



JYOTI STRUCTURES LIMITED

FINANCIAL HIGHLIGHTS

₹ in Lacs

	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
SALES & EARNINGS :							
Gross Sales & Other Income	2,65,872	2,46,925	2,06,883	1,74,586	1,40,068	1,02,580	74,015
Profit before Taxes	12,857	16,736	14,436	12,636	12,026	8,751	4,620
Profit after Taxes	8,554	11,091	9,101	7,974	7,241	5,502	2,767
Equity Dividend	55%	75%	50%	45%	40%	30%	20%
ASSETS :							
Gross Block	31,534	26,887	23,886	17,399	10,700	9,381	8,685
(Including Capital W.I.P.)							
Net Block	21,049	18,390	17,155	12,187	6,164	5,615	5,311
Total Net Assets	2,45,236	1,80,721	1,52,796	1,24,601	90,492	72,331	56,018
REPRESENTED BY :							
Net Worth	66,420	60,131	50,281	41,555	33,950	27,343	12,003
Share Capital	1,644	1,643	1,640	1,633	1,624	1,614	1,382
Reserves & Surplus	64,816	58,531	48,685	40,039	32,498	25,967	10,632
Share Application Money/ Share Warrants-Up Front Price	0	2	1	4	-	-	147
Borrowings	61,436	44,862	36,056	30,359	22,489	15,950	16,093
Other Liabilities	1,16,061	73,889	64,643	51,741	33,074	28,032	26,988
Deferred Tax Liability	1,279	1,796	1,770	824	807	768	777
Total Funds	2,45,236	1,80,721	1,52,796	1,24,601	90,492	72,331	56,018
OTHER HIGHLIGHTS :							
Foreign Exchange Earnings (Including Deemed Exports & Sales through Export Houses)	46,489	34,814	45,769	69,202	35,753	8,099	9,891
Foreign Exchange Outgo	6,606	3,479	6,827	2,334	205	296	1,186
INSTALLED CAPACITY AND PRODUCTION :							
Installed Capacity (M.T.p.a.)	1,16,160	1,16,160	1,10,000	1,10,000	95,800	76,000	76,000
Production (M.T.)	1,00,105	1,50,985	1,18,555	85,377	74,330	61,192	57,952
EARNING PER SHARE :							
EPS - Basic (In ₹)	10.41	13.52	11.23	9.80	8.95	7.18	4.00
EPS - Diluted (In ₹)	10.37	13.46	11.18	9.74	8.85	7.07	3.84
Book Value (In ₹)	80.79	73.22	61.31	50.88	41.82	33.88	17.58

BOARD OF DIRECTORS

S. D. Kshirsagar	<i>Chairman</i>
A. J. Khan	
G. L. Valecha	
R. C. Rawal	
S. H. Mirchandani	
T. C. Venkat Subramanian	
K. R. Thakur	<i>Whole-time Director</i>
Prakash K. Thakur	<i>Executive Vice-Chairman</i>
Santosh V. Nayak	<i>Managing Director</i>

COMPANY SECRETARY

L. H. Khilnani

STATUTORY AUDITORS

M/s. R. M. Ajgaonkar & Associates, Chartered Accountants

COST AUDITOR

Mr. Narhar K. Nimkar, Cost Accountant

INTERNAL AUDITORS

M/s. Nirupam Haldar & Co., Chartered Accountants

M/s. S. R. Bhargave & Co., Cost & Management Accountants

BANKERS

State Bank of India
Bank of India
Union Bank of India
ICICI Bank
Indian Bank
Syndicate Bank
Standard Chartered Bank
State Bank of Hyderabad
YES Bank
Bank of Maharashtra
Vijaya Bank
IDBI Bank
Canara Bank
Dena Bank
UCO Bank
IndusInd Bank
DBS Bank

REGISTERED OFFICE

Valecha Chambers, 6th Floor, New Link Road,
Andheri (W), Mumbai-400 053

Maharashtra State, India

Tel : +91 22 4091 5000

Fax : +91 22 4091 5014/15

Website : www.jsl.in

Email : investor@jsl.in

LEGAL ADVISORS

Bharucha & Partners

REGISTRARS & SHARE TRANSFER AGENTS

Bigshare Services Private Limited,
E/2, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (East), Mumbai – 400 072

Tel : +91 22 2847 0652 / 4043 0200

Fax : +91 22 2847 5207

e-mail : bss@bigshareonline.com / info@bigshareonline.com

37TH ANNUAL GENERAL MEETING

Day	: Monday
Date	: 23 rd July, 2012
Time	: 3:30 p.m.
Venue	: M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001

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JYOTI STRUCTURES LIMITED

DIRECTORS' REPORT

Your Directors take pleasure in presenting the Thirty Seventh Annual Report on business and operations of the company along with the Audited Statement of Accounts for the financial year ended 31st March, 2012.

FINANCIAL RESULTS

Performance of the company, on standalone basis, for the financial year ended 31st March, 2012 is as summarized below:

(₹ in Lacs)

	2011-12	2010-11
Gross Turnover	2,64,779	2,46,081
Profit before tax	12,857	16,736
Provision for taxation including deferred tax	(4,303)	(5,645)
Profit after tax	8,554	11,091
Surplus as per last year Balance Sheet	27,029	24,613
Excess/(Short) Provision of Taxes for earlier years	(1,325)	(3)
Proposed dividend	904	1,232
Tax on proposed dividend	147	200
Transfer to General Reserve	864	1,200
Transfer to Debenture Redemption Reserve	-	6,044
Net Surplus in the statement of Profit and Loss	32,343	27,029

PERFORMANCE HIGHLIGHTS

- Gross turnover for the year under review was ₹ 2,64,779 Lacs, an increase of 7.59% as compared to ₹ 2,46,081 Lacs in the previous year.
- Profit after tax decreased by 22.87% at ₹ 8,554 Lacs against ₹ 11,091 Lacs in the previous year.
- Supply of towers and structures were 1,00,105 MT during the year as compared to 1,50,985 MT in the previous year.
- Order backlog at the end of the year was at ₹ 4,34,831 Lacs as compared to ₹ 4,32,700 Lacs at the end of the previous year.
- The company is in the final stage of completing 1,500 Km long, Western Region Strengthening System in Maharashtra and Gujarat, a first private investment transmission line project, for a private sector company in India.
- The company's subsidiary in South Africa has successfully completed, well in time, Beta-Perseus 765 kV single circuit transmission line project. With this Jyoti has established its presence in the South African Market.

DIVIDEND

Your Directors recommend a dividend of ₹ 1.10 per equity share for the year ended 31st March, 2012 on 8,22,13,897 equity shares of ₹ 2/- each.

In the previous year, the company paid a dividend of ₹ 1.50 per equity share of ₹ 2 each, which included payment of one-time 'Special Dividend' of ₹ 0.40 for the company crossing ₹ 100 crores net profit.

SHARE CAPITAL AND LISTING OF SHARES

During the year under review, your company allotted 87,100 equity shares of ₹ 2 each to its employees against exercise of options granted to them under Employee Stock Option Scheme. In addition to this, the company allotted 682 equity shares of ₹ 2/- each, on exercising conversion right by the warrant holders.

The securities of the company are listed and traded in compulsory dematerialized form on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Your company has paid the Annual Listing fees to the Stock Exchanges and Depositories up-to-date.

JOINT VENTURE

During the year, your company has entered into a venture with Lauren Engineers & Constructors Inc., a leading EPC contractor in the United States of America and established a joint venture company namely 'Lauren Jyoti Private Limited'. Lauren Jyoti is currently executing a 50 MW Solar Thermal Power Plant at Village-Naukh District-Jaisalmer, Rajasthan.

SUBSIDIARY COMPANIES

During the year, Jyoti Americas LLC has established an ultra-modern tower manufacturing facility near Houston, Texas, USA and trial production has stabilized and commercial production has commenced in April, 2012.

In view of the general exemption granted by the Ministry of Corporate Affairs from applicability of the provisions of Section 212 of the Companies Act, 1956 ('Act'), the stand-alone audited financial statements of the subsidiary companies are not attached to this report.

The statement pursuant to Section 212 of the Act relating to the subsidiary companies is attached and forms part of this report.

Copies of annual report of the subsidiary companies and related information, will be made available free of cost to the shareholders, on request.

The Annual Accounts of subsidiary companies are available for inspection at the registered office of the company.

The Audited Consolidated Financial Statements prepared in accordance with the prescribed accounting standards, form part of this Annual Report.

DIRECTORS

In accordance with the provisions of the Act and that of Articles of Association of the company, Mr. A. J. Khan and Mr. S. H. Mirchandani, Directors of the company, retire by rotation and being eligible, offer themselves for re-appointment.

Brief profiles of Directors seeking re-appointment form part of Report on Corporate Governance.

The Board of Directors recommends the re-appointments of all the above Directors at the ensuing general meeting.

AUDITORS AND AUDITORS' REPORT

M/s. R. M. Ajgaonkar & Associates, statutory auditors of the company retire and offer themselves for re-appointment as the statutory auditors of the company, pursuant to Section 224 of the Companies Act, 1956.

Auditors comments on your company's accounts for the year ended 31st March, 2012 are self-explanatory in nature and do not require any explanation as per provisions of Section 217 (3) of the Companies Act, 1956.

DEPOSITS

The company has not accepted any deposits within the meaning of Section 58 A of the Act, during the year under review.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

The information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 forms part of this report. However, as per the provisions of Section 219 (1) (b) (iv) of the Act, the report and accounts are being sent excluding the statement containing the particulars to be provided under Section 217 (2A) of the Act. Any member interested in obtaining such particulars may write to Company Secretary for a copy thereof.

JYOTI STRUCTURES LIMITED

A Statement pursuant to 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 forms part of this report, as Annexure.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, the Management's Discussion and Analysis, the Corporate Governance Report, together with Auditors' Certificate on compliance with the conditions of Corporate Governance as laid down, forms part of this report, as an Annexure.

CODE OF CONDUCT

Your company is committed to conducting its business in accordance with the applicable laws, rules and regulations and the highest standards of business ethics. In recognition thereof, the Board of Directors have implemented a Code of Conduct for adherence by the Directors and Senior Management Personnel of the company. This helps in dealing with ethical issues and also in fostering a culture of accountability and integrity.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Occupational Health & Safety and Environmental Policy

Your company is committed to achieve 'Zero Accident Goal' across all locations through training programmes addressing critical areas of operations. Safety First Campaign, National Safety Week, Refresher Safety programmes were held during the year to increase awareness, improve standards and to inculcate safety leadership amongst line managers. Safety induction training for contract workers is now a regular practice at all sites.

To emphasize on values of safety, an 'Apex Safety Committee' has been constituted comprising of two independent Directors and the Managing Director. 'Best Safety Construction Team' has been awarded rolling trophy to ingrain safety culture at construction sites.

Social Welfare and Community Development

Your company continues to engage with local communities around its operations and support social welfare and community development missions to improve the quality of their daily lives and the environment they live in.

EMPLOYEES STOCK OPTION SCHEME

Pursuant to the provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended, the details of Stock Options as on 31st March, 2012 under the 'Jyoti Structures Limited Employees Stock Option Scheme' form part of this report, as Annexure.

Considering the accomplishment of ESOS 2005, and to continue to motivate and reward the performers, your company is in the process of implementing ESOS 2011.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- i in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations 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.

ACKNOWLEDGEMENTS

Your Directors would like to acknowledge contribution and place on record their sincere appreciation for the continued support and co-operation received from all stakeholders including customers, shareholders, suppliers, bankers and financial institutions.

Your Directors wish to place on record their sincere appreciation to all employees for their commitment and continued contribution to the company.

For and on behalf of the Board

Mumbai; 15th June, 2012

S. D. KSHIRSAGAR
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 for the Financial Year 2011-12

S No.	Description	Details
1	Options Granted during F.Y. 2011-12	13,150
2	The Pricing formula	Under the Scheme, the employee is entitled to subscribe to equity shares at an exercise price of ₹ 17/- for each Equity Share (inclusive of premium) of the face value of ₹ 2/-
3	Options Vested during F.Y. 2011-12	25,830
4	Options Exercised during F.Y. 2011-12	17,420
5	The Total number of Shares arising as a result of exercise of option	87,100
6	Options lapsed	None
7	Variation of terms of options	None
8	Money realized by exercise of options	₹ 14,80,700
9	Total Number of options in force	90,785
10	Employee wise details of options granted to	
	i. Senior Managerial personnel	Options granted to all eligible employees
	ii. Any other Employee who receives a grant in any one year of options amounting to 5% or more of options granted during that year	None
	iii. Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None
11	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	₹ 10.37
12	The difference between the employee compensation cost computed under Intrinsic Value Method and the Employee compensation cost computed under Intrinsic Value Method and the Employee compensation Cost that shall have been recognized if the company had used the Fair Value Method and its impact on profits and on EPS of the company.	₹ 5.90 Lacs Profits would have been Lower by ₹ 5.90 Lacs
13	Weighted-average exercised prices and weighted- average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock.	N.A.
14	Description of the method and significant assumptions used during the year to estimate the fair values of options:	
	(i) Risk-free interest rate,	
	(ii) Expected life	Details given below
	(iii) Expected volatility,	
	(iv) Expected dividends, and	
	(v) The price of the underlying share in market at the time of option grant	

Description of the method and significant assumptions used during the year to estimate the fair values of options:

	Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI	Grant VII	Grant VIII
(i) Risk-free interest rate	10%							
(ii) Expected life	2.10 years							
(iii) Expected volatility	53.30%	105.67%	191.73%	169.88%	179.57%	221.50%	211.42%	323.34%
(iv) Expected dividends	NIL							
(v) The price of the underlying share in market at the time of option grant (₹ 2/- each)	59.05	114.35	195.25	224.10	244.60	279.45	200.00	88.00

	Grant IX	Grant X	Grant XI	Grant XII	Grant XIII	Grant XIV	Grant XV	Grant XVI
(i) Risk-free interest rate	10%							
(ii) Expected life	2.10 years							
(iii) Expected volatility	306.62%	132.41%	145.13%	203.49%	73.55%	58.54%	126.55%	138.75%
(iv) Expected dividends	NIL							
(v) The price of the underlying share in market at the time of option grant (₹ 2/- each)	61.65	84.95	162.35	151.80	146.35	145.90	91.55	84.85

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	2011-12		2010-11	
	Units	Amount (₹ in Lacs)	Units	Amount (₹ in Lacs)
Electricity (KWH)	39,35,646	234.20	36,72,973	180.00
Furnace Oil (KL)	2,958	1,125.83	3,242	896.21

2 Foreign Exchange Earnings & Outgo :

Earnings:	2011-12 Amount (₹ in Lacs)	2010-11 Amount (₹ in Lacs)
Export of goods / services (including Deemed Exports and sales through Export House) At FOB Price	45,674.25	34,242.77
At Invoice Value (Tower testing Charges)	814.92	571.45
Rent on Equipments	59.11	Nil
Outgo :		
Expenses of overseas projects (Including foreign taxes)	6,014.99	3,061.07
Interest	482.74	280.93
Professional Fees	Nil	43.12
Others (Like Traveling, Bank Charges etc)	108.32	93.90

3 Technology Absorption and Expenditure:

The R & D Centre and Tower Testing Station suitable for Testing of Double Circuit Towers upto 1,000 KV at Ghoti, District Nasik was commissioned in the year 1998. During the year 23 proto type towers were tested and the operations of the centre are satisfactory.

JYOTI STRUCTURES LIMITED

CORPORATE GOVERNANCE REPORT

In compliance with corporate governance requirement as per the format prescribed by SEBI and incorporated under clause 49 of the Listing Agreement with the Stock Exchanges, the company's policies on Corporate Governance and compliance thereof in respect of specific areas, as applicable for the year ended 31st March, 2012, are set out below for the information of shareholders and investors of the company.

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance philosophy of your company stems from its belief that Corporate Governance is a key element in improving efficiency as well as enhancing investor confidence. Your Directors are committed to practice sound governance principles and believe that good governance is an ongoing process. We at Jyoti Structures are guided by core principles of governance like integrity, fairness, equity, transparency, accountability, disclosures, commitment to values and compliances to enhance the value for stakeholders' viz. customers, shareholders, employees, lenders, vendors including society of which the company is a part. Jyoti Structures is committed to achieve and maintain the highest standard of Corporate Governance. The company believes that all its actions must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

BOARD OF DIRECTORS

Composition of Board of Directors of the company is governed by the Companies Act, 1956 and is in conformity with the stipulation laid down in the code of Corporate Governance prescribed by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement of the Stock Exchanges.

In keeping with commitment of the management towards principles of integrity and transparency in business operations for good corporate governance, your company's policy is to have an appropriate blend of executive and independent directors to maintain independence of the Board, and to separate the Board's functions of governance and management.

The Board consists of eminent persons with considerable professional expertise and experience in finance, legal, commercial, business administration and other related fields, who, not only bring a wide range of experience and expertise, but also impart the desired level of independence to the Board. The Board's role, functions, responsibilities and accountability are clearly defined. The day-to day management of the company is entrusted with the senior management personnel of the company and is headed by the Managing Director who functions under the overall supervision, direction and control of the Board of Directors. The Board reviews and approves the strategy and oversees the actions and results of management to ensure that long term objectives of enhancing stakeholder's value are achieved.

All Directors have confirmed that they are not members of more than 10 Committees and do not act as the Chairman of more than 5 Committees across all the companies in which they are Directors.

The Board of Directors meets at least once in a quarter and the maximum time gap between two meetings is not more than four months. Board meetings are generally held at the Registered Office of the company.

The Managing Director along with the Executive Directors are responsible for corporate strategy, planning, external contracts and Board matters. The senior management personnel heading respective divisions are responsible for day-to-day operations.

During the year ended 31st March, 2012, the Board met 5 (five) times on 27th May, 2011, 25th July, 2011, 9th September, 2011, 24th October, 2011 and 27th January, 2012.

Details of number of Board meetings attended by Directors, attendance at AGM, number of other directorships / committee memberships held by them during the year ended 31st March, 2012 are tabulated below: