of Directors is in compliance with provisions of Listing Agreement with the Stock Exchanges and the Companies Act, 1956. The Board has an optimum combination of Executive and Non-executive Directors. Mr. M P Tejwani continues to be Non-executive Chairman. Fifty percent of Directors are non executive and independent Directors.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 committees across all the Companies in which he is a Director. All the Directors have made necessary disclosures regarding Committee positions occupied by them.

The names and categories of the Directors on the Board, their attendance at Board Meeting during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below:

Name	Category	Attendance particulars		Number of other directorship and Committee Membership/ Chairmanship		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
K R Thakur	Executive & Non-independent	8	Yes	3	-	-
S H Mirchandani	Non-executive & Non-independent	3	No	2	-	-
M P Tejwani	Non-executive & Independent	8	Yes	6	1	1
S D Kshirsagar*	Non-executive & Independent	7	Yes	-	-	-
A J Khan*	Non-executive & Independent	4	No	-	-	-
G L Valecha**	Non-executive & Non-independent	5	Yes	-	-	-
A K Gore***	ICICI Nominee	0	-	-	-	-

\* appointed w.e.f. 01.04.2003

\*\* appointed w.e.f. 26.04.2003

\*\*\* appointed w.e.f. 31.10.2003 & resigned w.e.f. 27.5.2004

**COMPOSITION OF COMMITTEES OF DIRECTORS AND THEIR ATTENDANCE AT THE MEETING**

The Board has constituted committees of Directors to take informed decisions in the best interest of the Company. These committees monitor the activities falling within their terms of reference. The Board Committee's are as follows:

**AUDIT COMMITTEE**

The Company had constituted an Audit Committee in the year 2000. The scope of the activities of the Audit Committee is in compliance with Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

The Committee met three times during the year and the attendance of the members at the meeting was as follows:

Name of the Member	Category	No of Meeting Attended
M P Tejwani, Chairman	Independent Non-Executive	3
S H Mirchandani, Member	Non Independent Non-Executive	2
S D Kshirsagar, Member	Independent Non-Executive	3

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Audit Committee meetings are attended by Chief Executive Officer, Vice President (Finance & Operations), Vice President (Commercial) and representative of Auditors.

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

To ensure proper accounting policies, going concern assumption, compliance with accounting standards, significant adjustments, compliance with the Stock Exchanges and other legal requirement and to look into the reason for substantial defaults, if any, in the payments to depositors, debenture holders, 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.

### REMUNERATION COMMITTEE

Remuneration Committee was re-constituted in the Board Meeting held on 01.04.2003. The Remuneration Committee reviews the overall remuneration structure of the Executive Directors. The remuneration, if any, of Non-executive Directors is decided by the Board of Directors.

The composition of the Remuneration Committee and the details of meetings attended by the Directors are given below:

Names of Members	Category	No. of Meetings attended during the year 2003-04
M P Tejawani, Chairman	Independent Non-Executive	2
S D Kshirsagar, Member	Independent Non-Executive	2
A J Khan, Member	Independent Non-Executive	2

### Details of Remuneration for 2003-04

Name of Director	Sitting fees	Salaries and Perquisites	Commission
<b>Managing Director</b>			
K R Thakur	NIL	40,00,229	Nil
<b>Non Executive Director</b>			
M P Tejawani	55,000	Nil	Nil
S H Mirchandani	25,000	Nil	Nil
S D Khirsagar	50,000	Nil	Nil
A J Khan	20,000	Nil	Nil
G L Valecha	25,000	Nil	Nil
A K Gore	Nil	Nil	Nil

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**Details of Directors seeking re-appointment in the 29 Annual General Meeting fixed on 22nd September, 2004**

Name of the Director	M P Tejwani	S H Mirchandani	K R Thakur
<b>Date of Birth</b>	30.4.1933	07.03.1965	13.11.1942
<b>Date of Appointment/ Re appointment as Director MD/WTQ</b>	Not applicable being Non-executive Director	Not applicable being Non-executive Director	01.04.2004
<b>Qualification</b>	M. A., B. Sc., CAIIB	B.E (Mech.), MBA (Fin)	B.E. (Mech)
<b>Experience and Expertise in Specific functional area</b>	48 years experience in Banking, Finance & Corporate Affairs.	He has varied business experi- ences of running a trading firm in Dubai, a real estate Company in Mumbai & Pune.	Overall 40 years out of which 26 years in Trans- mission Line Industry.

**Other Directorship : M P Tejwani**

Name of the Company	Position	Committee	Membership Status
Rama Capital and Fiscal Services Ltd	Director	Nil	Nil
Premium Financial Services Ltd	Director	Nil	Nil
Trishul Mercantile Pvt Ltd	Director	Nil	Nil
Rainbow Agri Industries Ltd	Director	Nil	Nil
Goodearth Credit & Investment Ltd	Director	Nil	Nil
Rainbow Denim Ltd	Director	Audit Committee	Chairman

**Other Directorship : S H Mirchandani**

Shalimar Housing & Finance Ltd	Director	Nil	Nil
Seagull Solutions Ltd	Director	Nil	Nil

**Other Directorship : K R Thakur**

JSL Corporate Services Limited	Director	Nil	Nil
Shree Chhatrapati Shahu Power Co Ltd	Director	Nil	Nil
Valmir Constructions Pvt Ltd	Director	Nil	Nil

**FINANCE, SHARE TRANSFER AND INVESTORS GRIEVANCE COMMITTEE :**

The Company has Finance, Share Transfer and Investors Grievance Committee, comprising of three Non-executive Directors namely Mr M P Tejwani, Chairman, Mr S D Kshirsagar and and Mr A J Khan. Mr L H Khilnani, Company Secretary is the Compliance Officer. The Committee approves share transfers and transmission, issue duplicate certificates and review all other matters connected with securities. The Committee oversees the performance of the Registrar and Share Transfer Agent. The Committee is also authorized to take decisions in day to day financial and banking matters. As on March 31, 2004, no instrument of share transfer were pending.

Complaints		
Received from	Received and Cleared	Pending
Direct to the Company	18	Nil
Through SEBI	1	Nil
Investors Association	Nil	Nil

**GENERAL BODY MEETINGS :**

The last three Annual General Meetings of the Company were held at M C Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubhas Marg, Mumbai- 400 001, as per details below:

Year	Date	Time	Type of Meeting
2000-01	21.09.2001	3.30 P.M.	Annual General Meeting
2001-02	26.09.2002	12.30 P.M.	Annual General Meeting
2002-03	25.09.2003	3.00 P M	Annual General Meeting

There were no Special Resolution passed by the Company through postal ballot at any of the above Meetings. No Special Resolution are proposed to be passed through postal ballot at the ensuing Annual General Meeting.



**JYOTI STRUCTURES LIMITED****DISCLOSURES**

- 1) There are no transactions of material nature that have been entered into by the Company with the promoters, directors their relatives and the management and in any Company in which they are interested, that may have potential conflict with the interest of the Company.
- 2) The Stock Exchange, Mumbai has directed the Company to obtain no objection / relaxation from Securities and Exchange Board of India (SEBI) for not making full disclosure pertaining to the identity of the proposed allottees and their post issue shareholding, in the Explanatory Statement attached to Notice convening Annual General Meeting held on 5.09.2003 in respect of 20,00,000 equity shares offered on preferential basis. Accordingly the Company has made representation to SEBI and the same is pending.
- 3) Subject to disclosure at item no 2 herein above, there was no instances of non-compliance during the last three years by the Company on any matter related to Capital Market. Consequently, there were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.

**SECRETARIAL AUDIT**

A qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**MEANS OF COMMUNICATION**

Quarterly/Half Yearly/Yearly Financial Results of the Company are forwarded to The Stock Exchange, Mumbai and The National Stock Exchange of India Limited, where the Company's shares are listed. The results are published normally in Economic Times and Maharashtra Times.

All vital information relating to management, business operations, shareholding pattern and financials of the Company are made available at the web site of the Company [www.jyotisttructures.com](http://www.jyotisttructures.com)

The Company has also posted information relating to its financial results and shareholding pattern on Electronic Data Information Filing and Retrieval Systems (EDIFAR) at [www.sebiedifar.nic.in](http://www.sebiedifar.nic.in)

Management Discussion & Analysis is covered elsewhere in Directors' Report to the Members.

**SHAREHOLDERS INFORMATION****A. Annual General Meeting**

Day, Date and Time : Wednesday, 22nd September, 2004 at 3.00 p.m.  
 Venue : M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001.

**B. Financial Calendar** : April to March (financial year)  
 First Quarter Results - 4<sup>th</sup> week of July  
 Second Quarter Results - 4<sup>th</sup> week of October  
 Third Quarter Results - 4<sup>th</sup> week of January  
 Audited Results for the year - 4<sup>th</sup> week of June

**C. Book Closure** : Friday July 2, 2004 to Tuesday July 6, 2004 (Both days inclusive)

**D. Dividend Payment Date** : Not Applicable

**E. Listing at Stock Exchanges**

NAME OF STOCK EXCHANGE	STOCK CODE NO.	CODE ON SCREEN
The Stock Exchange, Mumbai (BSE) (Regional Stock Exchange)	513250	JYOTISTRUCT
National Stock Exchange of India Ltd. (NSE)	5251	JYOTISTRUC



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The Company's Equity Share have been delisted from The Delhi Stock Exchange Association Limited and The Stock Exchange, Ahmedabad, pursuant to Special Resolution passed at the last Annual General Meeting of the company.

Listing Application for 20,00,000 equity shares offered on private placement basis is pending with The Stock Exchange, Mumbai.

The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 2004-05.

**F. Market Price Data**

MONTH	BSE			NSE		
	HIGH	LOW	BSE (Sensex)	HIGH	LOW	S&P CNX Nifty (NSE-50)
April-03	14.00	11.50	2959.79	13.90	11.50	934.05
May-03	19.50	12.05	3180.75	20.45	11.80	1006.80
June-03	33.85	18.15	3607.13	33.00	16.60	1134.15
July-03	56.10	30.80	3792.61	56.15	30.30	1185.85
Aug-03	62.50	43.60	4244.73	61.80	43.40	1356.55
Sep-03	61.50	46.50	4453.24	49.90	47.00	1417.10
Oct-03	66.40	50.10	4906.87	68.80	50.55	1555.90
Nov-03	111.00	61.05	5044.82	112.15	56.65	1615.25
Dec-03	122.70	97.20	5838.96	118.35	98.70	1879.75
Jan-04	115.70	91.00	5695.67	113.95	88.20	1809.75
Feb-04	105.90	73.00	5667.51	102.90	80.20	1800.30
Mar-04	106.45	66.50	5590.60	98.60	70.00	1771.90

**G. Registrar and Share Transfer Agent**

Shareholders correspondence should be addressed to Company's Registrar's office at the following address: Big Share Services Pvt. Ltd. (Unit- Jyoti Structures Ltd.)

E/2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072.

e-mail: [highshare@bom7.vsnl.net.in](mailto:highshare@bom7.vsnl.net.in) Tel no. : 2847 0652/ 2847 0653/2847 3474 Fax. No. : 2847 5207

**H. Share Transfer System**

The Company's shares being in compulsory dematerialized (demat) list are transferable through the depository system. Shares in physical form are processed by the Registrar and Share Transfer Agent, Big Share Services Pvt Ltd and approved by Finance, Share Transfer & Investors Grievance Committee of the Board which meets twice/thrice in a month.

**I. Distribution of shareholding and Shareholding pattern as of 31.3.2004**

Distribution of Shareholding				
Range (in Rs)	No. of shareholders	% of shareholders	Shares held in each class	% of shares
1 - 5000	5,279	84.87	8,92,987	7.55
5001 - 10000	485	7.79	3,71,644	3.14
10001 - 20000	191	3.07	2,80,043	2.36
20001 - 30000	51	0.81	1,29,454	1.09
30001 - 40000	31	0.49	1,09,416	0.92
40001 - 50000	25	0.40	1,22,936	1.03
50001 - 100000	57	0.91	4,46,106	3.77
100001 and above	101	1.62	94,68,342	80.09
<b>Total</b>	<b>6220</b>	<b>100</b>	<b>1,18,20,928</b>	<b>100</b>

**JYOTI STRUCTURES LIMITED**

<b>Shareholding Pattern</b>		
<b>Category of shareholders</b>	<b>No. of Shares</b>	<b>% of shares</b>
Promoter - Individuals	27,66,625	23.40
- Bodies Corporate	11,45,159	9.68
Other Bodies Corporate	7,00,642	5.92
NRIs / FIIs	22,46,851	19.00
Indian Financial Institutions / Banks / Mutual Fund	11,12,560	9.41
Indian Public	38,49,091	32.56
<b>Total</b>	<b>11,820,928</b>	<b>100</b>

**J. Dematerialisation of Shares**

As of 31st March, 2004, 87,77,090 equity shares representing 89.37% of the paid up equity capital of the company have been dematerialized with the following depositories :

<b>Description</b>	<b>ISIN NO</b>	<b>Depositories</b>
Fully paid	INE197A01016	1. National Securities Depository Ltd. (NSDL) 2. Central Depository Services (India) Ltd. (CDSL)

**K. Outstanding GDRs/ADRs/Warrants or any convertible instruments**

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments.

**L. Plant Locations****Nasik Factory :**

52A/53A, D. Road,  
Satpur Industrial  
Complex,  
Nasik - 422 007  
(Maharashtra)  
Tel : (91-253) 2351091-4  
Fax : (91-253) 2351134

**Nasik Operations Office :**

H/37, Shivaji Nagar,  
MIDC, Nasik- 422 007  
(Maharashtra)  
Tel : (91-253) 2360050  
Fax : (91-253) 2361841

**Tower Testing Station :**

Ghoti , Igatpuri,  
Dist - Nasik -422 002  
(Maharashtra)  
Tel : (91-2553) 282211  
Fax : (91-2553) 282212

**Raipur Factory :**

1037/1056, Sarora  
Ring Road,  
Urla Industrial  
Complex,  
Raipur - 493 221  
(Chhatisgarh)  
Tel : (91-771) 2324567  
Fax : (91-771) 2324767

**M. Address for correspondence**

Company Secretary  
Jyoti Structures Limited  
Valecha Chambers,  
New Link Road, Andheri (West),  
Mumbai - 400 053  
Tel : 5691 5000  
Fax : 5691 5014 /15  
Email : contact@jyotisttructures.com