



JYOTI STRUCTURES LIMITED



50 MWe Solar Thermal Power Plant
EPC contract executed by Jyoti in JV with Lauren

FINANCIAL HIGHLIGHTS

₹ in Lacs

	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
SALES & EARNINGS :							
Gross Sales & Other Income	2,85,514	2,65,872	2,46,925	2,06,883	1,74,586	1,40,068	1,02,580
Profit before Taxes	9,793	12,857	16,736	14,436	12,636	12,026	8,751
Profit after Taxes	6,488	8,554	11,091	9,101	7,974	7,241	5,502
Equity Dividend	40%	55%	75%	50%	45%	40%	30%
ASSETS :							
Gross Block	32,490	31,534	26,887	23,886	17,399	10,700	9,381
(Including Capital W.I.P.)							
Net Block	19,669	21,049	18,390	17,155	12,187	6,164	5,615
Total Net Assets	2,81,433	2,45,236	1,80,721	1,52,796	1,24,601	90,492	72,331
REPRESENTED BY :							
Net Worth	72,061	66,420	60,131	50,281	41,555	33,950	27,343
Share Capital	4,145	1,644	1,643	1,640	1,633	1,624	1,614
Reserves & Surplus	70,454	64,816	58,531	48,685	40,039	32,498	25,967
Share Application Money / Share Warrants-Up Front Price	1	0	2	1	4	-	-
Borrowings	78,856	61,436	44,862	36,056	30,359	22,489	15,950
Other Liabilities	1,26,886	1,16,061	73,889	64,643	51,741	33,074	28,032
Deferred Tax Liability	1,092	1,279	1,796	1,770	824	807	768
Total Funds	2,81,433	2,45,236	1,80,721	1,52,796	1,24,601	90,492	72,331
OTHER HIGHLIGHTS :							
Foreign Exchange Earnings (Including Deemed Exports & Sales through Export Houses)	61,033	46,489	34,814	45,769	69,202	35,753	8,099
Foreign Exchange Outgo	5,631	6,606	3,479	6,827	2,334	205	296
INSTALLED CAPACITY AND PRODUCTION :							
Installed Capacity (M.T.p.a.)	1,16,160	1,16,160	1,16,160	1,10,000	1,10,000	95,800	76,000
Production (M.T.)	71,392	1,00,105	1,50,985	1,18,555	85,377	74,330	61,192
EARNING PER SHARE :							
EPS - Basic (In ₹)	7.89	10.41	13.52	11.23	9.80	8.95	7.18
EPS - Diluted (In ₹)	7.86	10.37	13.46	11.18	9.74	8.85	7.07
Book Value (In ₹)	87.60	80.79	73.22	61.31	50.88	41.82	33.88

BOARD OF DIRECTORS

S. D. Kshirsagar	Chairman
P. K. Thakur	Executive Vice-Chairman
S. V. Nayak	Managing Director
K. R. Thakur	Whole-time Director
A. J. Khan	
G. L. Valecha	
R. C. Rawal	
S. H. Mirchandani	
T. C. Venkat Subramanian	
V. M. Kaul	

COMPANY SECRETARY

L. H. Khilnani

STATUTORY AUDITORS

R. M. Ajgaonkar & Associates, Chartered Accountants

LEGAL ADVISORS

Bharucha & Partners

BANKERS

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

REGISTERED OFFICE

Valecha Chambers, 6th Floor, New Link Road,
Andheri (West), 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

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

38TH ANNUAL GENERAL MEETING

Day	: Saturday
Date	: 27 th July, 2013
Time	: 3:00 p.m.
Venue	: M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai - 400 001

CONTENTS

	Pg. No.
Directors' Report	2
Corporate Governance Report	8
Management's Discussion and Analysis	17
Auditors Report	20
Balance Sheet	24
Statement of Profit and Loss	25
Cash Flow Statement	26
Notes to Financial Statements	28
Details of Subsidiary companies	51
Consolidated Financial Statements	54

JYOTI STRUCTURES LIMITED

DIRECTORS' REPORT

Your Directors take pleasure in presenting the Thirty Eighth Annual Report on business and operations of the Company along with the Audited Statement of Accounts for the financial year ended 31st March, 2013.

FINANCIAL RESULTS

Performance of the Company, on standalone basis, for the financial year ended 31st March, 2013 is as summarized below:

	(₹ in Lacs)	
	2012-13	2011-12
Gross Turnover	2,84,219	2,64,779
Profit before tax	9,793	12,857
Provision for taxation including deferred tax	(3,305)	(4,303)
Profit after tax	6,488	8,554
Dividend - Equity Shares	658	904
- Preference Shares	1	-
Dividend Tax	107	147
Transfer to General Reserve	650	864
Transfer to Debenture Redemption Reserve	418	-
Surplus in the statement of Profit and Loss	4,654	6,639

PERFORMANCE HIGHLIGHTS

- Gross turnover for the year under review was ₹ 2,84,219 Lacs, an increase of 7.34% as compared to ₹ 2,64,779 Lacs in the previous year.
- Profit after tax decreased by 24.15% at ₹ 6,488 Lacs against ₹ 8,554 Lacs in the previous year.
- Supply of towers and structures were 72,181 MT during the year as compared to 1,00,105 MT in the previous year.
- Order backlog at the end of the year was at ₹ 4,41,200 Lacs as compared to ₹ 4,34,831 Lacs at the end of the previous year.

With thrust on export marketing, following contracts have been secured, which are mostly funded by multilateral funding agencies.

(₹ in Lacs)			
S no.	Project Description	Location	Value
1.	400 and 220 kV Transmission Lines and Sub Stations	Kenya	48,242
2.	220 kV Transmission Lines	Uganda	18,660
3.	400 kV Transmission Line	Tanzania	37,868
4.	400 kV Transmission Line	Namibia	13,455
5.	132 kV Transmission Line	Nigeria	9,987
6.	500 kV Transmission Line	Egypt	13,055
7.	220 kV Sub Station	Tajikistan	3,118
8.	287 kV Tower Supply	Canada	2,160
9.	138 kV Tower Supply	Philippines	3,588

DIVIDEND

Your Directors recommend a dividend of

- ₹ 0.80 (₹ 1.10 Previous year) per share for the year ended 31st March, 2013 on 8,22,60,147 equity shares of ₹ 2 each; and
- ₹ 1 (Nil for Previous year) per share for the year ended 31st March, 2013 on 25,00,000 preference shares of ₹ 100 each.

SHARE CAPITAL AND LISTING OF SHARES

During the year under review, your Company allotted

- 46,250 equity shares of ₹ 2 each to its employees against exercise of options granted to them under Employee Stock Option Scheme; and
- 25,00,000 preference shares of ₹ 100 each on preferential basis to a strategic investor.

The equity 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 Annual Listing fees to the Stock Exchanges and Depositories up-to-date.

DEBENTURES

Your Company allotted unlisted secured Redeemable Non-Convertible Debentures aggregating to ₹ 16.70 crore, on preferential basis.

JOINT VENTURE

During the year, Lauren Jyoti Private Limited, a Joint Venture company, successfully executed a 50 MWe Solar Thermal Power Plant at Village-Naukh, District-Jaisalmer, Rajasthan.

SUBSIDIARY COMPANIES

During the year, step down subsidiary companies namely Jyoti Structures Canada Limited and Jyoti Structures Namibia (Pty.) Limited were established in Canada and Namibia, respectively.

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'), standalone audited financial statements of the subsidiary companies are not attached to this report.

The statement pursuant to Section 212 of the Act relating to subsidiary companies is attached and forms part of this report. Annual Accounts of subsidiary companies are available for inspection at the registered office of the Company. Copy of annual report of the subsidiary companies and related information, will be made available free of cost to the shareholders, on request.

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

DIRECTORS

The Board of Directors of the Company at its meeting held on 30th January, 2013, subject to approval of the shareholders, effective 1st April, 2013 have appointed Mr. K. R. Thakur, as a Whole-time Director of the Company.

In accordance with provisions of Section 260 of the Act, effective 22nd April, 2013, Mr. Vijay Mohan Kaul was co-opted as an additional director of the Company. The Company has received requisite notice in writing from a member proposing his candidature for the office of Director.

In accordance with the provisions of the Act and that of Articles of Association of the Company, Mr. R. C. Rawal and Mr. S. D. Kshirsagar, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

Brief profiles of Directors seeking appointment forms part of Report on Corporate Governance.

The Board of Directors recommends the appointment of all the above Directors at the ensuing general meeting.

AUDITORS AND AUDITORS' REPORT

Pursuant to the provisions of Section 224 of the Companies Act, 1956, R. M. Ajgaonkar & Associates the retiring auditors of the Company offer themselves for re-appointment.

Auditors comments on your Company's accounts for the year ended 31st March, 2013 are self-explanatory in the nature and do not require any explanation as per provisions of Section 217 (3) of the Companies Act, 1956.

The Company has appointed Mr. Narhar Krishnaji Nimkar, Cost Accountant, as the Cost Auditor to audit the cost accounts of the Company for the financial year 2013-14. The cost audit report for the financial year 2011-12 which was due to be filed with the Ministry of Corporate Affairs on 28th February, 2013 was filed on 14th January, 2013.

DEPOSITS

During the year, the Company accepted deposits from the public and as on 31st March, 2013 fixed deposits stood at ₹ 98.24 crore. There were no deposits due for repayment on maturity which remained unclaimed by the depositors as on 31st March, 2013.

JYOTI STRUCTURES LIMITED

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

Pursuant to the provisions of

- a. Section 205A (5) and 205C of the Companies Act, 1956, relevant amounts which remain unpaid or unclaimed for a period of 7 years have been transferred to Investor Education and Protection Fund; and
- b. Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 23rd July, 2012 (date of last Annual General Meeting) on the website of the Company (www.jsl.in), as also on the Ministry of Corporate Affairs website.

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 of employees drawing remuneration as provided under Section 217 (2A) of the Act. Any member interested in obtaining such particulars may write to Company Secretary for a copy thereof.

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 striving to achieve no accident across all locations. Several 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.

During the year, Apex Safety Committee declared Indore Dahod transmission line project and Jabalpur sub-station project as "Best Safety Conscious site" and awarded rolling trophy to ingrain safety culture.

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 make a positive difference in the communities in which we live and work.

During the year the Company;

- constructed a bore well, developed road for villagers and electrification of school in Malkangiri District, Orissa; and
- constructed a Temple in Kudus, Maharashtra

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, 2013 under the 'Jyoti Structures Limited Employees Stock Option Scheme' form part of this report, as Annexure.

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, which has always been a source of strength for the Company.

The employee relations continued to be cordial throughout the year. 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; 25th June, 2013

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 2012-13

S No.	Description	Details
1	Options Granted during F.Y. 2012-13	60,650
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. 2012-13	22,055
4	Options Exercised during F.Y. 2012-13	9,250
5	The Total number of Shares arising as a result of exercise of option	46,250
6	Options lapsed	23,150
7	Variation of terms of options	None
8	Money realized by exercise of options	₹ 7,86,250
9	Total Number of options in force	1,19,035
10	Employee wise details of options granted to <ul style="list-style-type: none"> i. Senior Managerial personnel 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 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. 	Options granted to all eligible employees None 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'	₹ 7.86
12	The difference between the employee compensation cost computed under Intrinsic Value Method and the Employee compensation Cost that shall have been recognised if the Company had used the Fair Value Method and its impact on profits and on EPS of the Company.	₹ 1.17 Lacs Profits would have been Higher by ₹ 1.17 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: <ul style="list-style-type: none"> (i) Risk-free interest rate, (ii) Expected life, (iii) Expected volatility, (iv) Expected dividends, and (v) The price of the underlying share in market at the time of option grant. 	Refer Annexure

ANNEXURE TO THE DIRECTORS' REPORT

Grant	I	II	III	IV	V	VI	VII	VIII	IX
(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%	306.62%
(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	61.65

Grant	X	XI	XII	XIII	XIV	XV	XVI	XVII
(i) Risk-free interest rate					10%			
(ii) Expected life					2.10 years			
(iii) Expected volatility	132.41%	145.13%	203.49%	73.55%	58.54%	126.55%	138.75%	30.04%
(iv) Expected dividends					NIL			
(v) The price of the underlying share in market at the time of option grant (₹ 2/- Each)	84.95	162.35	151.80	146.35	145.90	91.55	84.85	46.95

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	2012-13		2011-12	
	Units	Amount (₹ in Lacs)	Units	Amount (₹ in Lacs)
Electricity (KWH)	36,96,342	267.62	39,35,646	234.20
Furnace Oil (KL)	2,229	929.59	2,958	1,125.83

2 Foreign Exchange Earnings & Outgo :

Earnings:

Export of goods / services
(including Deemed Exports
and sales through Export House)

At FOB Price	58,792.25	45,674.25
At Invoice Value		
(Tower testing Charges)	1,836.50	814.92
Rent on Equipments	404.10	59.17

Outgo :

Expenses of overseas projects (Including foreign taxes)	4,985.49	6,014.99
Interest	440.68	482.74
Professional Fees	114.57	Nil
Others (Like Traveling, Bank Charges etc)	90.01	108.32

3 Technology Absorption and Expenditure on Research and Development :

The R & D Centre and Tower Testing Station suitable for Testing of Double Circuit Towers upto 1,000 kV at Ghoti, Nasik Dist.was commissioned in the year 1998. During the year 26 Nos. of tower proto types were tested and the operations of the centre are satisfactory.

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, 2013, 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.

Composition of Board of Directors of the Company consist of majority of Non-Executive Directors and fifty percent of the Board is independent. The Chairman of the Company is an Independent Non-Executive Director.

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, 2013, the Board met 6 (six) times on 25th May, 2012, 15th June, 2012, 23rd July, 2012, 30th July, 2012, 30th October, 2012 & 30th January, 2013.

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, 2013 are tabulated below: