



ANNUAL REPORT 2006-07



JYOTI STRUCTURES LIMITED

Financial Highlights

(Rs. in Million)

	2006-07	2005-06	2004-05	2003-04	2002-03
SALES & EARNINGS :					
Gross Sales & Other Income	10,258	7,402	4,401	3,040	2,778
Profit before Taxes	875	462	181	94	14
Profit after Taxes	550	277	115	55	5
Equity Dividend	30%	20%	12%	NIL	NIL
ASSETS :					
Gross Block (Including Capital W.I.P.)	938	868	732	670	654
Net Block	563	546	441	417	439
Total Net Assets	4,430	2,903	2,132	1,539	1,528
REPRESENTED BY :					
Net Worth	2,734	1,215	942	622	473
Share Capital	161	138	138	118	98
Reserves & Surplus	2,597	1,063	806	508	378
Share Warrants-Up Front Price	-	15	-	-	-
Borrowings	1,595	1,609	1,119	853	1,027
Deferred Tax Liability	77	78	69	59	25
Total Funds	4,430	2,903	2,132	1,539	1,528
OTHER HIGHLIGHTS :					
Foreign Exchange Earnings (Including Deemed Exports & Sales through Export Houses)	810	989	918	529	933
Foreign Exchange Outgo	30	119	114	2	65
INSTALLED CAPACITY AND PRODUCTION :					
Installed Capacity (M.T.p.a.)	76,000	76,000	52,000	52,000	52,000
Production (M.T.)	61,192	57,952	34,888	21,343	24,054
EARNING PER SHARE :					
EPS - Basic (In Rs.)	7.18	4.00	1.86	1.01	0.09
EPS - Diluted (In Rs.)	7.07	3.84	1.86	1.01	0.09



JYOTI STRUCTURES LIMITED

BOARD OF DIRECTORS

S D Kshirsagar	<i>Chairman</i>
A J Khan	
S H Mirchandani	
P A Sethi	
G L Valecha	
K R Thakur	<i>Managing Director</i>

COMPANY SECRETARY

L H Khilnani

AUDITORS

R M Ajgaonkar & Associates, Chartered Accountants

BANKERS / FINANCIAL INSTITUTIONS

State Bank of India
 Union Bank of India
 Bank of India
 ICICI Bank Limited
 Syndicate Bank
 State Bank of Indore
 State Bank of Hyderabad
 UCO Bank
 Dena Bank
 Canara Bank
 Bank of Maharashtra
 Oriental Bank of Commerce
 Export - Import Bank Of India
 IL & FS
 Industrial Development Bank of India Limited

REGISTERED OFFICE

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

Tel : 4091 5000
Fax : 4091 5014/15
Website : www.jsl.co.in
Email : contact@jsl.co.in

LEGAL ADVISORS

Amarchand & Mangaldas & Suresh A. Shroff & Co

REGISTRAR & SHARE TRANSFER AGENT

Big Share Services Private Limited,
 E/2, Ansa Industrial Estate, Sakivihar Road,
 Saki Naka, Andheri (East), Mumbai – 400 072
Tel. : 2847 0652 / 2847 0653 / 2847 3747
Fax : 2847 5207
e-mail : bss@bigshareonline.com

32nd ANNUAL GENERAL MEETING

Day : Thursday
 Date : 28th June, 2007
 Time : 11.30 A.M.
 Venue : M C Ghia Hall,
 Bhogilal Hargovindas Building,
 18/20, Kaikhushru Dubash Marg,
 Mumbai - 400 001

CONTENTS

	Page No.
Directors' Report	2
Auditors' Report	15
Balance Sheet	18
Profit and Loss Account	19
Schedules to Accounts	20
Cash Flow Statement	36
Statement pursuant to Section 212	39
Consolidated Financial Statements	41

JYOTI STRUCTURES LIMITED

DIRECTORS' REPORT

Your Directors are pleased to present the thirty second annual report of your Company together with the audited statement of accounts for the year ended 31st March, 2007.

FINANCIAL RESULTS

	(Rs. in Million)	
	2006-07	2005-06
Gross Turnover	10,250	7,381
Profit before tax	875	462
Provision for taxation including deferred tax	(325)	(185)
Profit after tax	550	277
Prior period adjustments	(5)	(0)
Balance b/f from previous year	218	7
Profit available for appropriation	763	283
Proposed dividend	48	31
Tax on proposed dividend	8	4
Transfer to General Reserve	80	30
Balance carried to Balance Sheet	627	218

DIVIDEND

For the year under review, the Directors of your Company have recommended a dividend at the rate of 30% (Rs. 0.60 per Equity Share) on Equity Share of Rs. 2 each (20% for the Previous year) on the enhanced Capital of Rs. 161.39 million.

CAPITAL

Effective 4th August, 2006, one equity share of the face value of Rs. 10 each was sub-divided into five equity shares of the face value of Rs. 2 each.

During the year, the Company:

- allotted 1,550,000 Equity Shares of Rs. 10 each to the FIs and Mutual Funds on private placement basis.
- allotted 3,500,000 Equity Shares of Rs. 2 each, arising on conversion of 700,000 warrants of Rs. 10 each, allotted to the promoters of the Company on preferential basis.
- allotted 341,250 Equity Shares of Rs. 2 each to the Employees pursuant to Employees Stock Option Scheme.

OPERATIONS

For the year under review, the Company continued to maintain the growth momentum in top as well as bottom line. The turnover registered a growth of 39% to Rs. 10,250 million. The profit after tax has gone up by 92% to Rs. 550 million. This increase in profit arose from higher sales volume, improved project management, better realisation and effective costs control system.

SUBSIDIARIES

The Central Government in exercise of the power conferred by 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 copies of the 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.

ANNUAL REPORT 2006-07**JSL Structures Limited**

During the year, the name of the Company was changed from JSL Refractories Limited to JSL Structures Limited.

Sales and Income from operations during the year 2006-07 was Rs. 48.33 million as against Rs. 15.78 million for the corresponding previous financial year. With change in business operations, the Company has reported profit of Rs.6.87 million, as against loss of Rs.18.99 million for the corresponding previous financial year.

JSL Corporate Services Limited

For the year under review, no business was transacted in this Company.

Shree Chhatrapati Shahu Power Company Limited

During the year under review, the Company has earned income by way of commission of Rs. 4.82 million as against commission of Rs. 3.40 million for the corresponding previous financial year.

JOINT VENTURE

During the year, the Company has further invested Rs. 40.65 million in Gulf Jyoti International LLC, a joint venture with Gulf Investment Corporation. The manufacturing facilities in Dubai will be completed in second quarter and the trial production will commence thereafter.

DIRECTORS**Re-Appointments:**

Mr. K R Thakur was re-appointed as Managing Director of the Company for a further period of three years with effect from 1st April 2007. Approval of the members for re-appointing him as the Managing Director of the Company is being sought vide requisite resolution in the accompanying Notice dated 16th May, 2007 convening the Annual General Meeting. Directors recommend the resolution for approval by members.

Retirement by Rotation:

In accordance with the requirement of the Companies Act, 1956, Mr. S D Kshirsagar and Mr. A J Khan, Directors of the Company, are due for retirement by rotation and are eligible for re-appointment.

The information on the particulars of Directors seeking appointment/re-appointment as required under Clause 49 of the Listing Agreement executed with the Stock Exchange, Mumbai and National Stock Exchange of India Ltd. has been given under Corporate Governance Report.

AUDITORS

M/s. R M Ajgaonkar & Associates, the Statutory Auditors of the Company, retire and offer themselves for re-appointment as the statutory auditors of the Company under the Companies Act, 1956.

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.

DEPOSITS

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

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, as Annexure.

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.

JYOTI STRUCTURES LIMITED

CORPORATE GOVERNANCE

Your Company has been following the principles of good Corporate Governance over the years. The Board of Directors supported the broad principles of Corporate Governance and the Company has been in compliance with the mandatory provisions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

A detailed report on compliance of Corporate Governance and Management Discussion Analysis as stipulated in Clause 49 of the Listing Agreement forms part of this report, as Annexure.

In line with the said provisions, the Company has obtained certificates from the Managing Director and Auditors of the Company, which are annexed and form part of this Report.

CODE OF CONDUCT

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has 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.

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, 2007 under the Jyoti Structures Limited Employees Stock Option Scheme form part of to this report, as Annexure.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- 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.

INDUSTRIAL RELATIONS

Your Directors express their appreciation for contribution made by employees to the significant improvement in the operations of the Company.

The enthusiasm and unstinting efforts of the employees enabled the Company to remain competitive in the industry despite increased competition.

ACKNOWLEDGEMENTS

Your Directors acknowledge the contribution made by all the stakeholders and support extended by its Bankers/ Lenders.

For and on behalf of the Board

Mumbai, 16th May, 2007

S D Kshirsagar
Chairman

ANNUAL REPORT 2006-07**ANNEXURE TO THE DIRECTORS' REPORT****CORPORATE GOVERNANCE REPORT****COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

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 transparency, accountability, disclosures and compliances to enhance the value for stakeholders viz. customers, shareholders, employees, lenders, vendors including the society of which the Company is a part.

BOARD OF DIRECTORS

The composition of Board of Directors is in compliance with the 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. S D Kshirsagar is a Non-Executive Chairman. Fifty per cent 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.

During the year nine board meetings were held on 21.04.06, 11.05.06, 17.05.06, 24.05.06, 30.06.06, 25.07.06, 25.09.06, 19.10.06 and 22.01.07. The names and categories of the Directors on the Board, their attendance at the Board Meetings 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
S D Kshirsagar (Chairman)	Non-Executive & Independent	9	Yes	-	-	-
A J Khan	Non-Executive & Independent	9	Yes	-	-	-
S H Mirchandani	Non-Executive & Non-Independent	4	Yes	2	-	-
P A Sethi	Non-Executive & Independent	9	Yes	2	1	-
G L Valecha	Non-Executive & Non-Independent	9	Yes	-	-	-
K R Thakur (Managing Director)	Executive & Non-Independent	9	Yes	3	-	-

COMMITTEES OF THE BOARD

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 composition of committees and attendance at the meetings is 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 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 Stock Exchanges and other legal requirements and to look into the reasons for substantial defaults, if any, in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and 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.

JYOTI STRUCTURES LIMITED

The Company continued to derive immense benefits from the deliberation of the Audit Committee. The Audit Committee comprises three Directors - Mr. S D Kshirsagar, Chairman, Mr. S H Mirchandani and Mr. P A Sethi, who are eminent professionals and knowledgeable in finance and accounts. Minutes of each Audit Committee meeting are placed before and discussed in the meeting of the Board.

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

Name of the Director	Status	No. of Meeting Attended
Mr. S D Kshirsagar, Chairman	Independent Non-Executive	4
Mr. S H Mirchandani, Member	Non-Independent Non-Executive	2
Mr. P A Sethi, Member	Independent Non-Executive	4

Audit Committee meetings are also attended by Executive Director, Chief Executive Officer, Sr. General Manager (Accounts & Taxation) and representative of Auditors.

Remuneration Committee

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 Committee consists of three Independent Non-Executive Directors - Mr. S D Kshirsagar, Chairman, Mr. P A Sethi and Mr. A J Khan. During the year, one meeting was held on 22nd January, 2007.

Details of Remuneration for 2006-07

Name of Director	Sitting fees for Board & Audit Committee Meetings	Salaries and Perquisites	Allowance in lieu of Commission
Managing Director / Whole Time Director			
K R Thakur	Nil	4,571,877	38,900,000
Non-Executive Director			
S H Mirchandani	30,000	Nil	Nil
S D Khirsagar	65,000	Nil	Nil
A J Khan	45,000	Nil	Nil
G L Valecha	45,000	Nil	Nil
P A Sethi	65,000	Nil	Nil

No Stock Option has been granted to any of the Directors under Jyoti Structures Limited Employees Stock Option Scheme.

Compensation Committee

The Committee consists of three independent Non-Executive Directors - Mr. S D Kshirsagar, Chairman, Mr. P A Sethi and Mr. A J Khan. The Committee is constituted to implement the Employee Stock Option Scheme-2005. During the year, one meeting was held on 9th September, 2006. In addition to this, the Committee allotted 341,250 Equity Shares of Rs. 2 each under Employees Stock Option Scheme by Circulatory Resolutions.

Allotment Committee

An Allotment Committee was constituted to facilitate Allotment of warrants to Promoters on preferential basis. The Committee was reconstituted and presently consists of three Independent Non-Executive Directors - Mr. S D Kshirsagar, Chairman, Mr. P A Sethi and Mr. A J Khan. The Committee allotted 3,500,000 Equity Shares of Rs. 2 each arising on conversion of warrants allotted to the promoters of the Company on private placement basis.

ANNUAL REPORT 2006-07**Details of Directors seeking re-appointment in the 32nd Annual General Meeting:**

Name of the Director	S D Kshirsagar	A J Khan	K R Thakur
Date of Birth	4 th May, 1937	1 st July, 1936	13 th November, 1942
Date of Appointment/ Re-appointed as Director/ Managing Director	1 st April, 2003	1 st April, 2003	1 st April, 2002
Qualification	PGDIA, M.A. (Economics)	B.E. (Electrical)	B.E. (Mechanical)
Experience and Expertise in Specific functional area	Mr. S D Kshirsagar has an industrial experience of more than 40 years and has worked with TATA International, TATA Steel and S P Jain Institute of Management & Research.	Mr. A J Khan retired as Technical Director of Maharashtra State Electricity Board after having worked on various prestigious projects during his tenure.	Mr. K R Thakur has experience of more than 40 years, out of which 30 years is in Transmission Line industry.

Other Directorship : Mr. S D Kshirsagar

Name of the Company	Position	Committee	Membership Status
-	-	-	-

Other Directorship : Mr. A J Khan

Name of the Company	Position	Committee	Membership Status
-	-	-	-

Other Directorship : Mr. K R Thakur

Name of the Company	Position	Committee	Membership Status
1. JSL Corporate Services Limited	Director	-	-
2. Shree Chhatrapati Shahu Power Co. Ltd.	Director	-	-
3. Valmir Constructions Pvt. Ltd.	Director	-	-

Finance, Share Transfer and Investors' Grievance Committee

The Committee consists of three Independent Non-Executive Directors - Mr. S D Kshirsagar, Chairman, Mr. P A Sethi and Mr. A J Khan, which meets at regular intervals. The Committee approves share transfers and transmission, issue of duplicate certificates and reviews investors' grievances and all other matters connected with securities. The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement of the quality of investors' service. The Committee is also authorized to take decisions in day to day financial and banking matters. As on 31st March, 2007, no instruments of share transfer were pending. Details of investors' grievances and their redressal during the year ended 31st March, 2007 are as under:

Complaints

Received from	Received and Cleared	Pending
Direct to the Company	15	-
Through SEBI	1	-
Through Stock Exchange	-	-

Mr. L H Khilnani, Vice President (Legal & Company Secretary) is the Compliance Officer.

SUBSIDIARY COMPANIES

None of the subsidiary companies is covered under the term "material non-listed Indian subsidiary company".

The Minutes of the Board Meetings of the subsidiary Companies are placed before the Board Meetings of the Company at regular intervals.

JYOTI STRUCTURES LIMITED

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:

Date	Time	Details of Special Resolution	Relevant Section
22 nd Sept., 2004	3.00 P.M.	i) Appointment of Branch Auditor	228
3 rd August, 2005	3.30 P.M.	i) Appointment of Auditor	224
		ii) Appointment of Branch Auditor	228
		iii) Employees Stock option Scheme	81 (1A)
		iv) Further issue of Capital – Allotment of Warrants	81(1A)
30 th June, 2006	3.30 P.M.	i) Sub-Division of Equity Capital	91(1)(d)

There were no Special Resolutions passed by the Company through Postal Ballot at the last Annual General Meeting. No Special Resolution is proposed to be passed through Postal Ballot at the ensuing Annual General Meeting.

DISCLOSURES

1. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

There have been no materially significant related party transactions other than those disclosed in the financial statement for the year ended 31st March, 2007.

There are no transactions of material nature other than reported under “Related Party Disclosures” 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 and that may have potential conflict with the interest of the Company.

- There were no instances of non-compliances during the last three years by the Company on any matter related to capital market. Consequently, there were neither penalties imposed nor strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authorities.
- The Directors’ Report includes details of Management Discussion and Analysis including Risk & Concerns.

SECRETARIAL AUDIT

A qualified practising 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 the management, business operations, shareholding pattern and financial of the Company are made available at the website of the Company www.jsl.co.in

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

Management Discussion & Analysis Report forms part of Directors’ Report.