



JYOTI STRUCTURES LIMITED



**ANNUAL REPORT
2015 - 2016**

FINANCIAL HIGHLIGHTS

₹ in Lacs

| | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 |
|---------------------------------------------------------------------------------------|------------------|----------|----------|----------|----------|----------|----------|
| SALES & EARNINGS : | | | | | | | |
| Gross Sales & Other Income | 2,58,050 | 2,86,966 | 3,42,685 | 2,85,514 | 2,65,872 | 2,46,925 | 2,06,883 |
| Profit before Taxes | (50,124) | (26,967) | 5,231 | 9,793 | 12,857 | 16,736 | 14,436 |
| Profit after Taxes | (50,178) | (26,998) | 3,232 | 6,483 | 8,554 | 11,091 | 9,101 |
| Equity Dividend | Nil | Nil | Nil | 40% | 55% | 75% | 50% |
| ASSETS : | | | | | | | |
| Gross Block (Including Capital W.I.P.) | 34,722 | 34,591 | 33,923 | 32,490 | 31,534 | 26,887 | 23,886 |
| Net Block | 13,441 | 16,052 | 18,903 | 19,669 | 21,049 | 18,390 | 17,155 |
| Total Assets | 5,97,900 | 5,13,022 | 4,20,594 | 2,81,433 | 2,45,236 | 1,80,721 | 1,52,796 |
| EQUITY AND LIABILITIES : | | | | | | | |
| Share Capital | 4,691 | 4,691 | 4,145 | 4,145 | 1,644 | 1,643 | 1,640 |
| Reserves & Surplus | 7,460 | 57,790 | 73,712 | 70,454 | 64,816 | 58,531 | 48,685 |
| Total Liabilities | 5,97,900 | 5,13,022 | 4,20,594 | 2,81,433 | 2,45,236 | 1,80,721 | 1,52,796 |
| Net Worth | 12,120 | 62,448 | 75,323 | 72,061 | 66,420 | 60,131 | 50,281 |
| OTHER HIGHLIGHTS : | | | | | | | |
| Foreign Exchange Earnings (Including Deemed Exports & Sales through Export Houses) | 1,37,585 | 80,229 | 1,03,432 | 61,033 | 46,489 | 34,814 | 45,769 |
| Foreign Exchange Outgo | 84,455 | 25,775 | 9,131 | 5,631 | 6,606 | 3,479 | 6,827 |
| INSTALLED CAPACITY AND PRODUCTION : | | | | | | | |
| Installed Capacity (M.T.p.a.) | 1,16,160 | 1,16,160 | 1,16,160 | 1,16,160 | 1,16,160 | 1,10,000 | 1,10,000 |
| Production (M.T.) | 31,564 | 32,867 | 1,02,521 | 71,392 | 1,00,105 | 1,50,985 | 1,18,555 |
| EARNING PER SHARE : | | | | | | | |
| EPS - Basic (In ₹) | ₹ (45.81) | ₹ 28.29 | ₹ 3.89 | ₹ 7.89 | ₹ 10.41 | ₹ 13.52 | ₹ 11.23 |
| EPS - Diluted (In ₹) | ₹ (45.81) | ₹ 28.29 | ₹ 3.88 | ₹ 7.86 | ₹ 10.37 | ₹ 13.46 | ₹ 11.18 |
| Book Value (In ₹) | ₹ 11.07 | ₹ 57.02 | ₹ 91.55 | ₹ 87.6 | ₹ 80.79 | ₹ 73.22 | ₹ 61.31 |

BOARD OF DIRECTORS

| | |
|------------------------------------------|---------------------|
| S. D. Kshirsagar | Chairman |
| K. R. Thakur | Whole-time Director |
| Jyotsna Jamkhandi | |
| Kalpesh Kikani | |
| P. K. Thakur (upto 28.03.16) | |
| R. C. Rawal | |
| S. H. Mirchandani (upto 24.08.16) | |
| T. C. Venkat Subramanian (upto 15.08.15) | |
| V. M. Kaul | |

COMPANY SECRETARY

L. H. Khilnani (upto 31.05.16)
Rajendra Rana (w.e.f. 01.06.16)

STATUTORY AUDITORS

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

LEGAL ADVISORS

Bharucha & Partners

BANKERS

Allahabad Bank
Bank of India
Bank of Maharashtra
Canara Bank
Central Bank of India
Corporation Bank
DBS Bank
Dena Bank
EXIM 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 400072
Tel. : + 91 22 2847 0652 / 4043 0200
Fax : + 91 22 2847 5207
e-mail : bss@bigshareonline.com

41ST ANNUAL GENERAL MEETING

Day : Wednesday
Date : 28th September, 2016
Time : 3:00 p.m.
Venue : M. C. Ghia Hall, 4th floor,
Bhogilal Hargovindas Building,
18/20, Kaikhushru Dubash Marg,
Mumbai - 400 001

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JYOTI STRUCTURES LIMITED

DIRECTORS' REPORT

Your Directors seek to present the Forty-first Annual Report on business and operations of the Company along with the Audited Statement of Accounts for the financial year ended 31st March, 2016.

FINANCIAL RESULTS

Performance of the Company, on standalone basis, for the financial year ended 31st March, 2016 is as summarized below:

| | (₹ in Lacs) | |
|-------------------------------|-------------|----------|
| Particulars | 2015-16 | 2014-15 |
| Net Revenue from Operations | 2,51,344 | 2,79,789 |
| EBIDTA | 8,838 | 13,463 |
| Finance Cost | 55,878 | 36,990 |
| Depreciation and Amortization | 3,084 | 3,440 |
| Profit before tax | (50,124) | (26,967) |
| Tax Expenses | 54 | 31 |
| Profit after tax | (50,178) | (26,998) |

PERFORMANCE HIGHLIGHTS

Your Company reported a decline in the top-line by 10% over the previous year. At standalone level, the gross revenue from operations stood at ₹ 2,51,344 lacs, as compared to ₹ 2,79,789 lacs in the previous year. The operating loss before tax stood at ₹ 50,124 lacs, as compared to operating loss before tax of ₹ 26,967 lacs in the previous year. The net loss for the year stood at ₹ 50,178 lacs, as compared to net loss of ₹ 26,998 lacs in the previous year.

At consolidated level, gross revenue from operations was placed at ₹ 2,96,790 lacs, as compared to ₹ 3,12,753 lacs in the previous year. The net loss for the year stood at ₹ 70,432 lacs, as compared to loss of ₹ 39,575 lacs in the previous year.

Exports of the Company amounted to ₹ 1,36,191 lacs (previous year ₹ 77,845 lacs) representing about 54% of the net sales.

Supply of towers and structures declined to 34,627 MT as compared to 46,097 MT in the previous year.

Order backlog at the end of the year was at ₹ 2,70,064 Lacs as compared to ₹ 4,61,000 Lacs at the end of the previous year.

During the year under review, the company experienced various challenges including tight liquidity in execution of the projects. The Company took necessary and rigorous steps for closing old projects which impacted the margins due to cost associated with project closure.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF YOUR COMPANY

In spite of best efforts, the restructuring package as envisaged by the JLF could not be successfully implemented. The Company continued to be under financial stress during the year as most of the banks did not release the enhanced working capital facilities. With this, the Company was unable to adhere to milestones stipulated in restructuring package and the lenders had to invoke Strategic Debt Restructuring Scheme (SDR) in terms of the extant RBI guidelines. Since then, the lenders decided to restructure the debt and evaluate investment proposal submitted by strategic investor, outside SDR.

DIVIDEND

Considering that the Company has incurred loss for the year ended 31st March, 2016, the Board of Directors of your Company have decided, not to recommend any dividend for FY 2016.

SHARE CAPITAL AND LISTING OF SHARES

During the year under review, the authorized share capital of the Company was re-classified and post re-classification, the authorized share capital of the Company is ₹ 85,00,00,000 (Rupees Eighty Five Crore only) divided into 30,00,00,000 (Thirty Crore) equity shares of ₹ 2/- (Rupees Two) each and 25,00,000 (Twenty Five Lac) preference shares of ₹100/- (Rupees One Hundred) only.

The paid up Share Capital of the Company as on 31st March, 2016 was ₹ 4,690.55 lacs and remained unchanged during the financial year under review.

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.

SUBSIDIARY COMPANIES

In compliance with applicable provisions of Companies Act, 2013 ('Act'), a statement giving salient features of the financial statements and performance of the Company's subsidiaries, associates and joint ventures for the year ended 31st March, 2016, is attached and forms part of this report. The financial statements of subsidiary companies shall be uploaded on the website of your Company and the same are available for inspection by the members at the registered office of your Company during business hours on all working days except Saturdays upto the date of the Annual General Meeting. Any member desirous of obtaining a copy of the said financial statements may write to the Company 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 & KEY MANAGERIAL PERSONNEL

Effective 28th March, 2016, Mr. Prakash K Thakur (DIN: 01421897) ceased to be a Director of the Company and effective 24th August, 2016, Mr. Sanjay Mirchandani (DIN: 00531110) ceased to be a Director of the Company.

The Company has received declarations from all Independent Directors of the Company namely, Mr. S. D. Kshirsagar (DIN: 00001266), Mr. R. C. Rawal (DIN: 02932427) and Mr. V. M. Kaul (DIN: 00015245) confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). Further, pursuant to Section 164(2) of the Act all the Directors have provided declarations in form DIR 8 that they have not been disqualified to act as a Director.

Your directors recommend the re-appointment of Mr. Kalpesh Kikani (DIN: 03534772), Director of the Company who is liable to retire by rotation and being eligible, has offered himself for re-appointment.

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

Mr. Rajendra Rana was appointed as Company Secretary and Compliance Officer with effect from 1st June 2016 in place of Mr. L. H. Khilnani, former Company Secretary, who achieved superannuation.

BOARD EVALUATION

In compliance with the Act and Listing Regulations, during the year under review, performance evaluation of the Board, the directors individually and Committees of the Board was carried out based on self-evaluation mechanism / assessment.

MEETINGS

During the year, seven Board Meetings and four Audit Committee Meetings were convened and held, details of which are given in the Corporate Governance Report.

COMMITTEES

Your Company has several Committees and is in compliance with the requirements of the relevant provisions of applicable laws and statutes. The details with respect to composition, powers, roles, terms of reference etc. of the relevant Committees are given in detail in the Corporate Governance Report which forms part of this Annual Report.

JYOTI STRUCTURES LIMITED

REMUNERATION POLICY

The Company has a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and other employees. The policy also lays down criteria for selection and appointment of Board Members. The details of this policy are given in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY

Your Directors have constituted Corporate Social Responsibility (CSR) Committee comprising Mr. S. D. Kshirsagar, as Chairman and Mr. V. M. Kaul & Mr. R. C. Rawal, as members.

The said Committee recommends to the Board, the CSR projects / activities to be undertaken by the Company, monitoring the implementation of framework of CSR Policy and recommending the amount to be spent on CSR activities.

On recommendation of CSR Committee, the Board of Directors of your Company has approved CSR Policy which may be accessed at the Company's website www.jsl.in.

Consequent to losses, no expenditure has been incurred on CSR activities during the year.

The Annual Report on CSR containing the particulars specified in the Annexure to the Companies (CSR Policy) Rules 2014 is annexed and forms part of this report.

RISK MANAGEMENT

Pursuant to the requirement of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 the Company has constituted a Risk Management Committee. The Risk Management Committee reviews the Company's risk management practices and activities from time to time. Details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board Report.

RELATED PARTY TRANSACTIONS

Your Company has formulated a policy on related party transaction which is also available on the Company's website www.jsl.in. All related party transactions during the financial year were on an arm's length basis and in the ordinary course of business. There were no transactions which were material and accordingly, no disclosure is made in respect of related party transactions. All Related Party Transactions are placed before the Audit Committee for approval in terms of requirement of Regulation 23 of the Listing Regulations.

AUDITORS

Statutory Auditors

M/s. R. M. Ajgaonkar & Associates, Chartered Accountants, Statutory Auditors of the Company hold office upto the forthcoming Annual General Meeting and are recommended for re-appointment for the financial year 2016-17. As required under the provisions of Section 139 and 141 of the Act, the Company has obtained written confirmation from the Auditors to the effect that their appointment, if made, would be in conformity with the provisions of those sections.

Statutory Auditors comments on your Company's accounts for the year ended 31st March, 2016 read with notes to financial statements are self-explanatory in the nature and do not require any explanation as per provisions of Section 134 (3)(f) of the Companies Act, 2013.

Cost Auditors

The Company has appointed Mr. Narhar K. Nimkar, Cost Accountant, as the Cost Auditor to audit the cost accounts of the Company for the financial year 2016-17. As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the members at the general meeting for ratification. Accordingly, a resolution seeking member's ratification for the remuneration payable to Mr. Narhar K. Nimkar, Cost Accountant is included at item no. 5 of the notice convening the Annual General Meeting. The cost audit report for the financial year 2014-15 was filed with the Ministry of Corporate Affairs on 28th September, 2015.

Secretarial Auditors

Pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Surjan Singh Rauthan, Practicing Company Secretary (Membership No. 4807), as the Secretarial Auditor of the Company for the year ended 31st March, 2016. Report of Secretarial Auditors is annexed and forms part of this report.

Branch Auditors

In terms of the provision of sub-section (8) of Section 143 of the Act read with Rule 12 of the Companies (Audit and Auditors) Rules, 2014, the audit of the accounts of the branch offices of the Company located outside India is required to be conducted by the person(s) or firm(s) qualified to act as Branch Auditors in accordance with laws of that country. Approval of the Members is sought to authorize the Board of Directors / Audit Committee to appoint Branch Auditors in consultation with the Statutory Auditors for the branch offices of the Company and also to fix their remuneration. The Board of Directors recommends to the Members to pass the resolution, as stated in item no. 4 of the Notice convening the ensuing Annual General Meeting.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in form MGT 9, as required under Section 92 of the Act, is annexed and forms part of this report.

FIXED DEPOSITS

During the year, the Company has not accepted fixed deposits. The Company has been paying the interest and repaying the deposits, in accordance with the terms and conditions of the fixed deposit accepted under Companies Act, 1956. The Company has no overdue deposits other than unclaimed deposits of ₹ 526.75 lacs as on 31st March, 2016.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees or investments covered under the provisions of Section 186 of the Act are given in notes to the standalone financial statements forming part of the Annual Report.

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

Pursuant to the provisions of

- a. Section 205A(5) and 205C of the Companies Act, 1956, relevant amounts of dividend, debentures and interest thereon, 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 of dividend, debentures and interest thereon, lying with the Company as on 26th September, 2015 (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 OF EMPLOYEES AND RELATED DISCLOSURES

The information required pursuant to Section 197 of the Act and Rule 5(1) of Companies (Appointment and Remuneration of Management Personnel) Rules, 2014 is annexed and forms part of this report.

Details of employee remuneration as required under provisions of Section 197(12) of the Act and Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Management Personnel) Rules, 2014 are available for inspection by the members at the registered office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting and shall be made available to any shareholder on request.

JYOTI STRUCTURES LIMITED

CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements under the Act and as stipulated under the Listing Regulations. Management's Discussion and Analysis, Corporate Governance Report, together with Auditors' Certificate on compliance with the conditions of Corporate Governance as laid down, are annexed and form part of this report.

INTERNAL CONTROL SYSTEM

Details in respect of adequacy of internal financial controls with reference to the Financial Statements are stated in Management Discussion and Analysis, which forms part of this Report.

CODE OF CONDUCT

The Company has a Code of Conduct for Board Members and Senior Management Personnel and Vigil Mechanism ('Whistle Blower Policy'), copies of the same have been posted on website of the Company.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place Policy on Prevention of Sexual Harassment in line with the requirements of 'The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013'. The Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. During the year, no complaints were reported.

OCCUPATIONAL HEALTH & SAFETY AND ENVIRONMENTAL POLICY

For your Company safety, health and well-being of its employees and people working for it is of utmost importance. Your Company strives to take care of environment and for sustainable business development continues to develop and implement environmental management system to measure, control and reduce the environmental impact. Company's operations are in compliance with all applicable regulations.

EMPLOYEES STOCK OPTION SCHEME

No stock options were granted during the year under Employees Stock Option Scheme.

TECHNOLOGY ABSORPTION, CONSERVATION OF ENERGY & FOREIGN EXCHANGE EARNINGS & OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed and form part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 134 (3) (c) of the Companies Act, 2013, Directors confirm that:

- i. applicable Accounting Standards have been followed in the preparation of annual accounts for the year ended 31st March, 2016 and that there are no material departures;
- ii. such accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2016 and of the profit of your Company for the year ended on that date;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis;
- v. the internal financial controls to be followed by the Company have been laid down and such internal financial controls are adequate and were operating effectively; and

- vi. proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

Your Board takes this opportunity to thank all its employees for their dedicated service and firm commitment to the goals of the Company. Your Board also wishes to place on record its sincere appreciation for the whole hearted support received from all shareholders and other stakeholders, valued customers, banks, government and statutory authorities, investors and stock exchanges for their continued support to the Company. We look forward to continued support of all these partners in progress.

For and on behalf of the Board

S. D. Kshirsagar

Chairman

DIN: 00001266

Mumbai; 25th August, 2016

Annexure I to the Directors Report

Annual Report on Corporate Social Responsibility

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

| | | |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes | <p>The Company has framed a Corporate Social Responsibility (CSR) Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the company's website and the web link for the same is www.jsl.in.</p> <p>A gist of programs that the Company can undertake under the CSR Policy is mentioned below:</p> <ul style="list-style-type: none"> (i) promoting education, enhancing vocational skills with emphasis on training and technical development; (ii) promoting health care, sanitation and infrastructure development; (iii) promoting environmental sustainability with conservation of natural resources; (iv) promoting sports, cultural programs in consultation with communities and cultures with which we work. |
| 2 | The Composition of the CSR Committee | <p>The Board of Directors of your Company has constituted the Corporate Social Responsibility Committee of Directors. CSR Committee is formed as per the applicable laws of the Companies Act, 2013 and the Committee is responsible for the implementation/ monitoring and review of the policy and various projects/activities undertaken under the policy.</p> <p>The Members of the CSR Committee are:</p> <ul style="list-style-type: none"> a) Mr. S. D. Kshirsagar, Chairman b) Mr. V. M. Kaul, Member c) Mr. R. C. Rawal, Member d) Mr. T. C. Venkat Subramanian, Member (upto15.8.15) |
| 3 | Average net profit of the company for last three financial years | Negative |
| 4 | Prescribed CSR Expenditure (two percent of the amount as in item 3 above) | Not applicable |
| 5 | Details of CSR spent during the financial year <ul style="list-style-type: none"> i. Total amount to be spent for the financial year: ii. Amount unspent, if any: iii. Manner in which the amount spent during the financial year: | Not applicable |
| 6 | In case the company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report | Not applicable |
| 7 | Responsibility statement of CSR Committee | We hereby confirm that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company |

For and on behalf of the Board

K. R. Thakur
Whole-time Director
DIN: 00001270

S. D. Kshirsagar
Chairman, CSR Committee
DIN: 0001266

Mumbai; 25th August, 2016