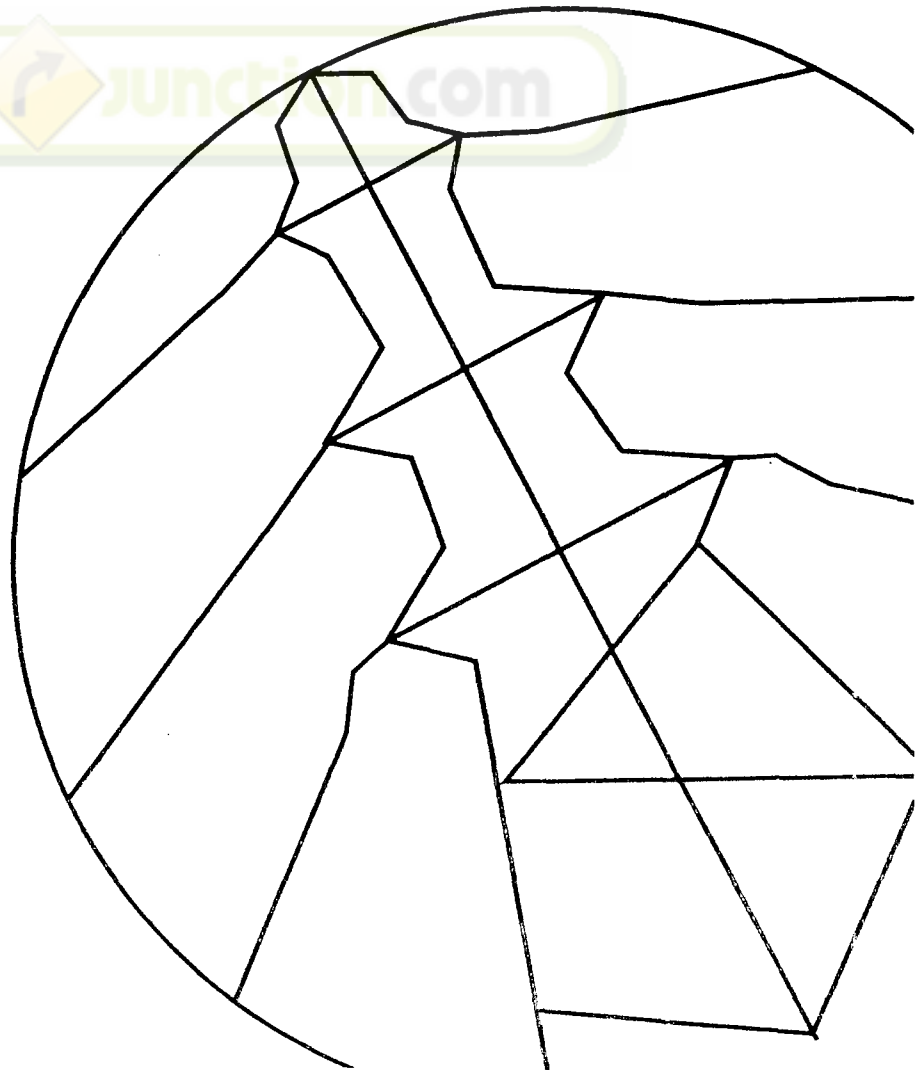


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JYOTI STRUCTURES LTD.

MD	✓		BKC	✓
CS	✓		DPV	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

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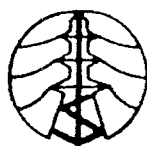


JSL



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"Ever since the process of liberalisation of Indian economy began, business environment in the country has been rapidly changing at ever increasing pace. New options and opportunities are becoming available, requiring faster responses, calling upon managers to exercise choices which have far-reaching consequences. This calls upon us to improve the whole lot of our management skills. Having upgraded our engineering, manufacturing and construction facilities, and having established a modern Research, Development and Testing Station, we are now concentrating on upgrading our management systems to face the future. In short, we are preparing ourselves to be effective in the constantly changing business scenario in the country in general and in our industry in particular."

**JYOTI STRUCTURES LIMITED**

ISO 9001 - CERTIFIED

BOARD OF DIRECTORS

V. P. Valecha
K. R. Thakur
A. V. Kotharay
N. P. Valecha
S. H. Mirchandani
M. P. Tejwani

Chairman
Managing Director
Whole-Time Director

22ND ANNUAL GENERAL MEETING

To be held on Wednesday, the 13th August, 1997,
at 3.00 p.m. at M.C. Ghia Hall,
Bhogilal Hargovindas Building,
18/20, Kaikhushru Dubash Marg, Mumbai - 400 001

COMPANY SECRETARY

K. R. Bhat

BANKERS

State Bank of India
Central Bank of India
Canara Bank
The Sakura Bank Limited
IndusInd Bank Limited
ANZ Grindlays Bank Limited
Standard Chartered Bank

LEGAL ADVISORS

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

AUDITORS

R.M. Ajgaonkar & Co.
Chartered Accountants

REGISTRARS AND TRANSFER AGENTS

Premium Financial Services Limited
A-2 / 477, Shah & Nahar Industrial Estate,
Lower Parel (West),
Mumbai - 400 013
Tel : 4960621/622/599
Fax : 4950128

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ENCLOSURES

Notice
Attendance Slip & Proxy Form

REGISTERED OFFICE

'Keshava', 7th Floor,
Bandra- Kurla Commercial Complex,
Bandra (East),
Mumbai - 400 051
Tel : 6429613 Fax : 6429872

WORKS

MIDC Area, Satpur, Nasik (Maharashtra)
Urla Industrial Area, Raipur (Madhya Pradesh)

JYOTI STRUCTURES LIMITED

DIRECTORS' REPORT

The Directors present their Twenty-second Annual Report and the Audited Statement of Accounts for the year ended 31st March, 1997.

Financial Results :

	1996-97 Rs.	1995-96 Rs.
Sales and Other Income	<u>1,44,58,19,753</u>	<u>1,19,68,00,472</u>
Profit before Depreciation and Taxes	<u>10,61,64,290</u>	<u>14,86,00,765</u>
Less : Depreciation	<u>2,34,15,923</u>	<u>1,98,53,710</u>
Profit before Taxes	<u>8,27,48,367</u>	<u>12,87,47,055</u>
Less : Taxes	<u>2,12,72,000</u>	<u>3,15,00,000</u>
Profit after Taxes	<u>6,14,76,367</u>	<u>9,72,47,055</u>
Balance brought forward from previous year	<u>15,85,107</u>	<u>8,58,598</u>
Prior Year Adjustment (Net)	<u>10,57,850</u>	<u>4,85,058</u>
Excess /(Short) Provision of Taxes for previous years	<u>(15,446)</u>	<u>(7,25,629)</u>
Profit available for appropriations	<u>6,41,03,878</u>	<u>9,78,65,082</u>

Appropriations :

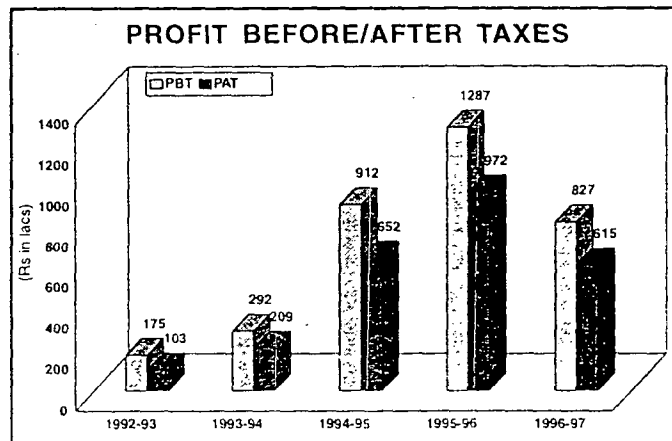
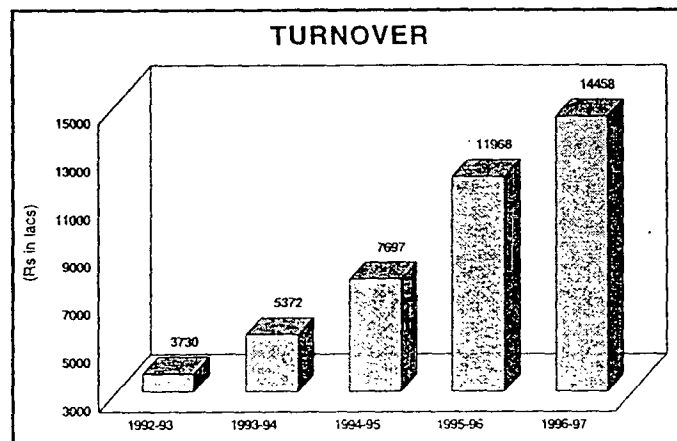
Proposed Dividend	1,22,79,975	1,22,79,975
Corporate Dividend Tax	12,28,000	---
Debenture Redemption Reserve	15,00,000	15,00,000
General Reserve	4,00,00,000	8,25,00,000
Balance carried to Balance Sheet	90,95,903	15,85,107
	<u>6,41,03,878</u>	<u>9,78,65,082</u>

Dividend :

The Directors recommend payment of dividend at the rate of Rs. 2.50 per share (P.Y. Rs. 2.50 per share, subject to deduction of tax) for the year ended 31st March, 1997 on fully paid equity shares, if approved by the members at the Annual General Meeting.

Operations and Outlook :

The Company has passed through a difficult year. Due to various reasons, large payments were held up with customers for long periods leading to tight cash flows throughout the year. As a result, the Company had to resort to additional borrowings and had to bear heavy



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interest burden, which is reflected in proportionately lower net profit. The operational profit is also lower on proportionate basis as compared to the previous year. Tight cash flow caused operational problems particularly in the second half of the year, leading to increased costs and reduced profits. Major payments from customers were received towards end of the year, easing the situation to some extent.

There were also delay in finalisation of some major orders by customers. However, the Company received these orders towards end of the year and is poised to grow in terms of sales turnover during the current financial year.

During the year under review, the two factories together produced 28,312 MT of galvanised structures as compared to 27,219 MT during the previous year.

Expansion and Diversification :

The Company's expansion at Nasik on the adjoining plot acquired last year has been completed. The Nasik unit is now one of the most modern transmission line tower manufacturing units in the country, having CNC machines for fabrication, two galvanising baths and extensive mechanical handling facilities.

The second galvanising bath at Raipur factory has also been commissioned.

The Research, Development and Testing Station at Ghoti, Nasik District has been commissioned during the current financial year. It could not be commissioned during the accounting year 1996-97, as was originally planned, since a number of additional features, which were not in the

original scheme, were incorporated to enhance the usefulness of the station. This has made the station one of its kind in the country suitable for upto 1000 KV double circuit towers.

Subsidiaries :

The refractories unit was partially commissioned towards the end of the year under report. It has since been fully commissioned and trial production is going on at the time of writing this report.

Directors :

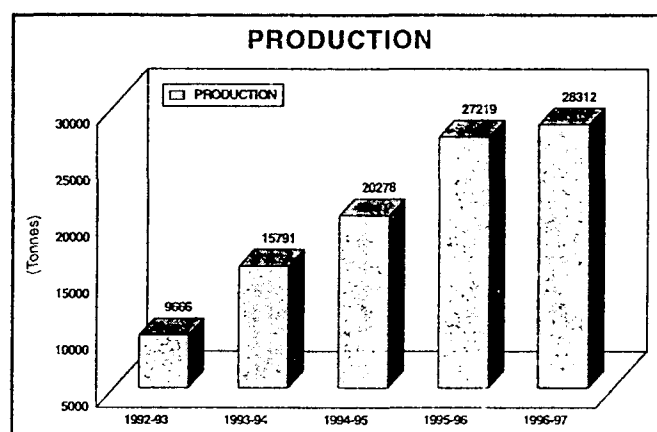
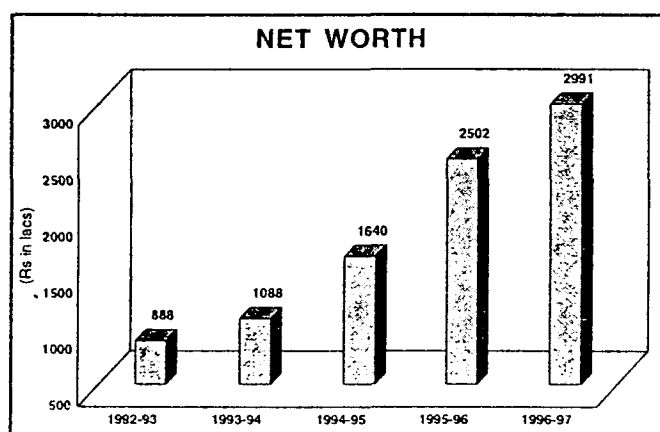
In accordance with Article 80 of the Articles of Association of the Company, Mr. N.P. Valecha and Mr. S.H. Mirchandani retire and are eligible for re-election. The Board recommends their re-appointment.

Auditors :

M/s R.M. Ajgaonkar & Co., the Auditors of the Company will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. They have given their consent to be re-appointed for the current year. Members are requested to consider re-appointing them as Auditors and fix their remuneration.

Conservation of energy, technology absorption and foreign exchange earnings and outgo :

Particulars required to be disclosed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are attached hereto as Annexure - A.



JYOTI STRUCTURES LIMITED**Particulars of employees :**

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is given in Annexure - B to the Directors' Report.

from Financial Institutions and the Bankers, the Suppliers and the Clients, during the year under review.

Your Directors also wishes to place on record their appreciation for the devoted services of the Executives, Staff and Workers of the Company.

For and on behalf of the Board

Acknowledgements :

Your Directors would like to express their grateful appreciation for the assistance and co-operation received

Mumbai,
30th May, 1997

V.P. VALECHA
Chairman

ANNEXURES TO DIRECTORS' REPORT**Annexure - A**

Information pursuant to the Companies (Disclosure of Particulars in the Report of the 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	1996-97		1995-96	
	Units	Amount (Rs.)	Units	Amount (Rs.)
Electricity (KWH)	8,56,573	30,36,011	7,24,812	21,45,919
Furnace Oil (KL)	1,320.080	82,41,103	1,065.772	60,71,571

2. Foreign Exchange Earnings and Outgo

: 1996-97
(Rupees)

1995-96
(Rupees)

Earnings (including deemed exports and sales through Export Houses)
Outgo

: 90,40,20,067
: 52,67,43,527

27,81,34,099
26,66,72,615

3. Technology Absorption and Expenditure on Research and Development

: During the year, the Company has continued to make investment for setting up of Tower Testing Station at Ghoti in Nasik District & has incurred following expenditure on the same

Capital including Work-in-Progress : Rs. 6,58,19,288
Recurring : Rs. Nil.

For and on behalf of the Board

Mumbai,
30th May, 1997

V.P. VALECHA
Chairman

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ANNEXURES TO DIRECTORS' REPORT

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.)	Qualifications	Experience in No. of Years	Last Employment Held	Commencement of Employment
1.	K.R. Thakur	Managing Director	55	7,87,521	B.E.(Mech.)	33	Self Employed	1977
2.	A.V. Kotharay	Whole-Time Director	49	7,11,000	B.E. (Civil)	28	KEC International Ltd.	1986
3.	S.S. Karande	General Manager	46	3,54,024	D.M.E.	25	Richardson & Cruddas (1972) Ltd., Nagpur	1979
4.	S.D. Pandit	General Manager	46	3,13,351	B.Tech. P.G.D.M.	22	Crompton Greaves Ltd., Madras	1994
5.	P. George	General Manager	55	3,06,229	D.M.E.	32	SAE (I) Ltd., Jabalpur	1980
6.	C.M. Samuel	General Manager	48	3,18,414	M.Sc.	26	SAE (I) Ltd., Jabalpur	1980

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.

For and on behalf of the Board

Mumbai,
30th May, 1997

V.P. VALECHA
Chairman

JYOTI STRUCTURES LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF JYOTI STRUCTURES LIMITED

We have audited the attached Balance Sheet of JYOTI STRUCTURES LIMITED as at 31st March, 1997 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto, and report that :

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law, 1956, we annex hereto, a statement of the matters specified in paragraphs 4 and 5 of the said Order. We also draw the attention of the members to Note Nos. 1(a), j(iii), 12 and 13 of the Notes forming part of the Accounts of the Company.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that :
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - c) the Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account;
 - d) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1997; and
 - ii) in the case of the Profit and Loss Account, of the PROFIT for the year ended on that date.

For R.M. AJGAONKAR & CO.,
Chartered Accountants

Mumbai,
30th May, 1997

R.M. AJGAONKAR
Proprietor

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets. As per the information and explanations given to us, the management has physically verified the fixed assets. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company, nature of its business and value of the fixed assets. No material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. The stocks have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
4. In our opinion and according to the information and explanations given to us, the procedures for physical verification of stocks followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and book records were not material in relation to the operations of the Company and the same have been properly dealt with, in the books of account.
6. In our opinion and according to the information and explanations given to us, the valuation of stock is fair and proper, in accordance with the normally accepted accounting principles and is on the same basis as in the previous year.
7. In our opinion and according to the information and explanations given to us, the rates of interest and other terms and conditions of loans, secured or unsecured, taken by the Company from companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956, and/or from companies under the same management as defined under Section 370(1B) of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
8. In our opinion and according to the information and explanations given to us, the rates of interest and other terms and conditions of loans, secured or unsecured, granted by the Company to companies, firms or other

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- parties listed in the register maintained under Section 301 and/or to the companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956 are prima facie not prejudicial to the interest of the Company.
9. In respect of loans and advances in the nature of loans given by the Company, where stipulations have been made, the parties are generally repaying the principal amounts as stipulated or as rescheduled and have been regular in the payment of interest, wherever applicable.
 10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipments and other assets and for sale of goods.
 11. In our opinion, the transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and aggregating during the year to Rs 50,000 or more in respect of each party, were made at prices which are reasonable having regard to the prevailing market prices for such goods or materials or services or the prices at which transactions for similar goods, materials or services were made with other parties, wherever applicable.
 12. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provisions has been made in the accounts for the loss arising on the items so determined.
 13. As per the information and explanations given to us, the Company has not accepted any deposits from the public.
 14. In our opinion, the Company has maintained reasonable records for sale and disposal of realisable by-products and scrap.
 15. In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
 16. The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the products of the Company.
 17. The Company has generally been regular during the year in depositing Provident Fund and Employees' State Insurance dues with the appropriate authorities, wherever applicable.
 18. According to the books and records examined by us and the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales tax, Customs Duty and Excise Duty which have remained outstanding as at 31st March, 1997 for a period exceeding six months from the date they became payable.
 19. According to the information and explanations given to us and the records of the Company examined by us, prima facie, no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with the generally accepted business practices.
 20. The Company is not a Sick Industrial Company within the meaning of clause (O) of Section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.
 21. In respect of service activities, the Company has a reasonable system of recording receipts, issues and consumption of materials and stores and allocation of the materials consumed to the relevant jobs commensurate with its size and nature of its business, wherever applicable.
 22. In respect of service activities, the system of the Company provides for a reasonable allocation of manhours utilised to the relative jobs, commensurate with its size and nature of its business, wherever applicable.
 23. In our opinion and according to the information and explanations given to us, there is a reasonable system of authorisation at proper levels and necessary controls on the issue of stores and where applicable, on allocation of stores and labour to jobs and there is a system of internal control generally commensurate with the size of the Company and the nature of its business.

For R.M. AJGAONKAR & CO.,
Chartered Accountants

Mumbai,
30th May, 1997

R.M. AJGAONKAR
Proprietor

JYOTI STRUCTURES LIMITED**BALANCE SHEET AS AT 31ST MARCH, 1997**

	Schedule	Rupees	As at 31.3.1997 Rupees	As at 31.3.1996 Rupees
SOURCES OF FUNDS				
1. Shareholders' Funds				
a) Share Capital	A	4,91,17,900		4,91,13,150
b) Reserves & Surplus	B	24,99,89,962		20,11,10,421
			29,91,07,862	25,02,23,571
2. Loan Funds				
a) Secured Loans	C	29,56,67,889		16,46,88,390
b) Unsecured Loans	D	7,13,97,471		2,51,52,779
			36,70,65,360	18,98,41,169
			<u>66,61,73,222</u>	<u>44,00,64,740</u>
APPLICATION OF FUNDS				
1. Fixed Assets	E			
Gross Block		30,46,99,449		23,81,48,606
Less : Depreciation		6,49,62,573		4,14,68,187
Net Block		23,97,36,876		19,66,80,419
Add : Capital Work-in-Progress		6,61,36,974		36,87,982
			30,58,73,850	20,03,68,401
2. Investments	F		8,75,400	10,50,400
3. Current Assets, Loans and Advances				
a) Inventories	G	37,74,73,864		28,37,57,057
b) Sundry Debtors	H	34,74,57,293		22,80,02,547
c) Other Current Assets	I	6,00,48,924		5,39,88,428
d) Cash & Bank Balances	J	5,15,22,854		10,79,20,116
e) Loans & Advances	K	22,49,09,078		18,56,90,187
		<u>1,06,14,12,013</u>		<u>85,93,58,335</u>
Less :				
Current Liabilities & Provisions				
a) Current Liabilities	L	60,20,28,018		54,34,49,441
b) Provisions	M	10,05,79,975		7,80,79,975
		<u>70,26,07,993</u>		<u>62,15,29,416</u>
Net Current Assets			35,88,04,020	23,78,28,919
4. Miscellaneous Expenditure (to the extent not written off or adjusted)				
Share Issue Expenses			6,19,952	8,17,020
			<u>66,61,73,222</u>	<u>44,00,64,740</u>

As per our report attached
For R.M. AJGAONKAR & CO.,
Chartered Accountants
R.M. AJGAONKAR
Proprietor
Mumbai, 30th May, 1997

K.R. BHAT
Company Secretary

V.P. VALECHA
Chairman

For and on behalf of the Board

K.R. THAKUR
Managing Director