



**Jyoti Ltd.**

Water • Power • Progress



**70<sup>nd</sup>**  
**ANNUAL REPORT**  
2015-2016

**70 Years of Engineering Excellence**

## BOARD OF DIRECTORS

Chairman & Managing Director	Mr. Rahul Nanubhai Amin
Director	Mrs. Tejal Rahul Amin
Director	Mr. Uresh Vivekchandra Desai
Director	Mr. Vijay Kumar Gulati
Director	Mr. Tushar Charandas Dayal
Director	Mr. Shrikar Shriram Bhattbhatt
Director	Dr. Rajesh Mansukhlal Khajuria
Director	Mr. Marutkumar Rambhai Patel
Vice President (Legal) & Company Secretary	Mr. Suresh Singhal

## AUDITORS

**Messrs V.H. Gandhi & Co.**  
Chartered Accountants

## BANKERS

Central Bank of India  
Dena Bank  
Bank of Maharashtra  
State Bank of India

## REGISTERED OFFICE

Nanubhai Amin Marg  
Industrial Area  
P.O. Chemical Industries  
Vadodara – 390 003.

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### NOTICE

NOTICE is hereby given that the SEVENTY SECOND ANNUAL GENERAL MEETING (AGM) of the Members of JYOTI LIMITED will be held on **Saturday, 26<sup>th</sup> November, 2016 at 9.00 a.m.** at the Registered Office of the Company at Nanubhai Amin Marg, Industrial Area, P.O. Chemical Industries, Vadodara – 390 003, to transact the following business:

#### ORDINARY BUSINESS

##### Item No.1 - Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the Financial Year ended on 31<sup>st</sup> March, 2016, including the audited Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

##### Item No.2 - Appointment of Director

To appoint a director in place of Shri Marut Patel (DIN: 06980022), who retires by rotation and, being eligible has offered himself for re-appointment.

##### Item No.3 - Ratification of Appointment of Statutory Auditors

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the Company hereby ratifies the appointment of M/s. V.H. Gandhi & Co., Chartered Accountants, Vadodara (holding Registration No.103047W), as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 73<sup>rd</sup> Annual General Meeting on such remuneration and other terms and conditions as may be mutually agreed between the Board of Directors and the Auditors based on the recommendation of the Audit Committee.”

#### SPECIAL BUSINESS

##### Item No.4 – Re-appointment of Shri Rahul Amin (DIN : 00167987) as Managing Director

To Consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and subject to approval of the Central Government and such other approvals as may be necessary, the Company hereby approves the terms of re-appointment and remuneration of Mr. Rahul Amin as Managing Director of the Company for a period of 3 (three) years with effect from 25<sup>th</sup> June, 2016, as approved by the Board of Directors at its meeting held on 30<sup>th</sup> May, 2016 and as set out in the explanatory statement annexed to this notice and in the draft agreement submitted to this meeting which are hereby specifically approved and sanctioned with liberty to the Board of Directors to make needful intra-approval alterations in the terms and conditions so as not to exceed the limits of remuneration as approved by the Central Government and as may be agreed to between the Board of Directors and Mr. Rahul Amin.”

### Item No.5 - Remuneration of Cost Auditors

To approve the remuneration of the Cost Auditors for the financial year ending on 31<sup>st</sup> March, 2017 and in this regard to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the Cost Auditors appointed by the Board of Directors of the Company, based on the recommendation of the Audit Committee of the Board of Directors, to conduct the audit of the cost records of the Company for the financial year ending on 31<sup>st</sup> March, 2017, be paid the remuneration as follows:

Sr. No.	Name of the Cost Auditor	Industry	Audit Fees (₹)
1.	M/s. R.K. Patel & Co.	Motors and Pumps	50,000/-
2.	M/s. Y.S. Thakar & Co.	Engineering products such as Generators, Turbines, Switchgears and Relay panels	25,000/-

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

### Item No. 6 – Creation of mortgage / charge for Borrowings / Financial Assistance availed

To create mortgage / charge for borrowings / financial assistance availed by the Company and in this regard to consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(a) of Companies Act, 2013, read with relevant rules or any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and hereinafter collectively referred to as “Act”), to the Board of Directors of the Company to sell, lease or otherwise dispose of or to create charge, mortgage and/or hypothecate the whole or substantially the whole of undertaking(s) of the Company, where undertaking (both present and future) shall have the meaning as stated in explanation to Clause (a) of Sub-Section (1) of Section 180 of the Companies Act, 2013, at such time and on such terms and conditions as the Board may deem fit, in the best interest of the affairs of the Company.

RESOLVED FURTHER THAT the Board of Directors (for the purpose of this resolution, the “Board” would include any Director in single capacity and/or any Committee of Directors as may be authorized by the Board in this regard) shall have the power to mortgage or otherwise offer as collateral substantial property, assets and/or undertakings of the Company in certain events, to banks/financial institutions, non-banking Companies, other lending agencies, and/or trustees for the holders of debentures/bonds/ other instruments, to secure any rupee loans, foreign currency loans and/or the issue of debentures whether partly or fully convertible or non-convertible and/or securities linked to equity shares and/or rupee/foreign currency convertible bonds and/or bonds with share warrants attached thereto and also to do all such acts, deeds and other things as may be required or considered necessary or incidental thereto for giving effect to this resolution.”

### Item No.7 – Adoption of new set of Articles of Association

To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

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“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the draft regulations contained in the Articles of Association submitted to this meeting be and the same are hereby received, considered and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Regd. Office :  
Nanubhai Amin Marg  
Industrial Area  
P.O. Chemical Industries  
Vadodara-390 003  
CIN: L36990GJ1943PLC000363  
23<sup>rd</sup> September, 2016

By Order of the Board  
  
**S. Singhal**  
Vice President (Legal) &  
Company Secretary  
M. No. F8289

### NOTES

1. **A Member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.**

**A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only the first holder will be entitled to vote.
6. Relevant documents referred to in the Notice and the Statement under Section 102 of the Companies Act, 2013, will be available at the Registered Office of the Company for inspection by the Members on all working days between 10.00 a.m. and 12.00 noon.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 18<sup>th</sup> November, 2016 to Saturday, 26<sup>th</sup> November, 2016 (both days inclusive) for the purpose of Annual General Meeting.
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.
9. The Company has appointed M/s. MCS Share Transfer Agent Limited as its Registrar and Share Transfer Agent for rendering the entire range of services to the Shareholders of the

Company. Accordingly, all documents related to transfers, demat requests, change of address intimations and other communications in relation thereto with respect to shares in electronic and physical form should be addressed to the Registrars directly at their following address quoting folio no., full name and name of the Company as Unit: Jyoti Limited.

MCS Share Transfer Agent Limited

Address : 10, Aaram Apartment, 12, Sampatrao Colony, Behind Laxmi Hall, Alkapuri, Vadodara – 390 007

Tel. : 0265-2314757, 2350490

Fax : 0265-2341639

E-Mail : [mcsltbaroda@yahoo.com](mailto:mcsltbaroda@yahoo.com)

10. Members are requested to send in their queries in respect of Financial Statement of Accounts of the Company for the year ended on 31<sup>st</sup> March, 2016, at least one week in advance so as to enable the Management to keep the information / relevant documents readily available at the time of the Annual General Meeting.
11. The Ministry of Corporate Affairs (MCA) has vide Notification dated 10<sup>th</sup> May, 2012, issued the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with the Companies) Rules, 2012 has mandated the Companies to furnish information regarding unpaid and unclaimed dividend amounts lying with the Companies along with particulars of names, addresses, etc. of investors. In line with the same, your Company has furnished the information on MCA website as well as on its own website [www.jyoti.com](http://www.jyoti.com). Members are requested to check the particulars and put up their claim for amount lying unclaimed with the Company to the Registrar and Share Transfer Agent.
12. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / MCS Share Transfer Agent Limited.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / MCS Share Transfer Agent Ltd.
14. Members holding shares in single name and physical form are advised to make nomination by filling up Form No. 2B in respect of their shareholding in the Company. The duly filled up nomination form should be sent to MCS Share Transfer Agent Ltd. for further process.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to MCS Share Transfer Agent Ltd., for consolidation into a single folio.
16. Non-Resident Indian Members are requested to inform MCS Share Transfer Agent Ltd., immediately of:
  - (a) Change in their residential status on return to India for permanent settlement.
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
17. As the Company has adopted the practice of Green Initiative, Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
18. Relevancy of questions and the order of speakers at the Meeting will be decided by the Chairman.

### 19. Voting through electronic means:

In Compliance with the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 as amended from time to time and subject to Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facilities to the Members to cast their votes electronically in respect of the business to be transacted at the Annual General Meeting. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting. The detailed process, instructions and manner for availing e-voting facility is as under:-

#### The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 23<sup>rd</sup> November, 2016 at 10.00 a.m. and ends on 25<sup>th</sup> November, 2016 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date which is 19<sup>th</sup> November, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iv) Click on Shareholders.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form/ Physical Form</b>	
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the serial number print in address slip.
<b>Dividend Bank Details or Date of Birth (DOB)</b>	Enter the Date of Birth as registered with the DP/RTA in dd/mm/yyyy format or Enter the Dividend Bank details as recorded with your DP/RTA.  Please note - In respect of Physical shareholding and whose DOB and Dividend Bank details are not registered with DP/RTA should Enter No. of shares held by you as on the cut-off date i.e. 19 <sup>th</sup> November, 2016

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant **JYOTI LIMITED** on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (PoA), which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

#### **Other instructions:**

- (i) The Voting rights of the shareholders shall be in proportion to their shares of the paid-up equity.
- (ii) Mr. Ravi Kapoor, Practising Company Secretary (Membership No. FCS 2587), having his office at, M/s. Ravi Kapoor & Associates, Practising Company Secretaries, 4<sup>th</sup> Floor, “Shaival Plaza”, Ellisbridge, Ahmedabad-380006, has been appointed as the Scrutinizer to Scrutinize the e-voting process in a fair and transparent manner.
- (iii) The Scrutinizer shall submit his report to the Chairman. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.jyoti.com](http://www.jyoti.com) and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com) immediately after declaration of result by the Chairman or a person authorised by him in this behalf. The Results also be uploaded on the BSE listing portal.



### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

#### Item No.4 – Re-appointment of Shri Rahul Amin as Managing Director

In accordance with provisions of Sections 196, 197, 198 and 203 read together with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of the Company at their meeting held on 30<sup>th</sup> May, 2016, subject to the approval of the Shareholders of the Company and Central Government, re-appointed Mr. Rahul Amin as Managing Director of the Company for a period of 3 (three) years with effect from 25<sup>th</sup> June, 2016.

Mr. Rahul Amin, 63, is B.E. (Elect.) from M. S. University, Vadodara and Master of Engineering from Cornell, U.S.A. He joined the Company in 1979 as Manager and gradually became General Manager and then Executive Director. He took charge as Managing Director of the Company in the year 1997 and has taken very pro-active efforts in the operations and management of the company since then. He has now more than 20 years of experience in managing this company under the overall experience of about 35 years in running large size manufacturing Company. Mr. Rahul Amin is also actively associated with various Professional Bodies, Education, Charitable and other Trusts. Mr. Rahul Amin is continuously running the operations of the Company in good as well as in difficult times.

Mr. Rahul Amin was re-appointed as Managing Director of the Company for a period of 3 years w.e.f. 25<sup>th</sup> June, 2013 to 24<sup>th</sup> June, 2016 which was approved by the Central Government vide letter dated 4<sup>th</sup> October, 2013. The Central Government approved a total remuneration of ₹ 1,20,00,000 (Rupees One Crore Twenty Lacs only) per annum.

However, rightly acknowledging the Financial crunch and to curtail the cost, one of the decisions taken by the Company in the past was to reduce 30% salary of all the senior personnel including of the Managing Director. As on today the Company is paying total remuneration of ₹ 87,08,634 per annum to Mr. Rahul Amin.

Considering Managing Director's rich experience, subject matter expertise and immense contribution, the re-appointment and remuneration of Mr. Rahul Amin as Managing Director of the Company was also approved by the Nomination and Remuneration Committee at its Meeting held on 28<sup>th</sup> May, 2016. Considering the financial position of the Company, the Nomination and Remuneration Committee has kept the same remuneration package of Mr. Rahul Amin as he is getting at present.

Directorships held in other Companies are:

1. JSL Industries Ltd.
2. Insutech Industries Ltd.
3. Dahlia Resources Ltd.
4. Tapovan Education Institute

Mr. Rahul Amin is not a Member of any Committee of Directors of any Company.

The draft agreement to be entered by the Company with Mr. Rahul Amin, contain inter-alia, the following principal terms and conditions:

#### 1. Duties and Powers

The Managing Director shall perform the duties and exercise the powers assigned to him or vested in him by the Board of Directors of the Company from time to time.

#### 2. Period of Appointment

Three Years with effect from 25<sup>th</sup> June, 2016.

3. Mr. Rahul Amin as Managing Director of the Company shall be entitled to remuneration and perquisites as mentioned hereunder:

## **Salary**

₹ 77,36,508/- (Seventy-seven Lacs Thirty six Thousand Five Hundred Eight only) per annum.

## **Perquisites and Allowances**

In addition to salary, the Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, reimbursement of expenditure or allowances in respect of maintenance, utilities such as gas, electricity, furnishings and repairs of the house, medical reimbursement, medical insurance and leave travel concession for self and his family including dependents, personal accident insurance, club fees and such other perquisites, benefits and allowances in accordance with Rules of the Company. The aggregate of aforesaid perquisites and allowances will be restricted to ₹ 6,00,000/- (Rupees Six Lacs only) per annum.

“Family” mentioned above means the spouse and dependent children of the Managing Director.

For the purpose of calculating the above ceilings, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual costs.

Provision of car with driver for use for the Company’s business and telephone facility at the Managing Director’s residence, reimbursement of expenses including entertainment expenses will not be considered as perquisites.

The following shall not be included for the purpose of computation of the Managing Director’s remuneration or perquisites as aforesaid.

- i) Gratuity payable to the Managing Director at the rate of half month’s salary for each completed year of service.
- ii) Encashment of leave at the end of the Managing Director’s tenure.

## **Minimum Remuneration**

The Managing Director shall be paid remuneration by way of salary and perquisites notwithstanding that in any Financial Year during the currency of tenure of the Managing Director, the Company has no profit or its profits are inadequate.

## **Compensation**

If before the expiry of the Agreement, the tenure of his office as Managing Director is determined, he shall be entitled to compensation for the loss of office subject to the provisions of Section 202 of the Companies Act, 2013.

### Information required under Section II, part II of Schedule V of the Companies Act, 2013:

I.	General Information		
	Nature of Industry	Engineering	
	Date or expected date of commencement of commercial production	The Company is in operation since the year 1943.	
	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
	Financial performance based on given indicators - As per the Audited Financial Results for the year ended on 31.03.2016	Particulars	Amount (` In Lacs)
		Revenue from Operations	21486.38
		Other Income	384.26
		<b>Total Income</b>	<b>21870.64</b>
		Material Cost	15840.42
		Staff Cost	3081.16
		Manufacturing & Other Exp.	2475.74
		<b>Total Expenditure</b>	<b>21397.32</b>
		Profit before Depreciation, Interest & Tax	473.32
		Depreciation	1350.69
		Profit before Interest & Tax	(877.37)
		Interest	7501.05
		Profit/(Loss) before Tax	(8378.42)
		Exceptional items, if any	-
		Profit/(Loss) before Tax	(8378.42)
	<b>Net Profit/(Loss) after tax</b>	<b>(8279.76)</b>	
	Export Performance and net foreign exchange earned for the year ended on 31.03.2016	Particulars	(` In Lacs)
		Export Sales (Including deemed export)	<b>1260.48</b>
		Foreign Exchange earnings	<b>1319.42</b>
	Foreign investments or collaborations, if any	The Company holds 49% in M/s. Jyoti Sohar Switchgear LLC, a Joint Venture Company in Sultanate of Oman.	
II.	Information about the appointee		
	Background details	Mr. Rahul Amin, 63, is B.E. (Elect.) from M. S. University, Vadodara and Master of Engineering from Cornell (U.S.A.). He joined the Company in 1979 as Manager and gradually became General Manager and then Executive Director. He took charge as Managing Director of the Company in the year	

	<p>1997 and has taken very pro-active efforts in the operations and management of the company since then. He has around 20 years of experience in managing this company under the overall experience of about 35 years in running large size manufacturing company.</p> <p>Mr. Rahul Amin is a cult personality and proven performer of assorted acts including maintaining rapport and liaison with business related authorities and associates which is very much desirable in the interest of the company. Mr. Rahul Amin is also actively associated with various Professional Bodies, Education, Charitable and other Trusts. Mr. Rahul Amin is continuously running the operations of the Company in good as well as in difficult times.</p>
Past remuneration	₹ 84,79,663/- paid as remuneration during the year ended on 31.03.2016.
Job profile and his suitability	Mr. Rahul Amin renders services as Chairman and Managing Director of the Company.
Remuneration proposed	₹ 87,08,634/- per annum including all perquisites.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	<p>In the present challenging business environment, the duties and responsibilities of Mr. Rahul Amin as Managing Director has grown manifold. There is a continuous need for formulation of competitive strategies and periodical review thereof for successful implementation and sustained overall development of the Company, which has necessitated his increased focus and higher involvement in Company's matters. In these tough times, it is imperative that the Company's growth strategy continues under the continued guidance and leadership of Mr. Rahul Amin with whose rich experiential background, the Company remains reinforced to strive through the challenging times and bounce back on the growth chart.</p> <p>In view of the above, the proposed remuneration package is commensurate to prevailing levels in the industry and thereby is fit and justified for payment.</p>
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mrs. Tejal Amin, Director of the Company is relative of Mr. Rahul Amin.

III	Other Information			
	Reasons of loss or inadequate profits	<p>The business operation of the Company has witnessed continued slowdown in capital goods industry, subdued demand from the infrastructure sectors like Water, Irrigation and Power. The continued slowdown in economy in general and particularly in irrigation and water projects resulted in stagnation of turnover and decline in profitability. Despite adequate pending order book in hand, the Company could not progress on various orders. The Company also faced severe working capital shortage, which led to devolvement of LCs falling due for payments. Non- availability of documentary credit disrupted the material supplies and thereby production / execution process, leading to severe liquidity crunch. Company failed to meet its commitments towards debt obligations as well as suppliers. As a consequence, the Company has witnessed lower turnover, lower operating margins and high interest costs which has led to the Company incurring net loss.</p>		
	Steps taken or proposed to be taken for improvement	<p>Persistent efforts are being made by the Company to collect receivables. The Company has set up a strategic senior management team to recover claims outstanding from various clients. Further, Company has taken steps to reduce overheads substantially by concentrating its attention on manpower, material, financial cost and other administrative expenses to improve profitability.</p> <p>The Company has also submitted Draft Rehabilitation Scheme (DRS) with the Banks and Board for Industrial and Financial Reconstruction (BIFR) as per the direction made by the BIFR. The DRS includes detailed Financial Restructuring and Business Restructuring.</p> <p>With the streamlining operations, expected improvement in overall business scenario and healthy order book position, the Company would definitely come out of present situation and grow in the coming years.</p>		
	Expected increase in productivity and profits in measurable terms	Particulars	Current Year (` In Lacs)	Previous Year (` In Lacs)
		Sales	32100	21486.38
		Other Income	400	384.26
		Net Profit/(Loss)	375	(8279.76)

The draft of the Agreement referred to above is open for inspection by the Members at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on any working day up to the date of the Annual General Meeting.

The Board, therefore, recommends the resolution at Item No. 4 of this Notice for your approval.

None of the Directors (except Shri Rahul Amin and Smt. Tejal Amin), Key Managerial Personnel, relatives of Directors and Key Managerial Personnel of the Company is directly/indirectly interested in this resolution.

**Particulars of the Directors Seeking appointment /re-appointment at the ensuing Annual General Meeting pursuant to the requirement of Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard.**

Name of Director	Shri Rahul Amin	Shri Marut Patel
Date of Birth	25.12.1952	28.10.1956
Date of Appointment	25.06.1997	30.10.2014
Expertise in Specific Functional Areas Qualification	Engineering & Management B.E. (Elect.) from M. S. University of Vadodara and Master of Engineering from Cornell (U.S.A.).	Engineering & Management B.E. Mechanical Engineer, M. S. (Mechanical & Automation Engineering), MBA (Technical Management)
List of other Directorships	1. JSL Industries Ltd. 2. Dahlia Resources Ltd. 3. Insutech Industries Ltd. 4. Tapovan Education Institute	-
*Chairman / Member of the Committees of the Board of the Company	-	Member: 1. SIGSRC 2. NRC 3. RMC
Chairman / Member of the Committees of the Board of other Company(ies)	Chairman 1. JSL Industries Ltd.	-
Shareholding in the Company	1084100	23

\* SIGSRC - Shareholders'/ Investors' Grievance & Stakeholders Relationship Committee

NRC – Nomination and Remuneration Committee

RMC – Risk Management Committee

**Item No. 5 - Remuneration of Cost Auditors**

In terms of the provisions of Section 148 of the Companies Act, 2013 and based on the recommendation of the Audit Committee, the Board of Directors had approved the appointment and remuneration of M/s. R. K. Patel & Co. and M/s. Y.S. Thakar & Co., as the Cost Auditors to carry out the audit of Cost Records for certain specific products of the Company viz. Motors & Pumps and Generators, Turbines, Switchgears and Relay Panels (collectively called as "Products") respectively for the financial year ended on 31<sup>st</sup> March, 2017 as per the following details.

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Sr. No.	Name of the Cost Auditor	Industry	Audit Fees (₹)
1.	M/s. R. K. Patel & Co.	Motors and Pumps	50,000/-
2.	M/s. Y. S. Thakar & Co.	Engineering products such as Generators, Turbines, Switchgears and Relay Panels	25,000/-

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any amendment(s) or modification(s) thereof), the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution, as set out at Item No. 5 of the Notice, for ratification of the remuneration payable to the Cost Auditors of the Company for the financial year 2016-17.

The Board recommends the resolution set out at Item No. 5 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives, is in any way, concerned or interested in this resolution.

### **Item No. 6 – Creation of mortgage / charge for Borrowings / Financial Assistance availed**

The Ministry of Corporate Affairs ('MCA') vide its Circular dated 25<sup>th</sup> March, 2014, had clarified that the resolution passed under Section 293 of the Companies Act, 1956 prior to 12<sup>th</sup> September, 2013, with reference to borrowings and / or creation of security on assets of the Company will be effective for a period of one year from the date of notification of Section 180 of the Companies Act, 2013 i.e. 11<sup>th</sup> September, 2014.

Accordingly, at the Seventieth and Seventy-first Annual General Meeting of the Company held on 22<sup>nd</sup> September, 2014 and 10<sup>th</sup> December, 2015 respectively, it was proposed to obtain a fresh approval of the shareholders under Section 180(1)(a) of the Companies Act, 2013, by way of a Special Resolution to secure the borrowings / financial assistance, in line with the said notification as the Company has already created and would be required to create security by way of mortgage / charge and / or hypothecation of its assets and properties both present and future. The terms of such security may include a right in certain events of default, to take over management or control of the whole or substantially the whole of the undertaking(s) of the Company. The Resolutions were, however, not approved in both the previous Annual General Meetings, as the votes cast against were more than the votes cast in favour of approval.

Therefore, pursuant to Section 180(1)(a) of the Companies Act, 2013, it is proposed once again to seek consent of the Company by Special Resolution authorizing the Company through its Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company. As mortgaging or charging the movable and/or immovable properties and assets of the Company with the right of taking over management or control in certain events of default may be considered to be disposal of the Company's undertaking within the meaning of Section 180(1)(a) of the Companies Act, 2013, the approval of the Members is required for creating such mortgages and / or charges on the assets and properties of the Company, both present and future.

The Board, therefore, recommends the resolution at Item No. 6 of this Notice for your approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives, is in any way, concerned or interested in this resolution.

### **Item No.7 – Adoption of new set of Articles of Association**

The extant Articles of Association ("AoA") of the Company are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific Sections of the Companies

Act, 1956 and some regulations in the existing AoA are no longer in conformity with the new Companies Act, 2013 ('the Act').

With the advent of the new Act, several provisions of the existing AoA of the Company require substantial alterations. In such a situation, it was considered expedient to substitute the existing AoA in its entirety by adopting a new set of Articles altogether and a Special Resolution for the same was proposed to the shareholders at the Seventieth Annual General Meeting of the Company held on 22<sup>nd</sup> September, 2014 and Seventy-first Annual General Meeting of the Company held on 10<sup>th</sup> December, 2015. The Resolutions were, however, not approved in both the previous Annual General Meetings, as the votes cast against were more than the votes cast in favour of approval.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model Articles of Association for a Company limited by shares.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders and would be available for inspection at the Registered Office of the Company during office hours.

The Board once again recommends the Special Resolution set out at Item No. 7 of this Notice for your approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives, is in any way, concerned or interested, in this resolution.

Regd. Office :  
Nanubhai Amin Marg  
Industrial Area  
P.O. Chemical Industries  
Vadodara-390 003  
CIN: L36990GJ1943PLC000363  
23<sup>rd</sup> September, 2016

By Order of the Board  
  
**S.Singhal**  
Vice President (Legal) &  
Company Secretary  
M. No. F8289



## 72nd Annual Report

### BOARDS' REPORT

To  
The Members of **Jyoti Limited**

Your Directors present this 72<sup>nd</sup> (SEVENTY SECOND) ANNUAL REPORT and Audited Accounts for the year ended on 31<sup>st</sup> March, 2016.

### FINANCIAL RESULTS

	(` in Lacs)		
	2015-16		2014-15
	Standalone	Consolidated	Standalone
Revenue from Operations	21486.38	23778.88	23676.28
Operating EBITDA	89.06	672.00	(2972.23)
Add : Other Income	384.26	385.49	311.16
Profit/(Loss) before Finance Cost & Depreciation	473.32	1057.49	(2661.07)
Less : Finance Costs	7501.05	7501.05	7272.79
Less : Depreciation and Amortization	1350.69	1387.57	1403.94
Profit/(Loss) before Taxation	(8378.42)	(7831.13)	(11337.80)
Less : Tax Expense	(98.66)	(29.73)	16.64
<b>Balance of Profit/(Loss) for the year</b>	<b>(8279.76)</b>	<b>(7801.40)</b>	<b>(11354.44)</b>

### OPERATIONS

#### A. PERFORMANCE

1. The Net Sales of the Company for the year ended on 31<sup>st</sup> March, 2016 was marginally lower at ` 212.43 crores as compared to ` 234.79 crores of the previous year.
2. Despite orders worth more than ` 700 crores in hand, the sales remained lower as the Company not being able to execute its orders due to paucity of funds to pay to the banks in time, resulting in devolvement of Letters of Credit, further restricting the availability of Non Fund Based facilities from banks, which forms an integral part of business terms of your Company.
3. The cost of material consumed for the year stood at ` 158.40 crores (75% of sales value) as compared to ` 199.27 crores (85% of sales value) during the previous year. The substantial reduction in the material cost was due to the close monitoring of the execution of orders resulting in higher contribution.
4. The Employee benefits expenses were ` 3081 Lacs as compared to ` 3278 Lacs during previous year, mainly on account of rationalisation of manpower.
5. Reduction in material consumption coupled with lower overheads resulted in your Company achieving a positive EBITDA after a gap of two years. The EBITDA stood at ` 0.89 crores compared to - ` 29.72 crores during the previous year.
6. The severe liquidity crunch resulted in higher Finance Cost of ` 75.01 crores during the year as compared to ` 72.73 crores during the previous year.
7. The other income stood at ` 384 Lacs during the year as compared to ` 311 Lacs during the year ended on 31<sup>st</sup> March, 2015, mainly due to higher dividend received from the Joint Venture, Jyoti Sohar Switchgear LLC (JSSL) and interest received on Income Tax refunds.

8. The lower material cost and overheads resulted in containing the net loss for the year at ` 82.80 crores as compared to ` 113.54 crores for the previous year.
9. The cash losses of the last few years have eroded the working capital. During the year, there was a net increase in Current Liabilities by ` 68.24 crores. On the other hand, there was a reduction in Current Assets by ` 35.62 crores.

## **B. CURRENT OUTLOOK**

The infrastructure industry, particularly in water and power segments, has not recovered as expected, resulting in delay in completion of projects and the recovery of dues, further adding to an already depleted financial position. The Company is optimistic of improvement in these sectors, which will help in speedy execution of projects and resultant collection of its dues.

The Hon'ble BIFR, in the hearing held on 5<sup>th</sup> October, 2015, declared the Company, a Sick Industrial Company in terms of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and appointed the Lead Bank, Central Bank of India as Operating Agency (OA) under section 17(3) of the Act to examine the viability of the Company and for formulating a Draft Rehabilitation Scheme (DRS) for revival of the Company with a Cut Off Date of 31<sup>st</sup> March, 2016.

As per the directions of the Hon'ble BIFR, the Company has submitted the DRS to the OA, other consortium member banks/lenders and Hon'ble BIFR. Company's Techno Economic Viability Study (TEV), carried out by a leading agency has been submitted to the Banks. The DRS is presently under consideration of the Banks.

The Company is very positive about its viability, in line with the DRS proposal and TEV submitted to the lenders. The Company's ability to continue to execute its orders, despite adversities, adds confidence that Company's financials will show a marked improvement once the DRS proposal is accepted and implemented by the lenders and the Hon'ble BIFR.

Your Company continues to strive for collection of overdues, better price and collection terms in sales orders, containing material cost, rationalization of manpower and control of overheads with bare minimum spending on capital expenditure. Your Directors are happy to report that the efforts are paying off and your Company has achieved a sales turnover of ` 72 crores during the first quarter of the current year (` 53.64 crores during first quarter of 2015-16) and it is expected that the progression will continue during the year.

## **CONSOLIDATED FINANCIAL STATEMENTS**

Your Company has a Joint Venture (JV) Company, Jyoti Sohar Switchgear LLC, with Omar Zawawi Establishment, Sultanate of Oman, wherein your Company holds 49% share and is jointly controlling the Company.

Your Company has prepared Consolidated Financial Statements in accordance with Accounting Standards (AS) 21- Consolidated Financial Statements and AS 27 – Interest in Joint Ventures, issued by the Institute of Chartered Accountants of India, prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Audited Consolidated Financial Statements together with the Independent Auditor's Report thereon are annexed and form part of this Annual Report. Being first year of preparing Consolidated Financial Statements, previous year figures have not been consolidated.

Jyoti Sohar Switchgear LLC is located in Sohar Industrial Estate, Sohar, Sultanate of Oman and manufactures medium voltage metal-clad switchgear for 12kV system and relay and control panels.

In consolidation of statements, your Company has considered its share of total revenues amounting to ` 22.93 crores and total assets amounting to ` 20.40 crores. The Company's share of net profit of ` 4.78 crores is included in the Consolidated Financial Statements.

### DIVISIONAL PERFORMANCE

#### A. ENGINEERED PUMPS & PROJECTS DIVISION

During the year under review, Engineered Pumps & Projects Division (EPPD) continued to face challenges of the difficult economic market conditions. Even though the division could witness a marginal improvement in the funds released by various Government departments for the ongoing projects, the infrastructure companies continued to be under stress, who are the major customers for EPPD. The division was caught in a vicious circle of recovery and progress, which were interlinked. The challenges were multifold to pass through the year smoothly. However, against all odds the division remained the major contributor in sales of about 54% of the Company's turnover. The division has also managed to move into the next financial year with a pending order position of more than ₹ 600 crores.

Continuing its presence in the Irrigation Sector, the division has received a major order from M/s DRN Infrastructure for Tubchi Bableshwar Lift Irrigation Scheme under Karnataka Neeravari Nigam Limited for supply of 5 Nos. Metal Volute Pumps each of 5 MW with motors and allied electromechanical equipments including 220 kV substation and transmission line on a turnkey basis, which includes design, engineering, supply, erection, commissioning and operation & maintenance for 5 years. Similarly, the division also received orders for 33 Nos. of large pumps from Megha Engineering & Infrastructures Limited for Somashila Lift Irrigation Scheme in Andhra Pradesh and Yettinahole Lift Irrigation Scheme in Karnataka. The division has also received repeat order for 3 Nos. each of Main Circulating Pumps and Condensate Extraction Pumps from Defence Machinery and Design Establishment (DMDE).

During the year under review, the division has successfully commissioned many large size pumps, which have added credentials and shall help the division in getting qualified for many of the future upcoming business in the country and abroad. To highlight some of the achievements, it will be out of place to mention that the company has successfully commissioned 6 Nos. Metal Volute pumps with 16000 KW motors for GLIS in the state of Telangana. This is the largest rating motor commissioned in the Irrigation Sector. The division is executing a Lift Irrigation Scheme on Kachchh Branch Canal under Sardar Sarovar Narmada Nigam Limited, which includes 3 Pumps of 6 cumecs and 3 pumps of 20 cumecs out of which the division has commissioned 3 pumps of 6 cumecs. These pumps are operating with siphon arrangement without any valves on the delivery side. The company has obtained patent for siphon system from United States and also from Indian Patent Office. The 20 cumecs pumps supplied are under erection and will be the largest capacity pumps supplied, erected and commissioned by Jyoti Limited. The division had taken orders for 40 pumps for SauniYojna packages being executed under Narmada Water Resources Department, Government of Gujarat. Two of these pumps of 1400 VM with 3200 KW motors were successfully commissioned during the year under review. This is the largest Vertical Turbine Pump designed, manufactured, supplied, erected and commissioned for Lift Irrigation Projects. Out of 40 Nos. pumps during the year under review, the division has already supplied 18 Nos. of pumps in record time. The division has also successfully commissioned Patan Kalyana pumping station under Narmada Water Resources Department, Government of Gujarat and Dongarwadi Lift Irrigation Scheme under Water Resources Department, Maharashtra. The division has commissioned Circulating Water Pumps for 1 x 500 MW NTPC Vindhyachal Thermal Power Station during the year. These pumps were designed, manufactured, supplied, erected and commissioned in record time of 6 months from drawing approval.

The division is executing a major order for Naval Dockyard with Hindustan Construction Co. Ltd., Mumbai. This project involves design, engineering, supply, erection & commissioning of 13 systems, required for dewatering and maintenance of ships. Out of this, the division has successfully commissioned and handed over 3 systems and commissioned one system during the year under review. This is the project of National Importance, where the division and the Company is proud to be associated with.

## **B. HYDEL**

During the year, the division has maintained its average annual turnover of about ` 20 crores out of a carry forward order of about ` 140 crores in the beginning of the year. The division has gone through a difficult phase during the year in view of environmental clearance and lack of banking support to the Hydro Sector. The division is into small hydro upto 10 MW, which is mainly controlled by private developers in the unorganized sector. In view of the challenges with regard to environmental clearance and bank approvals no new viable hydro power stations have come up during the year under review. The division continues its focus on export business and expects good orders in the next financial year.

During the year, the division has completed design and engineering activities of the prestigious order received from Sardar Sarovar Narmada Nigam Limited for 9 Nos. Turbines and Generators of 5 MW each. The division has successfully completed the model testing of 5 MW Kaplan Turbine at CKD Blansco, Czech Republic, which was witnessed and approved by officials of Tata Consulting Engineers and Sardar Sarovar Narmada Nigam Limited. The division has started their supplies during the year and expects major sales in the next financial year.

During the year, the division has received an order from Gujarat State Electricity Corporation Ltd. for supply, erection, testing and commissioning of microprocessor based electronic governor system for 2 x 2.5 MW Mini Hydro Power Station at Ukai. These machines were originally supplied by the division 20 years back and have done refurbishment of turbines and generators in the last financial year.

During the year under review, the division has successfully commissioned 4 x 2.1 MW 4-Jet Vertical Pelton machines for Cirompang Hydro Project in Indonesia. This is the first 4-Jet machine designed and manufactured with vertical generator and are working satisfactorily. The division has also commissioned 2 x 1.57 MW Francis Machines for Situmulya Hydro Project in Indonesia.

The division has successfully executed six orders in Indonesia and two orders in Vietnam and has received performance certificates from the customers. With the major thrust in Hydro sector in these countries, the division is hopeful of getting good export orders in the next financial year.

## **C. ROTATING ELECTRICAL MACHINES**

The division's focus continues on captive manufacturing against orders from EPPD and Hydel divisions. There has not been any significant contribution from this division as its dependence is mainly on the order book and execution of EPPD and Hydel divisions and is more in a supporting role.

During the year, the division has manufactured 7 Nos. of HT motors and generators, 45 Nos. of LT motors and 3 Nos. LT generators. Arno Converters continues to be the star product of the division.

During the year, captive power for testing large motors upto 6 MW with pumps was successfully commissioned by synchronizing two generators of 4 MW with engine. With this, the division has established capability for testing of large pumps and motors in-house upto 6 MW.

## **D. SWITCHGEAR**

During the year under review, the Switchgear Division achieved sales of ` 4520 Lacs. The VCB production in terms of quantity is around 1040 Nos. and HT Switchgear Panels manufactured are 1030 Nos., which include RMU production of 106 Nos. The Switchgear division has received orders worth ` 5640 Lacs in the year 2015-16.

In addition to the above, some milestones have been achieved by Switchgear Division, in the Financial Year 2015-16; some of them are enumerated below:

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1. Jyoti Limited bagged various 11 kV VCB panels orders from GETCO worth ` 1700 Lacs for 600 Nos. panels.
2. Jyoti has done export Business of ` 1100 Lacs and received orders worth more than ` 2400 Lacs from Jyoti Sohar Switchgear LLC (JSSL).

Many power, infrastructure as well as industrial projects are coming up in the next five years and hence, there will be no shortage of order for Medium Voltage Switchgear and RMU Products.

For Medium Voltage Switchgear Products, Switchgear Division has decided to do the re-certification of various products as a continuous product certification process in year 2016-17 and with the continuous thrust the requirement is bound to grow in power sector. The Company is confident of achieving better performance in the years to come.

### EXPORTS

During the year under review, the Company's exports valued at ` 1260.48 Lacs. The Company's major exports are to Sultanate of Oman for Switchgear and Indonesia for Hydrel Turbines.

### PUBLIC DEPOSITS

The Company has not accepted any deposits from the Public during the year under review.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loan or provided guarantees or made any investments as prescribed under Section 186 of the Companies Act, 2013.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required by Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in **Annexure A** forming part of this Report.

### CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

As per Regulation 27(2) of the Securities and Exchange Board of India (SEBI), [Listing Obligations and Disclosure Requirements (LODR)] Regulations, 2015, Corporate Governance Report with Auditors' Certificate thereon and Management Discussion and Analysis are given in **Annexure B** forming part of this Report.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Members at the Annual General Meeting held on 10<sup>th</sup> December, 2015 have appointed Mr. T. C. Dayal, Mr. S. S. Bhattbhatt, Mr. V. K. Gulati and Dr. R. M. Khajuria as Independent Directors of the Company to hold office for a term of 5 (five) consecutive years commencing from 30<sup>th</sup> October, 2014 to 29<sup>th</sup> October, 2019. During the period under review, Mr. Jayesh Verma was appointed as Chief Financial Officer of the Company.

All the Independent Directors have given declaration to the Company stating their independence pursuant to Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances, which may affect their status as Independent Directors during the year.

The Nomination and Remuneration Committee and Board of Directors at their meeting held on 28<sup>th</sup> May, 2016 and 30<sup>th</sup> May, 2016 respectively have approved the re-appointment of Mr. Rahul Amin as Managing Director of the Company for a period of 3 (three) years w.e.f. 25<sup>th</sup> June, 2016, subject to the approval of Shareholders at the ensuing Annual General Meeting and also approval of Central Government.

Mr. Marut Patel retires by rotation and being eligible, seeks re-appointment.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability confirm and state that -

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. The Directors had 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 loss of the company for that period;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual accounts on a 'going concern' basis;
- v. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **BOARD MEETINGS**

The Board of Directors met 8 (eight) times during the year. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of this Report.

## **AUDIT COMMITTEE**

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which forms part of this Report.

## **SUBSIDIARY COMPANIES / ASSOCIATE COMPANIES / JOINT VENTURE**

The Company does not have any subsidiary.

The Company has a Joint Venture Company viz. Jyoti Sohar Switchgear LLC, Sultanate of Oman and holds 49% of the total shareholding.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiary in Form AOC-1 is attached to the financial statements of the Company.

## **WHISTLE BLOWER & VIGIL MECHANISM**

The Company has established a "Whistle Blower and Vigil Mechanism Policy" for Directors, Employees and Stakeholders to report the genuine concerns. The provisions of this policy are in line with the provisions of Section 177(9) of the Companies Act, 2013 and also as per the Regulation 22 read with Regulation 4(d) (iv) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015. Policy is available on the website of the Company at the web-link [http://www.jyoti.com/pdf/whistle\\_blower\\_and\\_vigil\\_mechanism\\_policy.pdf](http://www.jyoti.com/pdf/whistle_blower_and_vigil_mechanism_policy.pdf)

## **NOMINATION AND REMUNERATION POLICY**

A Nomination and Remuneration Policy has been formulated pursuant to the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and Rules thereto stating therein the Company's policy on appointment and remuneration of Directors and Key Managerial Personnel.

The said Policy may be referred to at the Company's website at the web-link [http://www.jyoti.com/pdf/nomination\\_and\\_remuneration\\_policy\\_evaluation\\_criteria.pdf](http://www.jyoti.com/pdf/nomination_and_remuneration_policy_evaluation_criteria.pdf)

## **RISK MANAGEMENT**

The details of the Risk Management and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

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The Risk Management Policy of the Company may be referred to at the Company's website at the web-link [http://www.jyoti.com/pdf/risk\\_management\\_policy.pdf](http://www.jyoti.com/pdf/risk_management_policy.pdf)

The Company has in place, a mechanism to identify, assess, monitor and mitigate various risks in achieving key objectives of the Company. The Company has developed and implemented Risk Management Policy of the Company to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

### **BOARD EVALUATION**

The evaluation framework for assessing the performance of Board including the individual directors is based on the following key measures:

- Attendance and participation in the Meetings and timely inputs on the minutes of the meetings
- Adherence to ethical standards & code of conduct of Company and disclosure of non – independence, as and when it exists and disclosure of interest
- Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings
- Interpersonal relations with other directors and management
- Objective evaluation of Board's performance, rendering independent, unbiased opinion
- Understanding of the Company and the external environment in which it operates and contribution to strategic direction
- Safeguarding interest of whistle-blowers under vigil mechanism and Safeguard of confidential information

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board does not participate in the discussion of his / her evaluation.

### **EXTRACT OF THE ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9 are given in **Annexure C** forming part of this Report.

### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel, etc., which may have potential conflict with interest of the Company at large.

The Policy on Related Party Transactions of the Company is uploaded on the Company's website at the web-link [http://www.jyoti.com/pdf/policy%20on\\_related\\_party\\_transactions.pdf](http://www.jyoti.com/pdf/policy%20on_related_party_transactions.pdf)

The Audit Committee reviews all related party transactions quarterly.

The particulars of contracts or arrangements with related parties given in "Form AOC-2" are given in **Annexure D** forming part of this Report.

### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. Ravi Kapoor & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2015-16. The Secretarial Audit Report is appended as **Annexure E** forming part of this Report.

The Secretarial Audit Report for the year under review is self-explanatory and does not contain any qualification.

## **INTERNAL FINANCIAL CONTROLS**

As per provisions of Section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented robust systems/framework of internal financial controls to provide them with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks.

Your Company has established and maintained internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Based on information provided, nothing has come to the attention of Directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred during the year under review. There have been no significant changes in our internal financial controls during the year that have materially affected or are reasonably likely to materially affect, our internal financial controls.

The Company has an internal audit system, which is commensurate with the size, nature and complexity of operations of the Company. Internal audit reports functionally to the Audit Committee of Board, which reviews and approves annual internal audit plan. Audit Committee periodically reviews the performance of internal audit function.

The Company has a detailed business-planning framework to define targets for its operations and a review mechanism enabled performance monitoring for ensuring strategic corrective actions for achievement of business targets. The Audit Committee reviews adherence to internal control systems and internal audit reports. Further, the Board annually reviews the effectiveness of the Company's internal control system.

## **EQUAL OPPORTUNITY EMPLOYER**

The Company has always provided a congenial atmosphere for work to all employees that is free from discrimination and harassment including sexual harassment. It has provided equal opportunities of employment to all without regard to their caste, religion, colour, marital status and sex. The Company has also framed a Policy on "Prevention of Sexual Harassment" at the workplace. There were no cases reported under the said Policy during the year.

## **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 (Act) read with Rule 5 (2) and 5(3) of the Companies Act, 2013 (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there is no employee drawing remuneration in excess of the limits set out in the said Rules and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure F** forming part of this Report.

## **STATUTORY AUDITORS**

Pursuant to provisions of Section 139 of the Act read with the Companies (Audit & Auditors) Rules, 2014, M/s. V. H. Gandhi & Co., Chartered Accountants, Vadodara (holding Registration No. 103047W), were appointed as Statutory Auditors of the Company to hold office from the conclusion of the 71<sup>st</sup> Annual General Meeting until the conclusion of 73<sup>rd</sup> Annual General Meeting subject to ratification of their appointment by the Members of the Company at the 72<sup>nd</sup> Annual General Meeting.

Consent and Certificate from them has been received to the effect that their appointment as Statutory Auditors of the Company, if any, ratified at the ensuing Annual General Meeting would be according to the terms and conditions prescribed under Section 139 of the Act and Rules framed thereunder.



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A Resolution seeking ratification of their appointment forms part of the Notice convening the 72<sup>nd</sup> Annual General Meeting.

The Auditors' Report for the year under review is self-explanatory and does not contain any qualification.

### **COST AUDITORS**

Based on the recommendation of the Audit Committee and subject to the ratification of the remuneration of the Cost Auditors by the Members of the Company, the Board of Directors of your Company has appointed the following Cost Auditors for conducting the audit of cost records of the Company for various products for the financial year 2016-17:

- (i) M/s. R. K. Patel & Co., Cost Accountants – For Motors and Pumps.
- (ii) M/s. Y. S. Thakar & Co., Cost Accountants – For Engineering Products such as Generators, Turbines, Switchgears and Relay panels.

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments, if any, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

### **SIGNIFICANT AND MATERIAL ORDERS / DEVELOPMENTS**

With regard to the Open Offer made by two acquirers namely Shri Lavjibhai D. Daliya and Anjani Residency Pvt. Ltd. from Surat, Gujarat, on 29<sup>th</sup> June, 2015, the Company has filed Miscellaneous Application No. 330/2015 in Case No. 62/2014 praying the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) to declare the Open Offer made by Shri Lavjibhai D. Daliya and Anjani Residency Pvt. Ltd., null and void.

At the hearing held on 15<sup>th</sup> September, 2015 the Hon'ble Bench had passed an interim order directing all the parties to maintain status quo on the operations of the Company and Controlling stake and management, till the next date of hearing. Further, they directed that No Change of Management (COM) should take place during the pendency of the reference without the permission of the Board.

Against the order passed by the BIFR, the Acquirers filed an appeal before the Appellate Authority for Industrial and Financial Reconstruction (AAIFR). The Hon'ble Bench of AAIFR in its Order dated 13<sup>th</sup> January, 2016 dismissed the Appeal No. 93/15 filed by the Acquirers against the Order dated 15<sup>th</sup> September, 2015 passed by BIFR.

As per the latest SEBI status, the Acquirers through their Merchant Banker have already given a letter dated 15<sup>th</sup> February, 2016 for withdrawal of the Open Offer made by them.

### **ACKNOWLEDGEMENT**

The Board of Directors take this opportunity to thank the Company's customers, members, suppliers, bankers, associates, Central and State Governments and employees at all levels for their support and co-operation extended to the Company during the year.

On Behalf of the Board of Directors

**Rahul N. Amin**

Chairman & Managing Director

**(DIN: 00167987)**

Vadodara

20<sup>th</sup> July, 2016

## **ANNEXURE 'A' TO THE BOARD'S REPORT**

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

[Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

#### **A. CONSERVATION OF ENERGY:**

##### **Energy conservation measures taken:**

- T5 28 W Energy saver tube light installed in place of 40 W Tube Light.
- New Screw Compressor installed instead of reciprocating Compressor for centralise air pressure system for saving energy and reduce down time.
- Replaced old water tapes and installed new push Valves to reduce water consumption and save energy.
- Awareness about the need for energy conservation at all levels of employees is being created through posters, Hoardings, etc.

#### **B. TECHNOLOGY ABSORPTION:**

##### **(a) Research & Development**

1. Specific core areas in which R&D was carried out by the company:

- Medium Voltage Switchgear
- Rotating Electrical Machines (Motors and Generators)
- Hydraulic Turbines and Pumps, including Micro-Turbines

2. Benefits derived as a result of above R&D :

Increasing technical and price competition from the overseas MNCs and also, to some extent, from within the country, have been partially overcome by the internal R&D work, through up-gradation and improvement of various core product designs and processes. Every effort for cost reduction has been made through Value Engineering. The technical competitiveness has been tackled through re-engineering product range extension with value addition in the core products.

3. Future Plan of Action :

The future R&D activities will be directed towards the consolidation of existing product range through up-gradation, addition of new products to enhance the range with special focus on performance & cost effectiveness thus creating value addition by various means. Considering the business potential, competitors' product range and market niche, new technologies / processes and new state-of-the-art software will be introduced with the help of in-house R&D development or, if necessary, acquiring technologies from known external sources. Increased use of advanced and latest state-of-the-art softwares like Pro/e, CFX, ANSYS-Mechanical, CFTURBO, RMXprt and Maxwell for design / development and also improvement in performance parameters; along with cost reduction will be the top priority.

4. Expenditure on R&D :

	(` in Lakhs)
a) Capital	-
b) Recurring	256.37
c) Total	256.37
d) Total R&D expenditure as percentage of total turnover	1.17 %

##### **(b) Technology Absorption, Adaptation and Innovation**

1. Efforts in brief, made towards technology absorption, adaptation and innovation.

- a) In the area of medium voltage switchgear, the activities were directed towards up-gradation of existing switchgear to meet the latest IEC Standards. Type-testing as per the latest version of IEC: 62271-100 was continued. In addition, R&D is continuously carried out, in the areas of applied research and use of alternative materials and processes.
  - b) In the rotating machines group, major work was mainly directed towards indigenous development of larger rating motors and generators for various applications in core industries. New product development and cost reduction in the existing designs, processes and process-time reduction in the existing products are undertaken. New Die casting plant for better productivity and Hydraulic Dynamometer with gearbox for type-testing of motors has been installed. Gearbox for testing vertical motors with dynamometer has been installed.
  - c) In the pump group, the major effort was towards consolidation, standardization and extension of the existing range of pumps. Extensive use of CFD Analysis software has been the thrust area to improve efficiencies for all pump ranges.
  - d) In the turbine group, major efforts toward design / development related to high head Francis turbine range and vertical Semi/Full Kaplan Turbine and use of CFD Analysis software package for evaluation of Hydraulic Performance and use of ANSYS-Mechanical software to evaluate structure design of Kaplan and Francis Turbines enabling cost effective turbine geometry/arrangement.
2. Benefits derived as a result of above efforts.
- (a) Medium Voltage Switchgear
    - Revenue of ` 1100 lacs for M/s. JSSL for Oman market was generated in 2015-16 after successful type testing of 12kV, 25kA, 1250/630 Amp panels as per the requirement of client and as per IEC: 62271-100 and IEC: 62271-200 in the year 2012-13.
    - Panels with common bus bar configuration as per requirement of GETCO. Two types of panels one for Incoming/ Outgoing and another for Bus coupler were designed. This resulted in order for 398 panels with total value of ` 1250 lacs.
  - (b) Rotating Electrical Machines
    - Design, development and testing of large rating, low speed vertical / horizontal motors for Lift Irrigation Schemes.
    - Improved version of Wind Energy Generators.
    - Process-time reduction through modular construction of stator and rotors for larger rating motors.
    - Cost reduction designs through Value Engineering analysis, of 415 Volts, 3.3kV, 6.6kV and 11kV motors on demand.
    - Design & development of larger rating generators for Hydel Application.
  - (c) Pumps
    - Developed 750T Pump for MIDC Janhul Project
    - Developed 1100VM Pump for Somasila Project
    - Developed 1200VM Pump for Somasila Project
    - Development of new series of End Suction Pump is under progress.
  - (d) Turbine
    - Integrally forged shaft flange is introduced in the Kaplan turbine. It will help us to

eliminate the use of Rigid Coupling which is bought out item. This implementation helps in time & cost saving.

- ANSYS Mechanical software is extensively used for structural analysis of turbine components enabling material control.
- Developed indigenous system for fresh water supply & Chilled water supply to ships moored in the dry dock.
- Developed indigenous system for siphon arrangement of dewatering pipes.
- Developed indigenous system for cooled water through cooling tower which cools the heated water coming from condenser cooling package of NTPC Singrauli Thermal Plant. This water is at a temp. of 40 degree which is cooled down to 28-30 degree temp.
- Designed P&ID & electrical system for high speed diesel and sullage diesel for ships mooring in the Dry dock in DGNP project.
- Designed P&ID & electrical system for high pressure compressors and fresh water systems for carrying out service & repair of the ships in the dry dock in DGNP project.
- Designed & developed electrical logic and operation circuit for two stage closing of guide vane.

### 3. Technology imported and status of absorption.

- (i) Vacuum Circuit Breakers from Toshiba Corporation, Japan. The technology has been fully absorbed for 12 kV and 36 kV Vacuum Circuit Breakers.
- (ii) Over 370 SF6 Ring Main Unit are supplied till now. Out of these about 250 have been successfully installed and commissioned. The installed RMU's are under observation for performance.
- (iii) High head Francis turbine model design for head range up to 260 metres.

### C. Foreign Exchange Earnings and Outgo:

(` in Lakhs)

a) Exports (including deemed Exports)	1260.48
b) Total Foreign Exchange used and earned	
i) Total Foreign Exchange used	250.58
ii) Total Foreign Exchange earned	1319.42

### ANNEXURE 'B' TO BOARD'S REPORT

#### Report on Corporate Governance

#### 1. Corporate Governance Philosophy

The Company aims at conducting its business efficiently, by following professionally acknowledged good governance policies, thus meeting its obligations to all stakeholders in a balanced and accountable manner.

#### 2. Board of Directors

##### (a) Composition of the Board of Directors

As on date of this Report, the strength of the Board is eight Directors comprising one Executive Director i.e. the Chairman & Managing Director, three Non-Executive Directors and four Independent Directors. The composition of the Board is in conformity with the Regulations 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sr. No.	Name of Directors	Category	No. of other		Existing Share holding in the Company (No. of Shares)
			Directorships	Committee Memberships	
1.	Mr. R.N. Amin Chairman & Managing Director	Executive	4	—	10,84,100
2.	Mrs. T.R. Amin	Non-Executive	6	—	6,42,113
3.	Mr. U.V. Desai	Non-Executive	—	—	550
4.	Mr. M.R.Patel	Non-Executive	—	—	23
5.	Mr. V.K.Gulati	Independent	2	—	50
6.	Mr. T.C.Dayal	Independent	6	1	—
7.	Mr. S.S.Bhattbhatt	Independent	—	—	60
8.	Dr. R.M.Khajuria	Independent	—	—	—

1. Mr. T. C. Dayal, Mr. V. K. Gulati, Mr. S. S. Bhattbhatt and Dr. R. M. Khajuria were appointed as Independent Directors of the Company to hold office for a term of 5 (Five) consecutive years commencing from 30<sup>th</sup> October, 2014 to 29<sup>th</sup> October, 2019 in the Annual General Meeting held on 10<sup>th</sup> December, 2015.
2. Mrs. Tejal Amin and Mr. Marut Patel were appointed as Director (Non-Executive) in the Annual General Meeting held on 10<sup>th</sup> December, 2015.
3. None of the Directors are related to the other Directors or to any other employee of the Company except Mr. Rahul Amin and Mrs. Tejal Amin. Mrs. Tejal Amin is wife of Mr. Rahul Amin.

**(b) Particulars of change in directorship during the year:**

Sr. No.	Name of Director	Category	Date of Appointment/ Cessation	Remarks
1.	Mr. M. R. Patel	Non-Executive	30.05.2015	Change in Designation from Additional Director (Independent) to Additional Director (Non-Executive)

**(c) Meetings held in Financial Year 2015-16 and Attendance of Directors**

The Board meets at least once in a quarter to consider amongst other business, the quarterly performance of the Company and Financial Results. The Board held eight meetings during the Financial Year 2015-16 on 30<sup>th</sup> May, 2015, 20<sup>th</sup> July, 2015, 13<sup>th</sup> August, 2015, 7<sup>th</sup> October, 2015, 5<sup>th</sup> November, 2015, 4<sup>th</sup> January, 2016, 13<sup>th</sup> February, 2016 and 30<sup>th</sup> March, 2016.

The attendance of each Director at these meetings was as follows:

Sr. No.	Name of Directors	No. of Board Meetings attended	Attendance at last AGM
1.	Mr. R. N. Amin Chairman & Managing Director	8	Present
2.	Mrs. T. R. Amin	8	Present
3.	Mr. U. V. Desai	6	Present
4.	Mr. V. K. Gulati	6	Present
5.	Mr. T. C. Dayal	7	Present
6.	Mr. S. S. Bhattbhatt	8	Present
7.	Dr. R. M. Khajuria	7	Present
8.	Mr. M. R. Patel	8	Present

**(d) Meeting of Independent Directors**

The Independent Directors of the Company had met during the year on 30<sup>th</sup> March, 2016 to review the performance of Non-Independent Directors and the Board as a whole, to review the performance of the Chairman of the Company, and to assess the efficiency of flow of information between the management and the Board.

Further, the familiarization programs for Independent Directors as required under the Listing Regulations are undertaken from time to time. Details of such programs will be updated on the Company's website at [www.jyoti.com](http://www.jyoti.com)

**3. Committee of Directors**

**(a) Audit Committee**

**(i) Terms of Reference**

The terms of reference of the Audit Committee are as per Section 177 of the Companies Act, 2013 and also as per Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(ii) Composition, Name of Members, Meetings and Attendance**

The Audit Committee of the Company comprises three Members, all of whom are Independent Non-Executive Directors. All the Members of the Audit Committee are qualified and have insight to interpret and understand financial statements.

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Seven Audit Committee meetings were held during the Financial Year 2015-16 on 29<sup>th</sup> May, 2015, 20<sup>th</sup> July, 2015, 12<sup>th</sup> August, 2015, 7<sup>th</sup> October, 2015, 5<sup>th</sup> November, 2015, 13<sup>th</sup> February, 2016 and 30<sup>th</sup> March, 2016.

The Audit Committee of the Company comprises of the following Members:

Sr. No.	Name of Member	Category	No. of Meetings attended
1.	Mr. T. C. Dayal	Chairman	6
2.	Mr. V. K. Gulati	Member	5
3.	Mr. S. S. Bhattbhatt	Member	7

The Chairman of the Audit Committee will be present at the Annual General Meeting to answer the shareholders queries, if any.

### (b) Nomination and Remuneration Committee

#### (i) Terms of Reference and Policy

The terms of reference of the Nomination and Remuneration Committee are as per Section 178 of the Companies Act, 2013 and as per the requirements of Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The policy is framed by the Nomination and Remuneration Committee and approved by the Board. The terms and conditions for appointment are disclosed in the website of the Company at [www.jyoti.com](http://www.jyoti.com).

#### (ii) Composition, Name of Members, Meetings and Attendance

The Nomination and Remuneration Committee comprises of three Members, out of which two are Independent Non-Executive Directors and one is Non-Independent Non-Executive Director.

One Nomination and Remuneration Committee meeting was held during the Financial Year 2015-16 on 7<sup>th</sup> October, 2015.

The Nomination and Remuneration Committee of the Company comprises of the following Members:

Sr. No.	Name of Member	Category	No. of Meetings attended
1.	Dr. R. M. Khajuria	Chairman	1
2.	Mr. V. K. Gulati	Member	1
3.	Mr. M. R. Patel	Member	1

#### (iii) Remuneration paid to Directors for the Financial Year 2015-16 (₹)

Sr. No.	Name of Director	Sitting Fees	Salary and other Perquisites	Commission	Total
1.	Mr. R. N. Amin Chairman & Managing Director	-	84,79,663	-	84,79,663
2.	Mrs. T. R. Amin	16,000	-	-	16,000
3.	Mr. U. V. Desai	12,000	-	-	12,000
4.	Mr. V. K. Gulati	12,000	-	-	12,000
5.	Mr. T. C. Dayal	14,000	-	-	14,000
6.	Mr. S. S. Bhattbhatt	16,000	-	-	16,000
7.	Dr. R. M. Khajuria	14,000	-	-	14,000
8.	Mr. M. R. Patel	16,000	-	-	16,000
	Total	1,00,000	84,79,663	-	85,79,663

The Company has a credible and transparent policy in determining and accounting for the remuneration of Directors, Key Managerial Personnel & Senior Management of the Company. The policy has been placed on the Company's website at the web-link [http://www.jyoti.com/pdf/nomination\\_and\\_remuneration\\_policy\\_n\\_evaluation\\_criteria.pdf](http://www.jyoti.com/pdf/nomination_and_remuneration_policy_n_evaluation_criteria.pdf)

Independent Directors are appointed and their performance is evaluated based on the criteria such as knowledge, qualification, experience, expertise in any area, integrity, level of independence from the Board and the Company, number of meetings attended, familiarization program attended, time devoted, etc.

The Non-Executive Directors receive remuneration by way of sitting fee for attending the Board Meetings.

The remuneration paid to the Executive Director is determined keeping in view his professional qualification, relevant industry experience, size of the Company and current remuneration standards for such senior executive positions in the Engineering Industries.

Apart from above, Non-Executive Directors do not have any material pecuniary relationship or transactions with the Company.

Notes:

- 1. Service Contract, Notice Period and Severance fees.**  
The employment of Mr. Rahul N. Amin is contractual.
- 2. Stock option details, if any**  
Nil

**(c) Shareholders' / Investors' Grievance & Stakeholders Relationship Committee**

(i) Terms of Reference

The terms of reference of the Committee include the following:

- To review all complaints recorded in SCORES of SEBI and replies made to the same by the Company Secretary.
- To receive report on all complaints recorded in SCORES of the Registrar and Share Transfer Agents and note the corrective actions taken by the Registrars.
- To take action on all grievances and complaints lodged by the Stock Exchange, Shareholders' Associations and other bodies.
- To review all grievances of other stakeholders of the Company given in their individual capacity.
- Overview of activities relating to Share Maintenance and related work.

(ii) Composition, Name of Members, Meetings and Attendance

The Shareholders' / Investors' Grievance & Stakeholders Relationship Committee comprises of three Members, two of them are Independent Non-Executive Directors and one is Non-Independent Non-Executive Director.

Four Shareholders' / Investors' Grievance & Stakeholders Relationship Committee Meetings were held during the Financial Year 2015-16 on 30<sup>th</sup> May, 2015, 13<sup>th</sup> August, 2015, 5<sup>th</sup> November, 2015 and 13<sup>th</sup> February, 2016.

The Shareholders' / Investors' Grievance & Stakeholders Relationship Committee of the Company comprises of the following Members:



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Sr. No.	Name of Member	Category	No. of Meetings attended
1.	Mr. S. S. Bhattbhatt	Chairman	4
2.	Dr. R. M. Khajuria	Member	4
3.	Mr. M. R. Patel	Member	4

1 complaint and 100 queries were received during the year under review. However, the complaint and all the queries have been resolved to the satisfaction of the Shareholders. There were no pending transfers as on 31<sup>st</sup> March, 2016.

(iii) Compliance Officer

Mr. Suresh Singhal, Vice President (Legal) & Company Secretary is the Compliance Officer of the Company and Secretary to all the Committees of the Board.

**(d) Risk Management Committee**

(i) Terms of Reference and Policy

The terms of reference of the Risk Management Committee are as per various provisions of the Companies Act, 2013.

(ii) Composition, Name of Members, Meetings and Attendance

The Risk Management Committee comprises of four Members, out of which three are Independent Non-Executive Directors and one Non-Independent Non-Executive Director.

During the year under review, the Risk Management Committee meetings were held on 30<sup>th</sup> May, 2015 and 30<sup>th</sup> March, 2016.

The Risk Management Committee of the Company comprises of the following Members:

Sr. No.	Name of Member	Category	No. of Meetings attended
1.	Mr. V. K. Gulati	Chairman	2
2.	Mr. S. S. Bhattbhatt	Member	2
3.	Mr. M. R. Patel	Member	2
4.	Dr. R. M. Khajuria	Member	1

**4. SUBSIDIARY COMPANIES / ASSOCIATE COMPANIES / JOINT VENTURE**

The Company does not have any subsidiary.

The Company has a Joint Venture Company viz. Jyoti Sohar Switchgear LLC, Sultanate of Oman and holds 49% of the total shareholding.

## 5. General Body Meetings

The Annual General Meetings of the Company (AGMs) have been held at the following places in the last three years.

For the year	Venue	Day and date	Time
2013	Jyoti Limited Nanubhai Amin Marg, Industrial Area P.O. Chemical Industries Vadodara - 390 003	Thursday, 26 <sup>th</sup> September, 2013	10.00 a.m. (IST)
2014	Jyoti Limited Nanubhai Amin Marg, Industrial Area P.O. Chemical Industries Vadodara - 390 003	Thursday, 22 <sup>nd</sup> September, 2014 (postponed from 11 <sup>th</sup> September, 2014 due to flood situation in Vadodara)	9.00 a.m. (IST)
2015	Jyoti Limited Nanubhai Amin Marg, Industrial Area P.O. Chemical Industries Vadodara - 390 003	Thursday, 10 <sup>th</sup> December, 2015	9.00 a.m. (IST)

The following Special Resolutions were proposed in the previous three Annual General Meetings.

For the Year	Resolution Detail
2013	1. Appointment and remuneration of Ms. Shubhalakshmi R. Amin, as whole time Director of the Company for a period of three years w.e.f. 14 <sup>th</sup> February, 2013
2014	1. Borrowings/Financial Assistance
	2. Creation of mortgage/charge for Borrowings/Financial Assistance availed
	3. Adoption of new set of Articles of Association
2015	1. Creation of mortgage/charge for Borrowings/Financial Assistance availed
	2. Adoption of new set of Articles of Association

Note :-

- Special Resolution under Section 180 (1)(a) of the Companies Act, 2013, for creation of mortgage/charge for Borrowings/Financial Assistance availed-

**The Resolution was not passed. Votes cast against were more than the votes cast in favour of approval.**

- Special Resolution for adoption of new set of Articles of Association of the Company as per the Companies Act, 2013-

**The Resolution was not passed. Votes cast against were more than the votes cast in favour of approval.**

- No Extraordinary General Meeting was held during the year.
- No Resolution requiring Postal Ballot was required/placed at the above Meetings.

### 6. Disclosures

- (a) (i) There are no materially significant transactions with related parties viz. Promoters, Directors or the Management or their relatives that has potential conflict with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report.

The Policy on Related Party Transactions of the Company for determining the materiality of related party transactions and also on the dealings with related parties.

This Policy has been placed on the Company's website at the web-link [http://www.jyoti.com/pdf/policy%20on related party transactions.pdf](http://www.jyoti.com/pdf/policy%20on%20related%20party%20transactions.pdf)

Transactions with related parties, as per the requirements of Accounting Standard 18, are disclosed in notes to accounts annexed to the financial statements.

- (ii) The Company has adopted the Whistle Blower & Vigil Mechanism Policy for Directors, employees and stakeholders which is placed on the Company's website at the web-link [http://www.jyoti.com/pdf/whistle blower and vigil mechanism policy.pdf](http://www.jyoti.com/pdf/whistle%20blower%20and%20vigil%20mechanism%20policy.pdf).

No personnel are denied access to the Audit Committee. However, there were no cases reported under this Policy during the period under review.

- (iii) The Company has no material subsidiary.

- (iv) The Company has fully complied with mandatory requirements of the SEBI (LODR) Regulations, 2015.

- (v) The Company is not having any Commodity price risk or foreign exchange risk and not involved in hedging activities.

- (vi) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulations (2) of Regulations 46 of the Listing Regulations.

#### **(b) CEO / CFO Certification**

The Chairman & Managing Director and Chief Financial Officer have certified to the Board, compliance in respect of all matters specified in Regulation 17 (8) read with schedule-II, Part-B of the SEBI (LODR) Regulations, 2015.

#### **(c) Details of Non-Compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange, SEBI or any Statutory Authorities or any matter related to Capital Markets.**

The Company has complied with all the requirements of the SEBI (LODR) Regulations, 2015 with the Stock Exchange as well as Regulations and Guidelines of SEBI. No penalties or strictures have been imposed by SEBI, Stock Exchange or any Statutory Authorities on matters relating to Capital Markets during the last three years.

#### **(d) Dealing with Securities which have remained unclaimed**

Members are hereby informed that as per Regulation 39(4) read with Schedule VI of the SEBI Regulations, the Company is in the process of sending reminders to those shareholders whose shares certificates have remained unclaimed. Shares remain unclaimed would be held by the Company on behalf of the holders of such shares in an "Unclaimed Suspense Account" to be opened with a depository.

Members may note that the lawful claimants in respect of these shares will be able to claim such shares from the Company till such shares remain in the Unclaimed Suspense Account as aforesaid.

## 7. Means of Communication

### (a) Newspapers wherein results normally published

The quarterly / half-yearly / annual Financial Results are published in Indian Express, Vadodara and Financial Express, Ahmedabad.

### (b) web-site, where displayed

The financial results and the official press releases are also placed on the Company's website <http://www.jyoti.com> in the "Investor Relations" section.

### (c) Whether website also displays official news releases

The Company has maintained website <http://www.jyoti.com> containing basic information about the Company e.g. details of its business, financial information, shareholding pattern, codes, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievance, etc.

### (d) Presentations made to institutional investors or to the analysts : Nil

## 8. Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the Financial Year 2015-16 forms part of the Annual Report.

## 9. General Shareholders' Information

### (a) Annual General Meeting

Day, date and time	Saturday 26 <sup>th</sup> November, at 9.00 A.M. (IST)
Venue	Jyoti Limited Nanubhai Amin Marg, Industrial Area P.O. Chemical Industries, Vadodara – 390 003

### (b) Financial Calendar

Indicative calendar of events for the year 2016-17 (April to March), excluding Extraordinary General Meetings, if any, is as under:

Fourth Quarter (year 2015-16) Results	30 <sup>th</sup> May, 2016
First Quarter Results	August, 2016
Annual General Meeting	26 <sup>th</sup> November, 2016
Second Quarter Results	October / November, 2016
Third Quarter Results	January / February, 2017

### (c) Book Closure

The Company's Register of Members and Share Transfer Books will remain closed for the purpose of Annual General Meeting.	18 <sup>th</sup> November, 2016 to 26 <sup>th</sup> November, 2016 (both days inclusive)
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### (d) Dividend : Not Applicable since no dividend is recommended.

### (e) Listing on Stock Exchange

The Company's Equity Shares are listed on the Stock Exchange located at: Mumbai	Address of the Stock Exchange:- <b>The Bombay Stock Exchange Ltd. - Mumbai</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001
Stock Code of the Company	BSE 504076
ISIN No. of the Company's Equity Shares in Demat form	INE 511 D01012
Depositories Connectivity	NSDL and CDSL

**Note:-** Listing Fees for the Financial Year 2016-17 is paid to Bombay Stock Exchange.

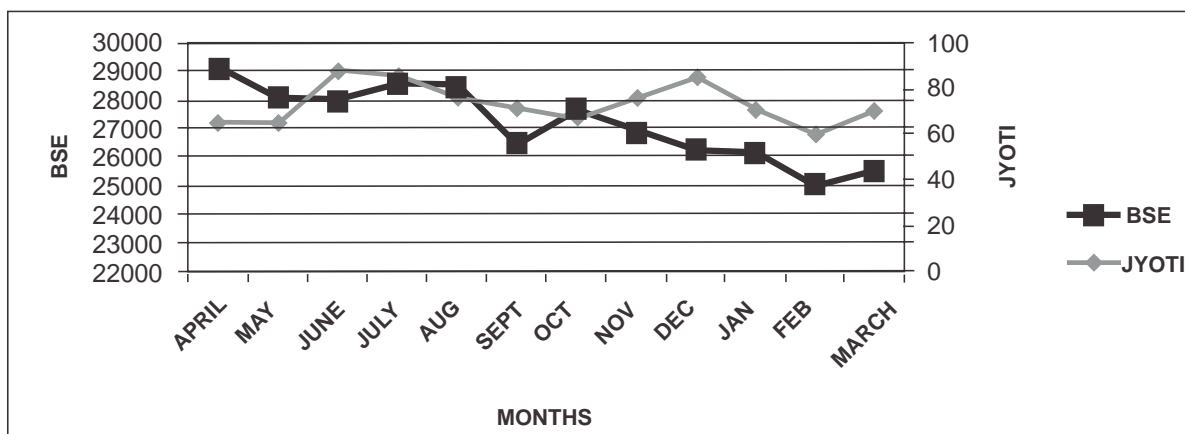
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### (f) Market Price Data :

The Market Price of the Company's shares traded on the Bombay Stock Exchange during the year 2015-16 was as follows:

Year 2015-16	BSE		BSE Sensex	
	High	Low	High	Low
Month	(`)	(`)		
April, 2015	64.85	54.10	29,094.61	26,897.54
May, 2015	64.80	54.60	28,071.16	26,423.99
June, 2015	87.00	55.10	27,968.75	26,307.07
July, 2015	85.00	62.00	28,578.33	27,416.39
August, 2015	76.00	57.60	28,417.59	25,298.42
September, 2015	71.50	62.00	26,471.82	24,833.54
October, 2015	67.00	53.50	27,618.14	26,168.71
November, 2015	76.75	55.00	26,824.30	25,451.42
December, 2015	84.90	54.95	26,256.42	24,867.73
January, 2016	70.20	53.20	26,116.52	23,839.76
February, 2016	60.00	46.15	25,002.32	22,494.61
March, 2016	70.00	42.65	25,479.62	23,133.18

### (g) Performance in comparison to broad-based indices viz., BSE Sensex



### (h) Shareholding Pattern (as on 31<sup>st</sup> March, 2016)

Sr. No.	Category	No. of Equity Shares held of ` 10/- each	Percentage (%)
1.	Promoters	54,46,503	31.80
2.	Friends & Relatives	1,46,702	0.86
3.	Mutual Funds & UTI	65	-
4.	Banks, F.Is., Insurance Companies	6,46,190	3.77
5.	Private Corporate Bodies	65,12,460	38.02
6.	Indian Public	42,82,299	25.00
7.	NRIs/Foreign Companies	94,090	0.55
8.	Any Other – Directors	683	-
	Total	1,71,28,992	100.00

**(i) Distribution of Shareholding (as on 31<sup>st</sup> March, 2016)**

Category	Number of Shareholders	Percentage %	Number of Shares	Percentage %
1 – 500	19455	96.84	1115090	6.51
501 – 1000	291	1.45	221230	1.29
1001 – 2000	139	0.70	215696	1.26
2001 – 3000	45	0.22	114923	0.67
3001 – 4000	27	0.13	94154	0.55
4001 – 5000	17	0.08	82666	0.48
5001 – 10000	40	0.20	292062	1.71
10001 and above	76	0.38	14993171	87.53
Total	20090	100.00	17128992	100.00

**(j) Share Transfer Process**

The Company's shares being in compulsory demat list are transferable through depository system. Accordingly, the Company had appointed M/s. MCS Share Transfer Agent Ltd. as its Registrar & Share Transfer Agent for both physical and demat segments of Equity Shares in compliance with the requirement of the Securities and Exchange Board of India. However, shares in the physical form are processed by the Registrar & Share Transfer Agent and approved by the Shareholders'/Investors' Grievance and Stakeholders Relationship Committee. In order to expedite the process, the Board of Directors has also delegated the authority to the Managing Director (MD) and the Company Secretary to approve the share transfers and accordingly, the MD and the Company Secretary approve the transfer/transmission of shares fortnightly.

**(k) Dematerialisation of Shares**

The Equity Shares of the Company are traded compulsorily in the dematerialised form. The Company entered into an agreement with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby the Shareholders have the option to dematerialise their shares with Depositories. Demat ISIN Number in NSDL and CDSL for Equity Shares is INE 511 D01012.

1,62,78,997 Equity Shares of the Company were in dematerialised form as on 31<sup>st</sup> March, 2016 representing 95.04% of the total Shares.

**(l) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, likely to impact on Equity**

None

**(m) Plant Locations**

The Company's Plants (Main Plant, Switchgear Plant and Relay Division) are located at Vadodara.

**(n) Registrars & Transfer Agent : (For both Physical & Electronic Transfer, etc.)**

MCS Share Transfer Agent Limited

10, Aaram Apartment, 12, Sampatrao Colony, Behind Laxmi Hall, Alkapuri, Vadodara - 390 007

Tel. : 0265- 2314757, 2350490

Fax : 0265-2341639

E-mail : mcsLtdbaroda@yahoo.com

**(o) Address for Investor Correspondence**

JYOTI LIMITED

Company Law & Legal Department

Nanubhai Amin Marg, Industrial Area, P.O. Chemical Industries

Vadodara – 390 003 Gujarat (India)

Phone : 0265 – 3054444

Fax : 0265-2281871/2280671

E-Mail : [dimple@jyoti.com](mailto:dimple@jyoti.com) / [ashish@jyoti.com](mailto:ashish@jyoti.com)

Website : <http://www.jyoti.com>

Shareholders holding shares in Demat Mode should address all their correspondence to their respective Depository Participants.

### DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

The Company has in place a code of conduct applicable to the Board Members as well as the Senior Management and that the same has been hosted on the Company's website <http://www.jyoti.com/investor/codeofconduct.aspx>. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct as on 31<sup>st</sup> March, 2016. The declaration signed by the Chairman & Managing Director of the Company is given below:

“I, Rahul N. Amin, Chairman & Managing Director of the Company, hereby declare that all Board Members and Senior Management Personnel have affirmed the compliance of the Code of Conduct during the financial year ended 31<sup>st</sup> March, 2016.”

For JYOTI LIMITED

Place: Vadodara  
Date: 20<sup>th</sup> July, 2016

**Rahul N. Amin**  
Chairman & Managing Director  
(DIN: 00167987)

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To,  
The Members of Jyoti Ltd.

### **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

We have examined the compliance of conditions of Corporate Governance by Jyoti Limited, for the year ended 31<sup>st</sup> March, 2016, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange for the period 1<sup>st</sup> April, 2015 to 30<sup>th</sup> November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1<sup>st</sup> December, 2015 to 31<sup>st</sup> March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations as applicable.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2016, no investor grievances are pending against the Company, as per the records maintained by the Company and presented to the Shareholders' / Investors' Grievances and Stakeholders Relationship Committee.

We further, state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For V.H.Gandhi & Co.**  
*Chartered Accountants*  
Firm Reg. No. 103047W

**Vijay H. Gandhi**  
*Proprietor*  
M. No. 35581

Vadodara  
20<sup>th</sup> July, 2016



### Management Discussion and Analysis

#### Industry Structure and Developments

Jyoti Ltd., a leading engineering ISO-9001:2008 certified Company, serving the core sectors of Power and Water. It offers a wide range of reliable quality hydraulic and electrical products and services. From providing customized solutions to handle liquids, Jyoti, over the years has emerged as a Total Solution Provider by designing and manufacturing wide range of pumps and EPC Pumping Systems by undertaking turn-key projects from concept to commissioning.

The demand for capital goods generally follows a cyclical pattern depending on the overall economic scenario and investment priorities of the Government.

Although the present Government is pushing for infrastructure development, the policies have not yet had the necessary impact on this sector. Many companies in this sector are still struggling to come out of the trough for last 3-4 years. However, the markets have slowly started to open up and presently the Company is in the process of executing the orders for various projects worth ` 767 crores.

The Company has taken several bold steps to remain competitive and to ensure survival by reducing cost and streamlining the overall operations process.

#### Opportunities and Threats

As India is slowly but steadily moving towards development under the newly formed Government, Power and Water sectors are prime movers for its economic and social development and growth. Considering the 70 year old presence of the Company in the Power, Hydel and Lift Irrigation sectors, which are of National Importance, a huge business potential is anticipated. Further, with old projects coming up for refurbishment, the Company is targeting a very good and substantial business in the future.

The Company continues to be very selective in taking orders as the price realisation still remains very low. The challenge to manage the pending orders within the budgeted costs continues and high volatility in the prices of major raw materials is a matter of concern.

Since last year, due to various internal and external factors, there has been a general economic slowdown in the Capital Goods Industry in India. This has mainly impacted the new investments and may also further delay in the execution of projects, which are underway. The present Government has enthused hopes for ease of doing business in India, which may lead to demand for the Company's products.

Further, the credit extended to the customers is not honoured, which has resulted in high levels of receivables which have in turn strained the cash flow to a very large extent. Barring unforeseen circumstances, the Company expects to increase its volume of business in the current year.

#### Outlook

Water and Power sectors are of National Importance, and for a developing country like India, the demand for energy is expected to grow at a steady rate. Keeping in view the above, the long term outlook for these sectors appears to be bright. There is ample scope and opportunity for companies having businesses in these sectors not to mention the potential of your Company and its large presence in these sectors for many years.

#### Risk and Concerns

It must be clearly understood that each industry in particular and each industry segment in general has its own risk, from which it cannot be fully isolated but mitigated by means of proper risk management. Your Company foresees certain areas of risk, concerns and threats in its arena of operations.

The present challenge for the Company is to successfully execute low price orders, within the budgeted cost. However, the industry is hopeful for a brighter future under the present Government especially with its new initiatives like ease of doing business in India, Digital India, etc.

The availability and cost of the funds remain very important factors impacting on the plans of the Company and threatening the viability itself. Unless the Government takes strong measures to boost the industrial activity and stimulate the industries by reducing the interest rates and making funds available, it will be difficult for the Capital Goods Industry in India to achieve the targets. Project execution is largely affected by non-availability of skilled and unskilled manpower. Competency-management and retention of employees is becoming increasingly critical. EPC Projects are generally exposed to risk of delay in execution due to factors like right of way, obtaining of various approvals in time, environmental factors, resistance from locals, etc.

### **Segment-wise Performance**

This is not applicable to the Company as there is only one identified reportable segment.

### **Internal Control Systems**

The Company has an adequate system of internal control procedures, which is commensurate with the size and nature of business. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorised, recorded and reported correctly. The internal control systems of the Company are monitored and evaluated by internal auditors and their audit reports are periodically reviewed by the Audit Committee of the Board of Directors. The observations and comments of the Audit Committee are placed before the Board.

### **Financial Performance and Operational Efficiency**

The Company's net sales were marginally lower ` 212.43 crores in the financial year 2015-16 compared to ` 234.79 crores of the previous year. The sales remained lower due to various factors as already mentioned in the Board's Report. Various corrective measures taken by the Company to reduce the material cost and other overheads resulted in losses being lower at ` 82.80 crores as compared to losses of ` 113.54 crores of the previous year.

Currently, the Company has pending orders worth ` 767 crores on hand. These orders are to be executed in the next couple of years and are expected to provide substantial contribution to Company's turnover and profitability during Financial Years 2016-17 and 2017-18.

### **Human Resource**

The Company considers its employees as its valuable assets, hence the key focus is to train and develop its employees.

The Company continued its efforts to face a challenging business environment by building the capability of its human resources through various initiatives in development and training of employees. The Company has undertaken continuous interaction with all employees to keep them updated about operations of the Company and seek their cooperation and efforts. Frequent visit of senior executives to the project sites have brought the employees closer and thereby developed a transparent system of communication. Industrial Relations with the employees remain cordial throughout the year. The work and jobs at all levels in the Company are designed, organized and managed effectively by interaction between the management and employees. The employees have been able to meet the challenges from time to time to improve upon performance of plants through efficiency, productivity and economy.

In view of the Company's growth plans and current requirements, the primary emphasis is on the quality of talent and multitasking of work force. The Company has a total manpower of 527 as on 31<sup>st</sup> March, 2016.

### **CAUTIONARY STATEMENT**

The statements in the Boards' Report and the Management Discussion and Analysis describing the Company's objectives, explanations and predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statements. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their cost, changes in Government policies and tax laws, economic development of the country, and other factors, which are material to the business operations of the Company.

**ANNEXURE C TO THE BOARD'S REPORT**

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31<sup>st</sup> March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1.	CIN	:	L36990GJ1943PLC000363
2.	Registration Date	:	01/01/1943
3.	Name of the Company	:	Jyoti Limited
4.	Category / Sub-Category of the Company	:	Company Limited by shares
5.	Address of the Registered Office and contact details	:	Nanubhai Amin Marg, Industrial Area P.O. Chemical Industries Vadodara – 390 003 (Phone) 0265 – 3054444 (Fax) 0265 – 2281871/2280671
6.	Whether listed Company Yes / No	:	Yes, Listed on Bombay Stock Exchange
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	MCS Share Transfer Agent Limited 10, Aaram Apartment, 12, Sampatrao Colony, Behind Laxmi Hall Alkapuri, Vadodara – 390 007 Tel: 0265 – 2314757, 2350490 Fax : 0265 – 2341639 E-Mail : mcsltdbaroda@yahoo.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Manufacture of Electric Motors, Generators, Switchgears, Relays, etc.	271 (NIC 2008)	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Jyoti Sohar Switchgear LLC	-	Joint Venture	(49%)	2(6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	2120345	550	2120895	12.38	2120345	110	2120455	12.38	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3411893	-	3411893	19.92	3411893	-	3411893	19.92	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	5532238	550	5532788	32.30	5532238	110	5532348	32.30	-
(2) Foreign									
a) NRI's Individuals	60857	-	60857	0.36	60857	-	60857	0.36	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	60857	-	60857	0.36	60857	-	60857	0.36	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	5593095	550	5593645	32.66	5593095	110	5593205	32.66	-
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	65	65	-	-	65	65	-	-
b) Banks/FI	653716	1824	655540	3.83	643816	1824	645640	3.77	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	550	550	-	-	550	550	-	-
g) FIs	1670000	-	1670000	9.75	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	2323716	2439	2326155	13.58	643816	2439	646255	3.77	(9.81)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	5501382	14353	5515735	32.20	6497607	14353	6511960	38.02	5.82
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ` 1 lakh	1393693	621365	2015058	11.76	1550428	608903	2159331	12.61	0.85
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	1364252	208500	1572752	9.18	1915151	208500	2123651	12.40	3.22
c) Others (specify) NRI	88977	16670	105647	0.62	78400	15690	94090	0.55	(0.07)
d) Trust	-	-	-	-	500	-	500	-	-
Sub-total (B) (2)	8348304	860888	9209192	53.76	10042086	847446	10889532	63.57	-
Total Public Shareholding (B)=(B)(1) + (B)(2)	10672020	863327	11535347	67.34	10685902	849885	11535787	67.34	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
Grand Total (A+B+C)	16265115	863877	17128992	100.00	16278997	849995	17128992	100.00	-

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2015			Share holding at the end of the year 31-03-2016			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1.	Rahul Nanubhai Amin	10,84,100	6.33	6.33	10,84,100	6.33	6.33	-
2.	Tejal Rahul Amin	6,42,113	3.75	3.75	6,42,113	3.75	3.75	-
3.	Shubhalakshmi Rahul Amin	3,08,397	1.80	1.80	3,08,397	1.80	1.80	-
4.	Nandita Nanubhai Amin	83,115	0.49	-	83,115	0.49	-	-
5.	Chirayu Ramanbhai Amin	590	-	-	590	-	-	-
6.	Mayank Natubhai Amin	2,080	0.01	-	2,080	0.01	-	-
7.	Anuradha Dinubhai Amin	220	-	-	-	-	-	-
8.	Girish Raojibhai Amin	260	-	-	40	0.00	-	84.61
9.	Savitaben Nanubhai Amin	10	-	-	10	-	-	-
10.	Sarojini Dinubhai Amin	10	-	-	10	-	-	-
11.	JSL Industries Ltd.	10,74,239	6.27	6.27	10,74,239	6.27	6.27	-
12.	Insutech Industries Ltd.	23,37,654	13.65	13.65	23,37,654	13.65	13.65	-
13.	Anant Nanubhai Amin	60,857	0.36	-	60,857	0.36	-	-
	Total	55,93,645	32.66	31.80	55,93,205	32.65	31.80	-

**(iii) Change in Promoters' Shareholding (please specify, if there is no change):**

Sr. No.	Shareholding at the beginning of the year		Shareholding at the end of the year	
	01-04-2015		31-03-2016	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	55,93,645	32.66	55,93,205	32.65
Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/bonus/ sweat equity, etc.):		-	220 shares sold between 17.04.2015 to 24.04.2015 220 shares sold between 13.11.2015 to 20.11.2015	-
At the End of the year	55,93,645	32.66	55,93,205	32.65

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year 01-04-2015		Shareholding at the end of the year 31-03-2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Signora Finance Pvt. Ltd.	-	-	9,66,278	5.64
2	Latin Manharlal Securities Pvt. Ltd.	-	-	7,57,432	4.42
3	Khyati Realtors Pvt. Ltd.	7,50,000	4.37	7,50,000	4.37
4	Sunidhi Securities & Finance Ltd.	-	-	5,40,000	3.15
5	Aum Capital Market Pvt. Ltd.	-	-	4,85,002	2.83
6	Vanraj Vinod Shah	-	-	3,80,001	2.22
7	Runner Marketing Pvt. Ltd.	3,40,000	1.98	3,40,000	1.98
8	The Investment Trust of India Limited	3,27,974	1.91	3,27,974	1.91
9	Dena Bank – Investment	3,05,530	1.78	3,05,530	1.78
10	Finquest Financial Solutions Pvt. Ltd.	6,00,000	3.50	2,96,300	1.73
11	Pat Financial Consultants Pvt. Ltd.	13,36,265	7.80	-	-
12	Orange Mauritius Investments Ltd.	8,50,000	4.96	-	-
13	Hypnos Fund Limited	8,20,000	4.79	-	-
14	Hridaynath Consultancy Pvt. Ltd.	5,33,576	3.12	-	-
15	Gandiv Investment Pvt. Ltd.	2,96,300	1.73	-	-

### (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 01-04-2015		Shareholding at the end of the year 31-03-2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Name of Director/KMP				
1	Mr. Rahul Amin	10,84,100	6.33	10,84,100	6.33
2	Mrs. Tejal Amin	6,42,113	3.75	6,42,113	3.75
3	Mr. Uresh Desai	550	-	550	-
4	Mr. Vijay Kumar Gulati	50	-	50	-
5	Mr. Shrikar Bhattbhatt	60	-	60	-
6	Mr. Marut Patel	23	-	23	-
7	Mr. Tushar Dayal	-	-	-	-
8	Dr. Rajesh Khajuria	-	-	-	-
9	Mr. Suresh Singhal	-	-	-	-
10	Mr. Jayesh Verma	-	-	-	-

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(` In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year 01-04-2015</b>				
i) Principal Amount	59122.30	16.64	—	59138.94
ii) Interest due but not paid	882.94	—	—	882.94
iii) Interest accrued but not due	667.41	—	—	667.41
<b>Total (i+ii+iii)</b>	<b>60672.65</b>	<b>16.64</b>	<b>—</b>	<b>60689.29</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	6500.20	—	—	6500.20
• Reduction	—	16.64	—	16.64
<b>Net Change</b>	<b>6500.20</b>	<b>16.64</b>	<b>—</b>	<b>6483.56</b>
<b>Indebtedness at the end of the financial year 31-03-2016</b>				
i) Principal Amount	63569.15	—	—	63569.15
ii) Interest due but not paid	3449.16	—	—	3449.16
iii) Interest accrued but not due	154.54	—	—	154.54
<b>Total (i+ii+iii)</b>	<b>67172.85</b>	<b>—</b>	<b>—</b>	<b>67172.85</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

(in `)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager Mr. Rahul Amin (Managing Director)
1	Gross salary	Amount (`)
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	77,36,508
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,71,029
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify	-
5	Others, please specify (Gratuity) Total (A) Ceiling as per the Act	3,72,126 84,79,663 As per approval granted by the Central Government vide its letter dated 4 <sup>th</sup> October, 2013

**B. Remuneration to other Directors:**
**I. Independent Directors**

(in `)

Particulars of Remunerations	Name of Directors				Total Amount
	Mr. V.K. Gulati	Mr. T.C. Dayal	Mr. S.S. Bhattbhatt	Dr. R.M. Khajuria	
Fee for attending Board / Committee Meetings	12,000	14,000	16,000	14,000	56,000
Commission	-	-	-	-	-
Others	-	-	-	-	-
<b>Total (1)</b>	<b>12,000</b>	<b>14,000</b>	<b>16,000</b>	<b>14,000</b>	<b>56,000</b>

**II. Other Non-Executive Directors**

(in `)

Particulars of Remunerations	Name of Directors			Total Amount
	Mrs. T. R. Amin	Mr. U. V. Desai	Mr. M. R. Patel	
Fee for attending Board/ Committee Meetings	16,000	12,000	16,000	44,000
Commission	-	-	-	-
Others	-	-	-	-
<b>Total (2)</b>	<b>16,000</b>	<b>12,000</b>	<b>16,000</b>	<b>44,000</b>
<b>Total B = (1+2)</b>				<b>1,00,000</b>



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/ WTD**

(in `)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO From 04.06.2015	Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13,60,752	18,66,921	32,27,673
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	5,21,386	3,90,135	9,11,521
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify Provident Fund & other	4,50,862	5,10,494	9,61,356
	<b>Total</b>	<b>23,33,000</b>	<b>27,67,550</b>	<b>51,00,550</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: (under the Companies Act): None**

For and on behalf of the Board of Directors

Place : Vadodara  
Date : 20<sup>th</sup> July, 2016

**Rahul Amin**  
Chairman & Managing Director  
(DIN: 00167987)

**Annexure D to the Board's Report**

**FORM NO. AOC - 2**

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1) Details of contracts or arrangements or transactions not at arm's length basis:	Not Applicable	Not Applicable	Not Applicable	Not Applicable
2) Details of material contracts or arrangements or transactions at arm's length basis :				
(a) Name (s) of the related party and nature of relationship	Jyoti Sohat Switchgear LIC (JSSL) Joint Venture as per Section 2(76) of the Companies Act, 2013.	M/s. Info Jinie Related Party as per Section 2(76) of the Companies Act, 2013.	M/s. JSL Industries Ltd Related party as per Section 2(76) of the Companies Act, 2013.	M/s. Insitech Industries Ltd Related party as per Section 2(76) of the Companies Act, 2013.
(b) Nature of contracts/arrangements/transactions	Sale of MV HT VCB Panels Switchgear as per separate Purchase Orders given by JSSL from time to time.	Consultancy Services provided as per the Scope of Service defined in agreement dated 01.06.2015.	Sale/purchase/supply of goods and materials such as starters, motors, instrument transformers, control panels, spares, etc. and availing and rendering of related services thereof.	Sale/purchase/supply of goods and materials such as starters, motors, instrument transformers, control panels, spares, etc. and availing and rendering of related services thereof.
(c) Duration of the contracts/arrangements/transactions	Till supply of Panels is made as per terms mentioned in respective Purchase Orders.	From 01.06.2015 to 31.05.2016.	From 01.04.2015 to 31.03.2016.	From 01.04.2015 to 31.03.2016.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	As per Purchase Order given by JSSL from time to time on mutually agreed terms. Value - 1201.91 lacs (01.04.2015 to 31.03.2016).	As per Consultancy Agreement dated 01.06.2015. Value 18 Lacs Per Annum.	The sale, purchase or supply of goods and materials and services are made as and when required on the basis of merits and on the terms which are not less favourable to the Company. Value - 163.95 Lacs (01.04.2015 to 31.03.2016).	The sale, purchase or supply of goods and materials and services are made as and when required on the basis of merits and on the terms which are not less favourable to the Company. Value - 78.71 Lacs (01.04.2015 to 31.03.2016).
(e) Date (s) of approval by the Board, if any	Approved by the Audit Committee of the Board of Directors for the transactions from 01.04.2015 to 30.09.2015 in the meeting held on 14.02.2015 and transactions from 01.10.2015 to 31.03.2016 in the meeting held on 07.10.2015 in compliance with Clause 49 of the Listing Agreement prevailing at that time.	Approved by the Audit Committee of the Board of Directors on 29.05.2015 and by the Board of Directors of the Company on 30.05.2015.	Approved by the Audit Committee of the Board of Directors on 14.02.2015 and by the Board of Directors of the Company on 14.02.2015.	Approved by the Audit Committee of the Board of Directors on 14.02.2015 and by the Board of Directors of the Company on 14.02.2015.
(f) Amount paid as advances, if any	646.20 Lacs from JSSL	Not Applicable	Not Applicable	Not Applicable

The other details are mentioned in Note No. **26(9)** of attached Financial Statements for the year ended 31<sup>st</sup> March, 2016

For and on behalf of the Board of Directors

Place : Vadodara

Date : 20<sup>th</sup> July, 2016

**Rahul Amin**  
Chairman & Managing Director  
(DIN: 00167987)

### Annexure E to the Board's Report

#### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT

For the Financial Year ended 31<sup>st</sup> March, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Jyoti Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Jyoti Limited (herein after referred to as "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Jyoti Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Jyoti Limited ("the Company") for the financial year ended on 31<sup>st</sup> March, 2016 verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992, ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1992;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 till 15<sup>th</sup> May, 2015 and post 15<sup>th</sup> May, 2015, The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) There are no other laws, which are specifically applicable to the Company.

We have also examined compliance with applicable clauses of the following:

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. The Listing Agreement/provisions SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings were carried out unanimously. As per records available in the said minutes there were no dissenting views expressed by any directors during the meetings.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above other than those listed below:-

1. At the 71<sup>st</sup> Annual General Meeting of Shareholders of the Company, special resolution for alteration of Articles of Association and special resolution for allowing Company to mortgage its property, were proposed. However, requisite majority for the said resolutions were not obtained and therefore, said resolutions were not passed at the Annual General Meeting.
2. It was informed to us by the Company that due to unilateral termination of Shareholder's Agreement dated 14<sup>th</sup> September, 2010 by M/s Finquest Financial Solutions Private Limited voting rights attached to 18,00,000 Equity Shares got ceased to exist and a public notice in this

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regard was issued by the Company. These shares were sold in open market. Upon verification of benpose data of the relevant dates, the Company was able to trace the holders who had acquired 17,39,960 Equity Shares of the relevant 18,00,000 shares. Based on the above two reports were given by the scrutinizers and the Chairman of the Company accepted the report considering 17,39,960 votes as invalid votes while deciding on the approval of all the resolutions in the 71<sup>st</sup> Annual General Meeting of the Company.

3. The Company has resorted to Arbitration process for unilateral termination of Shareholders Agreement dated 14.09.2010 and consequent action for cessation of voting rights of 18,00,000 shares. Certain shareholders have also filed litigation in CLB/NCLT related to certain resolutions of AGM 2014 and AGM 2015 and have also challenged cessation of voting rights of 18,00,000 shares by the Company. As on date, no order is pronounced by the respective judicial bodies.
4. In the hearing held on 5th October, 2015 Board for Industrial and Financial Reconstruction (BIFR) declared the Company a Sick Industrial Company in terms of Section 3 (1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and has appointed the Lead Bank, Central Bank of India as Operating Agency.
5. The Company had received Share Application Money of ` 1980 Lacs between June, 2013 to December, 2013 as required under Corporate Debt Restructuring Scheme, however, it is yet to allot the Equity Shares against the said application money.

**For, Ravi Kapoor & Associates**

**Place : Ahmedabad**  
**Date : 20<sup>th</sup> July, 2016**

**Ravi Kapoor**  
**Company Secretary in practice**  
**FCS No. 2587**  
**C P No.: 2407**

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**Annexure - A**

To,  
The Members,  
Jyoti Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For, Ravi Kapoor & Associates**

**Place : Ahmedabad**  
**Date : 20<sup>th</sup> July, 2016**

**Ravi Kapoor**  
**Company Secretary in practice**  
**FCS No. 2587**  
**C P No.: 2407**

### Annexure F to the Board's Report

Disclosure under Rule 5 of the Companies (Appointment & Remuneration) Rules, 2014

- Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2015-16.

Sr. No.	Name of Director	Ratio
(i)	Mr. Rahul N. Amin	37.37 : 1
(ii)	Mrs. Tejal Amin	N.A.
(iii)	Mr. Uresh Desai	N.A.
(iv)	Mr. Tushar Dayal	N.A.
(v)	Mr. Vijay Kumar Gulati	N.A.
(vi)	Mr. Shrikar Bhattbhatt	N.A.
(vii)	Mr. Marut Patel	N.A.
(viii)	Dr. Rajesh Khajuria	N.A.

- The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2015-16 compared to 2014-15.

There is no increase in remuneration of any Director. The remuneration of Company Secretary has increased by 19.86%. The effective date of appointment of Chief Financial Officer is 04.06.2015.

- The percentage increase in the median remuneration of employees in the financial year 2015-16 compared to 2014-15 is 5%.

4.	The number of permanent employees on the role of the Company	31.03.2016	31.03.2015
		527	594

- Key parameter for any variable component of remuneration availed by the Directors:  
There is no variable component of remuneration availed by any Directors of the Company.
- Ratio of the remuneration of the highest paid Directors to that of the employees who are not Directors but receive remuneration in excess the highest paid Director during the year: N.A.
- The Board of Directors of the Company affirms that the remuneration is as per the Remuneration Policy of the Company.

## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
**JYOTI LIMITED**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Jyoti Limited** (“the company”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone Financial Statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Financial Statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its Loss and its cash flow for the year ended on that date.



### Emphasis of Matters

- a) *Note No.26(17) & (18) in the financial statements which indicate that, the Net Worth of the Company had become negative since the financial year 2013-14, the Company, in compliance with the provisions of Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985, made a reference to Board of Industrial and Financial Reconstruction ( BIFR). The Company has received the letter dated 17th October, 2014 from BIFR for registration under Section 15 (1) of SICA Act, 1985. The Hon. BIFR, in the hearing held on 05.10.2015, declared the Company a Sick Industrial Company in terms of Section 3 (1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and appointed the lead bank, Central Bank of India as Operating Agency (OA) under section 17(3) of the Act to examine the viability of the Company and for formulating a Draft Rehabilitation Scheme (DRS) for revival of the Company. As the DRS submitted is under consideration of the banks, no effect of the restructuring proposal is considered in the books of account.*

In view of continued losses, total erosion of the Net Worth, Current Liabilities Exceeds Current Assets, Liquidity constraint and Inability to comply with the terms of loan agreements, there is an uncertainty about the Company's ability to continue as a going concern. However, the management is very positive about its viability, in lines with the DRS proposal and Techno Economic Viability Study (TEV) submitted to the lenders. The company is optimistic about its future and in view of the Company's ability to continue to execute its orders, despite adversities, it expects that Company's financials will show a marked improvement once the DRS proposal is accepted and implemented by the lenders and the Hon. BIFR. In view thereof, the Financial Statements have been prepared by the Management on a 'Going Concern' basis. No adjustment is considered necessary by the Management to the recorded assets, recorded liabilities, contingent liabilities and other commitments for the reasons and perception of the Management.

- b) Note No.26(12)(a)&(b) and 26(15) of the financial statements regarding recoverability of Trade Receivables, Advances and Impairment of Assets other than those provided for during the year, which has been considered good by the Management, in view of reasons stated therein.

Our opinion is not modified in respect of these matters.

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by section 143(3) of the Act, we report that:
  - a) we have sought and 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 it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) the matters described in sub-paragraph (a) & (b) under the Emphasis of Matters paragraphs above, in our opinion, may have an effect on the functioning of the Company;
  - f) on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of Section 164(2) of the Act;
  - g) the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial control over financial reporting were

operating effectively as at 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company. Refer to our separate report in Annexure "B"; and

- h) with respect to the other matters included in the Auditor's Report in accordance with the rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to note no 26 (3).
  - ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
  - iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except dividend under dispute amounting to ` 2 lakhs, which is subjudice.
  - iv) Share application money of ` 1980 lakhs, which is outstanding since financial year 2013-14. We have been given to understand by the Management that it will be converted into share capital on approval of appropriate authorities.

**For V. H. Gandhi & Co.**  
*Chartered Accountants*  
Firm Reg. No. 103047W

**Vijay H. Gandhi**  
*Proprietor*  
M.No. 35581

Vadodara  
30<sup>th</sup> May, 2016

#### **Annexure-A to Auditors' Report**

**Annexure Referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2016, we report that:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) Fixed Assets have been physically verified by the Management during the year as per the phased programme of physical verification of fixed assets. As informed to us, the programme is such that all the fixed assets will get physically verified in three years time. In our opinion the same is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventory (except those lying with contractors and at sites of the company) has been physically verified by the Management at the year end. According to the information and explanations given to us, there was no material discrepancies were noticed on such physical verification of inventory as compared to the book records.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence, provisions of sub clauses (iii) (a), (b) & (c) are not applicable to the Company.
- (iv) According to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respects of loans, investments, guarantees and security.

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- (v) According to the information and explanations given to us, The Company has not accepted any deposits from the public.
- (vi) To the best of our Knowledge and explanations provided by the management, the maintenance of cost records has been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013. Such accounts and records have been made and are maintained by the Company.
- (vii) According to the information and explanations given to us in respect of statutory and other dues:
- (a) The Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues to the appropriate authorities during the year. Based on our audit procedures and according to the information and explanation given to us, there are no arrears of statutory dues which has remained outstanding as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable, except Sales Tax payable amounting to ` 266.53 lakhs and gratuity payable amounting to ` 151.80 lakhs.
- (b) According to the information and explanations given to us and on the basis of the records produced before us by the Company, except for the cases stated below, there are no material dues payable in respect of income tax or sales tax or service tax or duty of customs or duty of excise and value added tax which have not been deposited on account of any dispute.

Sr. no	Name of the Statute & Nature of Dues	Total Demand ( ` lakhs)	Period	Forum where dispute is pending
1	Income Tax Act, 1961 (Income Tax)	3025.89	2012-13	Commissioner of Income Tax (Appeals)
2	The Central Excise Act, 1944 (Excise Duty)	5.74	2006 To Jan, 11	Central Excise & Service Tax Appellate Tribunal – A' Bad.
		3.02	Feb 2011 To Dec, 2011	Central Excise & Service Tax Appellate Tribunal – A' Bad.
3	The Finance Act, 1994 ( Service Tax)	1.60	Dec,04 To Nov,09	Central Excise & Service Tax Appellate Tribunal – A' Bad.
		0.58	May,10 To Feb,11	Central Excise & Service Tax Appellate Tribunal – A' Bad.
		0.67	Mar,11 To Jan, 12	Central Excise & Service Tax Appellate Tribunal – A' Bad.
		0.29	Feb,12 To Dec, 12	Central Excise & Service Tax Appellate Tribunal – A' Bad.
		0.09	Jan,13 To Sep,13	Central Excise & Service Tax Appellate Tribunal – A' Bad.
		0.10	Sep,13 To Jun,14	The Superintendent, Central Excise, Customs and Service Tax, Vadodara
		3.09	1/4/2005 To 31/3/2010	Central Excise & Service Tax Appellate Tribunal – A' Bad.
4	Gujarat Value Added Tax, 2003	10.38	Apr,10 To Mar,11	Deputy Commissioner (Appeal), Vadodara
5	Karnataka Value Added Tax, 2003	51.70	Apr,09 To Mar,10	Joint Commissioner of Commercial Taxes, Bangalore.

- (viii) (a) Based on our audit procedures and as per the information and explanations given by the Management, the Company has delayed in payment of interest on Term Loans, repayment of principal on Term Loans, letters of Credit to Banks and Technology Development Board's Loan. The following are the details of the delays:

Particulars	Amt during the year ( ` Lakhs)	Period of Delays (in days)
Various Bank – Interests on Term Loans	4160.23	upto 90 days
Various Bank – Letters of Credit	4369.10	upto 90 days
Various Bank – Installment of Term Loans	2282.44	upto 90 days
Technology Development Board – Loan Installments	25.00	upto 90 days
<b>TOTAL AMOUNT</b>	<b>10836.77</b>	

- (b) The Company has overdue amount as on 31<sup>st</sup> March, 2016 on account of interest on various Term Loans, Working Capital Demand Loans, letters of Credit and Installment of Funded Interest Term Loan of ` 12379.19 lakhs.

Particulars	Period of Default (in days)		Amt. during the year
	Upto 90 days	Above 90 days	
Various Bank – Interests on Term Loans	2313.14	1136.02	3449.16
Various Bank – Letters of Credit	2222.71	3167.71	5390.42
Various Bank – Installment of Term Loans	1267.00	2053.50	3320.50
Technology Development Board — Installment	111.11	108.00	219.11
<b>TOTAL AMOUNT</b>	<b>5913.96</b>	<b>6465.23</b>	<b>12379.19</b>

- (ix) The Company did not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) As per information and explanations given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of sections 198, 269, 309 and 310 read with Schedule xiii to the Companies Act, 1956.
- (xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to information and explanation given to us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) According to information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For V. H. Gandhi & Co.**  
 Chartered Accountants  
 Firm Reg. No. 103047W  
**Vijay H. Gandhi**  
 Proprietor  
 M.No. 35581

Vadodara  
 30<sup>th</sup> May, 2016

### **Annexure – B to the Auditors' Report**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Jyoti Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide

reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Emphasis of Matters**

The accounts of Trade Receivables, Trade Payables and Advances are subject to reconciliation/confirmation. The Management does not expect any material difference affecting the financial statements on reconciliation. In our opinion, this may have an effect on the functioning of the Company.

However, our opinion is not modified in respect of these matters.

**For V. H. Gandhi & Co.**  
*Chartered Accountants*  
Firm Reg. No. 103047W

**Vijay H. Gandhi**  
*Proprietor*  
M.No. 35581

Vadodara  
30<sup>th</sup> May, 2016

## 72nd Annual Report

### BALANCE SHEET as at 31st March, 2016

	Note No.	As at 31-03-2016 ` lakhs	As at 31-03-2015 ` lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	1,712.90	1,712.90
(b) Reserves and Surplus	2	(26,219.13)	(17,939.37)
		(24,506.23)	(16,226.47)
<b>Share Application Money Pending Allotment</b>	26(14)	1,980.00	1,980.00
<b>Non-current Liabilities</b>			
(a) Long-term borrowings	3	27,881.72	31,945.82
(b) Deferred tax liabilities (Net)	26(10b)	607.66	832.44
(c) Other long-term liabilities	4	3,942.30	3,719.24
(d) Long-term provisions	5	958.15	798.08
		33,389.83	37,295.58
<b>Current Liabilities</b>			
(a) Short-term borrowings	6	25,036.04	19,984.12
(b) Trade Payable	7	10,706.34	13,267.80
(c) Other current liabilities	8	13,725.10	9,437.17
(d) Short-term provisions	9	233.90	187.66
		49,701.38	42,876.75
<b>TOTAL</b>		<b>60,564.98</b>	<b>65,925.86</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10(a)	9,697.45	10,918.46
(ii) Intangible Assets	10(b)	16.43	102.22
(iii) Capital Work-In-Progress		3,399.13	3,399.13
(b) Non-current Investments	11	123.98	123.98
(c) Long-term loans and advances	12	1,393.74	1,885.83
		14,630.73	16,429.62
<b>Current Assets</b>			
(a) Inventories	13	5,955.43	7,848.98
(b) Trade Receivables	14	34,280.71	34,998.53
(c) Cash and Cash equivalents	15	1,282.22	1,745.09
(d) Short-term loans and advances	16	4,294.44	4,626.93
(e) Other current assets	17	121.45	276.71
		45,934.25	49,496.24
<b>TOTAL</b>		<b>60,564.98</b>	<b>65,925.86</b>

The accompanying notes are an integral part of the financial statements.

26

As per our Report attached of even date

**For V. H. Gandhi & Co.**

Chartered Accountants

Firm Reg. No. 103047W

**Vijay H. Gandhi**

Proprietor

M. No. 35581

Vadodara

30<sup>th</sup> May, 2016

**Jayesh Verma**  
Chief Financial Officer

**Suresh Singhal**  
Vice President (Legal) &  
Company Secretary

**Rahul N. Amin**  
Chairman & Managing Director

Directors

**Mrs. T. R. Amin**

**Mr. V. K. Gulati**

**Mr. S. S. Bhattbhatt**

**Mr. U. V. Desai**

**Mr. T. C. Dayal**

**Mr. M. R. Patel**

Vadodara

30<sup>th</sup> May, 2016

**STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2016**

	Note No.	2015-2016 ` lakhs	2014-2015 ` lakhs
Revenue From Operations	18	<b>21,486.38</b>	23,676.28
Other Income	19	<b>384.26</b>	311.16
<b>Total Revenue (I)</b>		<b>21,870.64</b>	23,987.44
<b>Expenses</b>			
Cost of material and components consumed	20	<b>14,484.28</b>	18,996.27
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	<b>1,356.14</b>	931.24
Employee Benefits Expense	22	<b>3,081.16</b>	3,278.14
Finance costs	24	<b>7,501.05</b>	7,272.79
Depreciation and amortisation expense		<b>1,350.69</b>	1,403.94
Other expenses	23	<b>2,219.37</b>	3,216.26
Research and Development Expenses	25	<b>256.37</b>	226.60
<b>Total Expenses (II)</b>		<b>30,249.06</b>	35,325.24
Profit/(Loss) Before Tax (I)-(II)		<b>(8,378.42)</b>	(11,337.80)
Tax Expense:			
- Current Tax		-	-
- Deferred Tax	26 (10a)	<b>(224.78)</b>	(122.93)
- Tax expense for earlier years		<b>126.12</b>	139.57
Profit/ (Loss) for the year		<b>(8,279.76)</b>	(11,354.44)
Earning per Share (Basic & Diluted) (In `) (Face Value ` 10/-)		<b>(48.34)</b>	(66.29)
The accompanying notes are an intergral part of the financial statements.	26		

As per our Report attached of even date

**For V. H. Gandhi & Co.**

Chartered Accountants

Firm Reg. No. 103047W

**Vijay H. Gandhi**

Proprietor

M. No. 35581

Vadodara

 30<sup>th</sup> May, 2016

**Jayesh Verma**  
 Chief Financial Officer

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**Mr. S. S. Bhattbhatt**
**Mr. U. V. Desai**
**Mr. T. C. Dayal**
**Mr. M. R. Patel**

Vadodara

 30<sup>th</sup> May, 2016



### Notes to Financial Statements

	As at 31-03-2016 ₹ lakhs	As at 31-03-2015 ₹ lakhs
<b>Note 1 - Share Capital</b>		
<b>a) Share Capital</b>		
<b>Authorised</b>		
2,50,00,000 (31st March, 2015: 2,50,00,000) Equity Shares of ₹ 10 each	2,500.00	2,500.00
	<u>2,500.00</u>	<u>2,500.00</u>
<b>Issued, Subscribed and Paid Up</b>		
1,71,28,992 (31st March, 2015: 1,71,28,992) Equity Shares of ₹ 10 each fully paid	1,712.90	1,712.90

Note :

The above includes:

- 1) 6,25,000 Shares allotted as fully paid-up Bonus shares by Capitalisation of General Reserve (1,25,000 Bonus shares were issued in 1969 and 5,00,000 issued in 1976-77)

**b) Reconciliation of the number of shares outstanding at the beginning and the end of the reporting period:**

	As at 31-03-2016		As at 31-03-2015	
	No.	₹ lakhs	No.	₹ lakhs
<b>Equity Shares of ₹ 10</b>				
At the beginning of the period	17,128,992	1,712.90	17,128,992	1,712.90
Issued during the period	-	-	-	-
Outstanding at the end of the period	<u>17,128,992</u>	<u>1,712.90</u>	<u>17,128,992</u>	<u>1,712.90</u>

**The rights, preferences and restrictions including restrictions on the distribution of dividends and the repayment of capital:**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution / repayment of all creditors. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held:

Name of Shareholder	As at 31-03-2016		As at 31-03-2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 Insutech Industries Ltd.	2,337,654	13.65	2,337,654	13.65
2 JSL Industries Ltd.	1,074,239	6.27	1,074,239	6.27
3 Pat Financial Consultants Pvt. Ltd.	-	-	1,336,265	7.80
4 Rahul N. Amin	1,084,100	6.33	1,084,100	6.33
5 Signora Finance Pvt. Ltd.	966,278	5.64	-	-

	As at 31-03-2016 lakhs	As at 31-03-2015 lakhs
--	---------------------------	---------------------------

**Note 2 - Reserves and Surplus**

**Capital Reserve**

Balance as per last Financial Statement **253.04** 253.04

**Capital Redemption Reserve**

Balance as per last Financial Statement **25.00** 25.00

**Securities Premium Reserve**

Balance as per last Financial Statement **6,684.48** 6,684.48

**Revaluation Reserve**

Balance as per last Financial Statement **412.97** 413.57

Less: amount transferred to General Reserve **1.50** 0.60

Closing balance **411.47** 412.97

**General Reserve**

Balance as per last Financial Statement **38.18** 37.58

Add: amount transferred from Revaluation Reserve **1.50** 0.60

**39.68** 38.18

**Surplus/(deficit) in Statement of Profit and Loss**

Balance as per last Financial Statement **(25,353.04)** (13,895.51)

Add: Depreciation for earlier period - (103.09)

Add: Profit /(Loss) for the year **(8,279.76)** (11,354.44)

Net surplus/(deficit) in the Statement of Profit and Loss **(33,632.80)** (25,353.04)

**Total Reserves and Surplus**

**(26,219.13)** (17,939.37)

	As at 31-03-2016 ` lakhs	As at 31-03-2015 ` lakhs
<b>Note 3 - Long-term Borrowings</b>		
Term Loans		
From Banks (Secured)	27,509.17	31,329.16
From Technology Development Board (Secured)	372.55	616.66
	<u>27,881.72</u>	<u>31,945.82</u>

**Notes :-**

- 1) a) The term loans, cash credit facilities and others carry interest @ 11.75% to 12.25% p.a.
- b) The term loans, cash credit facilities, interest accrued and due thereon and non-fund based facilities are secured by a first charge created in favour of consortium banks, on the stocks of raw materials, semi finished and finished goods, consumable stores and spares, bills receivables and book debts, furniture, fixtures, office equipments and all other movable and immovable properties, (except those created in favour of Technology Development Board), both present and future, of the company situated at Kasba, Dist. Vadodara, Gorwa, Dist. Vadodara, Mogar, Dist. Anand and Moje Sama in registration District and Sub-District of Vadodara, all in the State of Gujarat .
- c) Also Equity Shares of the core Promoter group have been pledged to Consortium Banks, as per MRA under Corporate Debt Restructuring (CDR) scheme, total no. of shares 54,46,503 equivalent to 31.80% of total Equity Shares.
- 2) The term loan from Technology Development Board carries interest @ 5% and is secured by first charge on the assets created for Wind Turbine Project both, present and future.
- 3) Further, these facilities are also secured by the personal guarantee of Promoter Directors.
- 4) Please refer note 26(16) for repayment schedule.

	As at 31-03-2016 ` lakhs	As at 31-03-2015 ` lakhs
<b>Note 4 - Other Long-term Liabilities</b>		
Advances from customers	3,942.30	3,719.24
	<u>3,942.30</u>	<u>3,719.24</u>

**Note 5 - Long-term Provisions**

Employee benefits	958.15	798.08
	<u>958.15</u>	<u>798.08</u>

	As at 31-03-2016 ` lakhs	As at 31-03-2015 ` lakhs
<b>Note 6 - Short-term Borrowings</b>		
Loans payable on demand (Secured) from Banks (Including Due but not paid ` 5390.42 (P/Y ` 435.54)) Refer Note no. 3 for securities and interest rates.	<u>25,036.04</u>	<u>19,984.12</u>
<b>Note 7 - Trade Payables</b>		
Micro and small enterprises	126.51	138.14
Others	<u>10,579.83</u>	<u>13,129.66</u>
	<u>10,706.34</u>	<u>13,267.80</u>
<b>Note 8 - Other Current Liabilities</b>		
Current maturities of long-term debt (Secured)		
Term loan from TDB (Including Due but not paid ` 219.11 (P/Y ` NIL))	441.33	222.22
Term loans from Banks (Including Due but not paid ` 3320.50 (P/Y ` 535.00))	7,124.50	5,603.00
Interest accrued and due (Secured)	3,449.16	882.94
Interest accrued but not due (Secured)	154.54	667.41
Finance lease obligations (Unsecured)	-	16.64
Other liabilities (Unsecured)		
Advances from customers	1,876.30	1,764.52
Unclaimed dividend	14.25	14.27
Others	665.02	266.17
Refer Note no. 3 for securities and interest rates.		
	<u>13,725.10</u>	<u>9,437.17</u>
<b>Note 9 - Short-term Provisions</b>		
Employee benefits	<u>233.90</u>	<u>187.66</u>
	<u>233.90</u>	<u>187.66</u>

(` lakhs)

**Note 10 - Fixed Assets**

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	Cost as at 31-03-15	Additions	Adjustments	Deductions	Cost as at 31-03-16	Total up to 31-03-15	Deductions	Adjustments	During the year	Total up to 31-03-16	As at 31-03-16	As at 31-03-15
<b>(a) Tangible Assets</b>												
Free Hold Land*	650.42	—	—	—	650.42	—	—	—	—	—	650.42	650.42
Buildings	3022.91	—	—	—	3022.91	757.18	—	—	77.82	835.00	2187.91	2265.73
Plant and Equipments	11162.27	42.23	—	—	11204.50	5022.30	—	179.13	724.60	5926.03	5278.47	6139.97
R & D Equipments	1818.77	—	—	—	1818.77	450.77	—	—	158.96	609.73	1209.04	1368.00
Furniture and Fixtures	332.55	0.73	—	1.76	331.52	177.23	1.37	—	28.01	203.87	127.65	155.32
Vehicles	300.35	—	—	10.43	289.92	139.11	5.53	—	35.94	169.52	120.40	161.24
Office Equipments	699.35	6.12	—	3.71	701.76	628.30	3.34	—	41.58	666.54	35.22	71.05
Electrical Installations	153.06	0.47	—	—	153.53	46.33	—	—	18.86	65.19	88.34	106.73
<b>TOTAL</b>	<b>18139.68</b>	<b>49.55</b>	<b>—</b>	<b>15.90</b>	<b>18173.33</b>	<b>7221.22</b>	<b>10.24</b>	<b>179.13</b>	<b>1085.77</b>	<b>8475.88</b>	<b>9697.45</b>	<b>10918.46</b>
<b>(b) Intangible Assets</b>												
Software Licences	345.59	—	—	—	345.59	243.37	—	—	85.79	329.16	16.43	102.22
<b>TOTAL</b>	<b>345.59</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>345.59</b>	<b>243.37</b>	<b>—</b>	<b>—</b>	<b>85.79</b>	<b>329.16</b>	<b>16.43</b>	<b>102.22</b>
<b>GRAND TOTAL</b>	<b>18485.27</b>	<b>49.55</b>	<b>—</b>	<b>15.90</b>	<b>18518.92</b>	<b>7464.59</b>	<b>10.24</b>	<b>179.13</b>	<b>1171.56</b>	<b>8805.04</b>	<b>9713.88</b>	<b>11020.68</b>
PREVIOUS YEAR	17985.02	607.41	—	107.16	18485.27	5946.46	35.00	238.41	1314.72	7464.59	11020.68	

**Notes :**

- \* Part of the Land is given on long term lease.
- See Note No.26 (1) (C) (v) Adjustments includes provision for impairment of assets amounting to ` 179.13 lakhs (Previous Year ` 89.22 lakhs)

**Note 11 - Non-current Investments (at cost)**

	Nos.	Face Value	As at 31-03-2016 lakhs	As at 31-03-2015 lakhs
<b>A Trade Investment</b>				
<b>Investment in Equity Instruments</b>				
<b>[1] Quoted</b>				
JSL Industries Ltd. (Associate Company)	29,255	10	<b>3.37</b>	3.37
<b>Investment in Joint Venture Company</b>				
<b>[2] Unquoted :</b>				
Jyoti Sohar Switchgear LLC, Oman @	490,000	(RO) 1	<b>86.73</b>	86.73
<b>B Others</b>				
<b>Investment in Equity Instruments</b>				
<b>[1] Quoted :</b>				
MPIL Corporation Ltd.	2	10	* <b>0.00</b>	* 0.00
Mather & Platt Fire Systems Ltd.	9	10	* <b>0.00</b>	* 0.00
Kirloskar Brothers Investments Ltd.	-	2	<b>0.00</b>	0.02
	(52)			
Kirloskar Oil Engines Limited	790	2	<b>0.00</b>	0.00
Pneumatic Holdings Limited	52	10	<b>0.00</b>	0.00
ABB India Limited	335	2	<b>0.32</b>	0.32
S. Kumars Nationwide Ltd.	50	10	* <b>0.00</b>	0.00
International Pumps & Projects Ltd.	300	10	<b>0.06</b>	0.06
WPIL Ltd.	50	10	<b>0.01</b>	0.01
			<b>90.51</b>	90.51
Less:Provision for other than temporary diminution in value			<b>0.00</b>	0.00
			<b>90.51</b>	90.51
<b>[2] Unquoted :</b>				
S & S Power Switchgear Ltd.	50	10	<b>0.07</b>	0.07
SLM Maneklal Industries Ltd.	10	100	<b>0.01</b>	0.01
Advance Bio-Coal (India) Ltd.	500	10	<b>0.05</b>	0.05
Engineering Raw Materials Consumers' Corpn. Ltd.	10	1,000	<b>0.10</b>	0.10
Alternative Energy Industries Ltd.	50	10	<b>0.01</b>	0.01
Gujarat Small Industries	60	100	<b>0.06</b>	0.06
Baroda Industrial Development Corporation Ltd.	132	1,000	<b>1.32</b>	1.32
Gujarat State Financial Corporation	100	10	<b>0.01</b>	0.01
Co-Operative Bank of Baroda Ltd.	100	25	<b>0.03</b>	0.03
Uma Co-Operative Bank Ltd.	440	25	<b>0.11</b>	0.11
			<b>1.77</b>	1.77

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	Nos.	Face Value	As at 31-03-2016 lakhs	As at 31-03-2015 lakhs
<b>C Investments in Government Securities(Unquoted)</b>				
6/7 Years National Savings				
Certificates ( ` 1,64,360 deposited with Government)	-	164,360	1.64	1.64
Sardar Sarovar Narmada Nigam Ltd.	-	3,000,000	30.06	30.06
			<b>31.70</b>	<b>31.70</b>
Total Investments			<b>123.98</b>	<b>123.98</b>
a) Aggregate amount of Quoted Investments (Market value of ` 49.21 (Previous year ` 87.59)			<b>3.78</b>	3.78
b) Aggregate amount of Unquoted Investments			<b>120.20</b>	120.20
			<b>123.98</b>	<b>123.98</b>
Aggregate provision for diminution in value of investments @ Equity investments in this Company carry certain restrictions on transfer of shares that are normally provided for in joint venture agreement.			<b>0.00</b>	0.00
* Nominal value				

	As at 31-03-2016 lakhs	As at 31-03-2015 lakhs
<b>Note 12 - Long-term Loans and Advances</b>		
<b>Unsecured, considered good</b>		
Capital advances	<b>406.56</b>	498.81
Security deposits	<b>108.14</b>	112.78
Other loans and advances		
Advance payments and MAT credit of Income-tax (net of provisions ` 1124.33 (Previous year ` 1387.33))	<b>879.04</b>	1,274.24
	<b>1,393.74</b>	<b>1,885.83</b>
<b>Note 13 - Inventories</b>		
(As verified, valued and certified by the Management)		
(Valued at lower of cost and net realisable value)		
(Refer note 26(1)(E))		
Raw Materials and Components (Refer note 20)	<b>1,257.17</b>	1,722.48
Materials in Transit	<b>66.56</b>	138.66
Work-in-progress (Refer note 21)	<b>4,431.89</b>	5,716.19
Finished Goods (Refer note 21)	<b>199.81</b>	271.65
(Including Goods in Transit ` 26.56 ( P/Y ` 61.07))		
	<b>5,955.43</b>	<b>7,848.98</b>

	As at 31-03-2016 ` lakhs	As at 31-03-2015 ` lakhs
<b>Note 14 - Trade Receivables (Unsecured)</b>		
Over Six Months from the date they are due for payment.		
Considered good	25,828.08	25,391.87
Less: Provision for doubtful receivables	305.62	151.78
	<u>25,522.46</u>	<u>25,240.09</u>
Others - Considered good	8,758.25	9,758.44
	<u>34,280.71</u>	<u>34,998.53</u>
<b>Note 15 - Cash and Bank Balances</b>		
Cash and cash equivalents		
Balances with banks:		
On current accounts	73.64	440.39
Cheques, drafts on hand	22.89	13.11
Cash on hand	18.37	22.85
	<u>114.90</u>	<u>476.35</u>
<b>Other bank balances</b>		
Unpaid dividend account	14.31	14.33
Margin money deposits (Due within 12 months ` 874.77 (Previous year ` 601.93))	1,153.01	1,254.41
	<u>1,282.22</u>	<u>1,745.09</u>
Margin money deposits given as security for guarantees/letters of credit given by the banks.		
<b>Note 16 - Short-term Loans and Advances</b>		
<b>Unsecured, considered good</b>		
Advances for supplies and expenses	3,631.46	4,573.02
Less: Provision for doubtful advances	80.82	914.01
	<u>3,550.64</u>	<u>3,659.01</u>
Advances to Staff	2.51	3.92
Tender deposits/ Security deposits	129.75	149.54
Advances recoverable in cash or kind	454.37	595.88
Pre-paid expenses	157.17	218.58
	<u>4,294.44</u>	<u>4,626.93</u>
<b>Note 17 - Other Current Assets</b>		
Interest accrued on fixed deposits	121.45	181.08
Dividend receivable on investment	-	95.63
	<u>121.45</u>	<u>276.71</u>



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	2015-2016 ` lakhs	2014-2015 ` lakhs
<b>Note 18 - Revenue from Operations</b>		
Sale of Products	21,575.04	24,104.98
Sale of Services	346.82	457.20
	<u>21,921.86</u>	<u>24,562.18</u>
Less: Excise Duty	678.84	1,083.11
Net sales	<u>21,243.02</u>	<u>23,479.07</u>
Other operating revenues		
Claims	188.20	131.30
Others	55.16	65.91
	<u>243.36</u>	<u>197.21</u>
<b>Revenue from operations (Net)</b>	<u><u>21,486.38</u></u>	<u><u>23,676.28</u></u>
<b>Details of products sold</b>		
Pumps and Pumpsets	5,006.85	5,142.10
Rotating Electric Machines	277.83	1,539.16
Generating Sets	822.50	1,072.27
Switchboards	3,545.02	6,321.75
H.T. Circuit Breakers	811.44	1,419.71
Relays	304.80	327.54
Components, Spares and Others	10,127.76	7,199.34
	<u>20,896.20</u>	<u>23,021.87</u>
<b>Details of Services rendered</b>		
Miscellaneous Services	346.82	457.20
	<u>21,243.02</u>	<u>23,479.07</u>
<b>Note 19 - Other Income</b>		
Interest on Fixed Deposits and Others	222.85	181.37
Income from Investments (Gross)		
Dividend	125.25	95.71
Profit/(Loss) on Sale of Fixed Assets (Net)	(3.66)	(194.79)
Profit/(Loss) on Sale of Investments (Net)	-	181.47
Other non-operating income	39.82	47.40
	<u>384.26</u>	<u>311.16</u>

	2015-2016 lakhs	2014-2015 lakhs
<b>Note 20 - Cost of Material and Components Consumed</b>		
Inventory at the beginning of the year	1,722.48	2,325.97
Add : Purchases	<u>14,018.97</u>	<u>18,392.78</u>
	15,741.45	20,718.75
Less : Inventory at the end of the year	<u>1,257.17</u>	<u>1,722.48</u>
	<u>14,484.28</u>	<u>18,996.27</u>
<b>Details of raw material and components consumed</b>		
Ferrous and Non-ferrous metals	181.25	208.77
Pipes	35.24	71.65
Stampings	61.00	153.76
Copper wires, strips, rods etc.	368.35	641.89
Ball Bearings	59.47	130.23
Components & Others	<u>13,778.97</u>	<u>17,789.97</u>
	<u>14,484.28</u>	<u>18,996.27</u>
<b>Details of inventories</b>		
Ferrous and Non-ferrous metals	17.07	29.69
Pipes	1.84	17.53
Stampings	6.36	8.70
Copper wires, strips, rods etc.	18.40	57.20
Ball Bearings	11.95	31.67
Components & Others	<u>1,201.55</u>	<u>1,577.69</u>
	<u>1,257.17</u>	<u>1,722.48</u>
<b>Note 21 - Change in Inventories of Finished Goods and Work-in-Progress</b>		
Inventory at the beginning of the year		
Work-in-progress	5,716.19	5,499.53
Finished Goods	<u>271.65</u>	<u>1,419.55</u>
	5,987.84	6,919.08
Inventory at the end of the year		
Work-in-progress	4,431.89	5,716.19
Finished Goods	<u>199.81</u>	<u>271.65</u>
	<u>4,631.70</u>	<u>5,987.84</u>
	<u>1,356.14</u>	<u>931.24</u>
<b>Details of inventories</b>		
<b>Work-in-progress</b>		
Pumps	740.99	854.13
Rotating Electric Machines	1,295.14	2,011.90
Hydro-generating sets	982.65	949.27
Switchboards	776.61	1,388.63
Vacuum Contactors	605.44	490.82
Relays	31.06	21.44
	<u>4,431.89</u>	<u>5,716.19</u>
<b>Finished Goods</b>		
Pumps	50.33	48.75
Rotating Electric Machines	106.06	142.55
Hydro-generating sets	13.41	19.19
Switchboards	26.56	61.07
Relays	3.45	0.09
	<u>199.81</u>	<u>271.65</u>

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	2015-2016 ` lakhs	2014-2015 ` lakhs
<b>Note 22 - Employee Benefits Expense</b>		
Salaries and Wages	2,605.59	2,795.07
Contribution to Provident and other funds	362.64	353.67
Staff welfare expense	112.93	129.40
	<u>3,081.16</u>	<u>3,278.14</u>
<b>Note 23 - Other Expenses</b>		
Consumption of Stores and spares	40.58	95.87
Power and Fuel	104.42	96.33
Rent	40.72	42.80
Repairs and Maintenance to		
: Building	12.27	64.30
: Machinery	57.11	83.03
: Others	67.29	80.59
Insurance	68.31	115.29
Rates and Taxes	42.56	43.52
Excise Duty (Including increase/ (decrease) of Excise Duty on inventory)	13.81	(113.52)
Publicity	57.04	22.04
Commission	13.24	1.53
Freight and Forwarding Charges	123.88	172.48
Stationery, Postage, Telephones and Telex	48.43	50.24
Bank Charges	361.63	334.21
Audit Fees and Expenses	9.79	6.73
Legal & Professional Fees	334.49	258.57
Travelling	189.23	191.10
Directors' Fees	1.00	0.78
Membership Fees and Subscriptions	4.93	3.71
Bad Debts and advances Written Off	-	493.38
Provision for doubtful debts and advances	386.44	1,065.79
Miscellaneous Expenses	242.20	107.55
Provision for diminution in value of investment	-	(0.06)
	<u>2,219.37</u>	<u>3,216.26</u>
Payment to auditors		
1) As auditor :		
Audit fees	5.95	4.49
Tax audit fees	1.03	1.01
Limited Review & Other services	1.54	0.86
Reimbursement of expenses	0.41	0.37
2) Cost audit fees	0.86	-
	<u>9.79</u>	<u>6.73</u>
<b>Note 24 - Finance Cost</b>		
Interest	7,501.05	7,272.79
	<u>7,501.05</u>	<u>7,272.79</u>
<b>Note 25 - Research and Development Expenses</b>		
Material Consumption	2.86	2.29
Salaries, Wages, Bonus, Gratuity and Other Benefits	104.65	129.42
Contribution to Provident and other funds	11.14	14.21
Power and Fuel	0.89	12.71
Others	136.83	67.97
	<u>256.37</u>	<u>226.60</u>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31<sup>st</sup> March, 2016.**

**Note 26:- Significant Accounting Policies and Other explanatory notes and information**

**1. Significant Accounting Policies:**

**(A) Basis of Preparation of Financial Statements**

The Financial Statements are prepared as per historical cost convention on Accrual basis and are in conformity with mandatory Accounting Standards specified under section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014.

**(B) Sales and Income from Operation**

Sales of goods :

- (i) Sales are accounted on dispatch of goods. Net Sales exclude amounts recovered towards sales tax, octroi, freight and is net of discounts. Erection and Commissioning Income is recognised as revenue, generally, to the extent of completion of erection work as assessed or as and when it becomes due as per terms of contracts.

- (ii) Export sales are recognized on the date of bill of lading / Airway bill.

Income from Services : Repairs and Service Income is recognised as revenue after the service is rendered.

Other Operating Income : Income from royalty and others is recognized on an accrual basis in accordance with the terms of the relevant agreement.

Claims receivable are accounted at the time of lodgment, depending on the certainty of receipt.

Excise duty / Duty Drawback refund claims are accounted as and when accrued.

Interest & Dividend :

Interest : Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

Dividend : Dividend income is recognized when the Company's right to receive dividend is established.

**(C) Fixed Assets, Depreciation, Amortization and Impairment Loss**

- (i) Fixed Assets are stated at cost of acquisition / construction (net of cenvat wherever applicable and expenditure incurred including interest on borrowing and financial cost) except certain land and building which were revalued at market value and are stated at revalued Cost.

- (ii) Depreciation is provided on Straight-line Method on all assets at the rates and in the manner specified as per the useful life prescribed in Schedule II to the Companies Act, 2013.

- (iii) Intangible Fixed Assets: Depreciation is provided over their estimated economic life, in accordance with Accounting Standard on ' Intangible Assets ' ( AS-26)

- (iv) Leasehold Land is amortized over the period of lease.

- (v) In case the recoverable amount of the fixed assets is lower than its carrying amount, a provision is made for the impairment loss.

**(D) Investments**

Long term Investments are stated at cost with an appropriate provision for permanent diminution in value, if any.

**(E) Inventories**

All Inventories are valued at lower of cost and net realizable value.

Raw Materials and Components / Press tools are valued at lower of cost determined on weighted average basis and net realizable value.

Material-in-transit is valued at lower of cost and net realizable value.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials determined on a weighted average basis, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

### **(F) Debenture / Share Issue Expenses**

Debenture issue expenses and Share issue expenses are charged out in the year in which they are incurred.

### **(G) Employee Benefits**

Employee benefits are provided as follows:

- (i) Gratuity : The gratuity liability is funded through the scheme administered by the ICICI Prudential Life Insurance Co.Ltd, and the amount paid/provided under the scheme are charged to Statement of Profit and Loss on the basis of actuarial valuations.
- (ii) Superannuation : Superannuation as per Superannuation Scheme is provided for / paid to employees or to Superannuation Trust Fund, administered by the ICICI Prudential Life Insurance Co.Ltd.
- (iii) Company's contributions payable to Provident Fund and Family Pension Fund are charged to Statement of Profit and Loss.
- (iv) The Company extends the benefit of encashment of leave to its employees while in service as well as on retirement. Though encashment is at the discretion of the Management for the leave accumulated while in service as well as on retirement, it is provided for during the year on the basis of actuarial valuations.

### **(H) R & D Expenses**

All revenue expenses related to R & D including expenses in relation to development of product / processes are charged to the Statement of Profit & Loss Account in the year in which it is incurred.

### **(I) Foreign Currency Transactions**

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end exchange rates.

### **(J) Derivative Transactions**

The Company uses derivative financial instruments, such as Forward Exchange Contracts, to hedge its risks associated with foreign currency fluctuations. At every period end all outstanding derivative contracts are fair valued on a mark-to-market basis and any loss on valuation is recognised in the Statement of Profit and Loss, on each contract basis. Any gain on mark-to-market valuation on respective contracts is not recognised by the Company.

### **(K) Income Taxes**

Income tax expense comprises Regular Tax or Minimum Alternate Tax and is provided for as required by Income Tax Law and Rules & Regulations framed there under.

Deferred Tax Assets and Liabilities are recognised as per Accounting Standard (AS) - 22 on Accounting for Taxes on Income, issued by The Institute of Chartered Accountants of India. Deferred Tax Assets are recognized and carried forward to the extent there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

### **(L) Contingent Liabilities and Commitments**

- (a) Provisions are recognized when the Company has present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

- (b) Contingent Liabilities are disclosed after careful evaluation by the Management of facts and legal aspects of the matter involved.
- (c) Contingent Assets are neither recognized nor disclosed in the financial statement except MAT Credit Entitlement.

	<b>2015-16</b>	<b>2014-15</b>
		( ` lakhs)
2. Estimated value of Capital contracts yet to be executed and not provided	<b>32.33</b>	62.23
3. Contingent liability to the extent not provided for :		
(a) Bills/Cheques discounted with scheduled banks	<b>3,085.56</b>	1,367.14
(b) Income Tax	<b>3,025.89</b>	91.71
(c) Service Tax / Excise Duty/ VAT	<b>77.26</b>	15.18
(d) Compensation payable on bank sacrifice under CDR Scheme	<b>2,375.48</b>	1,402.28
(e) Claims against the Company/disputed liabilities not acknowledged as debts	<b>270.46</b>	222.22
4. <b>Earning Per Share</b>	<b>2015-16</b>	<b>2014-15</b>
Profit/(Loss) after Tax available for equity shareholders ( ` lakhs)	(A) <b>(8,279.76)</b>	(11,354.44)
No. of Equity Shares / Weighted Average number of equity shares	(B) <b>171,28,992</b>	171,28,992
Earning per share (Basic and diluted) (in `)	(A/B) <b>(48.34)</b>	(66.29)
Face value of ` 10 per share		
5. Net Loss on account of foreign exchange fluctuation ` 71.78 lakhs (Previous Year Net Gain ` 38.03 lakhs) has been accounted for in the Statement of Profit & Loss.		
6. Based on information / documents available with the Company, Sundry Creditors include -		( ` lakhs)
	<b>2015-16</b>	<b>2014-15</b>
(a) Amount due to Small Scale Undertakings (Total Amount)	<b>126.51</b>	138.14
(b) Amount Overdue on account of principal and / or interest	<b>100.42</b>	75.32
(c) Amount Outstanding together with interest for more than 45 days	<b>100.42</b>	75.32

As per requirement of Section 22 of Micro, Small & Medium Enterprises Development Act, 2006 following information is disclosed to the extent identifiable:-

	<b>2015-16</b>	<b>2014-15</b>
		( ` lakhs)
(a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year	<b>126.51</b>	138.14
(ii) The interest due on above	<b>1.14</b>	1.35
(b) Amount of interest paid by the buyer in terms of Section 16 of the Act	—	—
(c) The amounts of payment made to the supplier beyond the due date	—	—
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	—	—

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7. Disclosures for defined benefit plans based on actuarial reports as on 31<sup>st</sup> March, 2016  
(` lakhs)

	2015-16		2014-15	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>Expenses recognized in the Statement of Profit &amp; Loss</b>				
Current Service Cost	43.82	24.21	47.23	29.31
Interest Cost	60.36	16.97	83.96	19.16
Employer Contributions	—	—	—	—
Expected return on plan assets	(2.99)	—	(13.76)	—
Net Acturial (Gains) / Losses	82.76	(10.87)	60.57	41.30
Past Service Cost	—	—	—	—
Settlement Cost	—	—	—	—
<b>Total Expenses</b>	<b>183.95</b>	<b>30.31</b>	<b>178.00</b>	<b>89.77</b>
<b>Net Asset / (Liability) recognised in the Financial Statement as at 31st March, 2016</b>				
Present value of Defined Benefit Obligation as at 31st March, 2016	944.17	211.18	762.12	214.23
Fair Value of plan asstes as at 31st March, 2016	35.84	—	37.74	—
Funded status [ Surplus / (Deficit) ]	(908.33)	(211.18)	(724.38)	(214.23)
Net Asset / (Liability) as at 31st March, 2016	(908.33)	(211.18)	(724.38)	(214.23)
<b>Change in Obligation during the Year ended 31st March, 2016</b>				
Present value of Defined Benefit Obligation at beginning of the year	724.38	214.23	739.84	204.94
Current Service Cost	43.82	24.21	47.23	29.31
Interest Cost	57.37	16.97	83.96	19.16
Settlement Cost	—	—	—	—
Past Service Cost	—	—	—	—
Employer Contributions	—	—	(193.46)	—
Acturies (Gains) / Losses	82.76	(10.87)	124.52	41.30
Benefits Payments	—	(33.36)	(77.71)	(80.48)
Present value of Defined Benefit Obligation at the end of the year	908.33	211.18	724.38	214.23
<b>Actuarial Assumptions</b>				
Discount Rate	7.86%	7.86%	7.92%	7.92%
Expected rate of return on plan assets	7.86%	0.00%	7.92%	0.00%
Rate of escalation in salary (p.a.)	6.00%	6.00%	6.00%	6.00%

8. The Company is engaged in manufacturing of engineering goods only and therefore, there is only one reportable segment in accordance with Accounting Standard (AS 17).
9. As required by Accounting Standard AS - 18 "Related Parties Disclosures" issued by the Institute of Chartered Accountants of India are as follows:

List of Related Parties with whom transactions have taken place during the year

- (a) Subsidiary Companies : —  
(b) Associate Companies : JSL Industries Ltd.

- : Insutech Industries Ltd.  
 : Navrachana Educational Resources Ltd.  
 (c) Joint Venture : Jyoti Sohar Switchgear L.L.C.,Oman  
 (d) Key Management Personnel :  
 Chairman & Managing Director - Mr. Rahul Nanubhai Amin  
 Non-Executive Director - Mrs. Tejal Rahul Amin

(e) Transactions with related parties during the year 2015-16 (₹ lakhs)

Nature of Transactions	Associate Companies / Firm	Joint Venture	Key Management Personnel
Purchases	<b>181.39</b> (—)	— (—)	— (—)
Sales / Others	<b>61.27</b> (31.84)	<b>1,201.91</b> (2,064.55)	— (—)
Managerial Remuneration / Sitting fees/ Others	— (—)	— (—)	<b>84.96</b> (83.04)
Rent	— <b>(2.40)</b>	— (—)	— (—)
Outstandings			
- Payables	<b>12.46</b> (—)	— (—)	— (—)
- Receivables	— (9.07)	<b>30.76</b> (205.50)	— (—)

10. Net Deferred Tax Asset / Liability of ₹ (224.78) lakhs has been recognized for the year to the statement of Profit and Loss on account of Employees benefits and Depreciation.

(a) The Deferred Tax Assets and Liabilities for the year comprise of the following:

	As at 31-03-2016 (₹ lakhs)	As at 31-03-2015 (₹ lakhs)
Deferred Tax Liability	<b>(162.00)</b>	(124.83)
Less : Deferred Tax Assets	<b>(62.78)</b>	1.90
Deferred Tax Expense for the year	<b>(224.78)</b>	(122.93)

(b) The Break up of Cumulative Net Deferred Tax Liability/(Asset) :

Deferred Tax Liability :		
- Depreciation	<b>519.23</b>	681.23
- Others	<b>512.37</b>	512.37
	<b>1,031.60</b>	1,193.60
Deferred Tax Assets :		
- Provisions (Net of Payment) & Others	<b>423.94</b>	361.16
Net Deferred Tax Liability/(Assets)	<b>607.66</b>	832.44

11. (a) Operating Lease Obligations :

Where the Company is a Lessee :

The Company has taken various commercial premises under operating lease or leave and license agreements. Lease Payments are recognised in the Profit & Loss Account.

	₹ lakhs
Payable not later than one year	13.59



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12. (a) The accounts of Trade Receivables, Trade Payables and Advances are subject to reconciliation/confirmation. The Management does not expect any material difference affecting the financial statements on reconciliation.
- (b) In the opinion of the Company, Current Assets and Non-Current Assets, Loans and Advances have values on realization in the ordinary course of business at least equal to the amount at which they are stated.
13. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31<sup>st</sup> March, 2016, except Dividend amounting to ₹ 2.00 lakhs, which is sub judice.
14. As per CDR Guidelines, Promoters have brought necessary contribution amounting to ₹ 1980 lakhs by way of Share Application Money which will be converted into Share Capital subject to approval of appropriate authorities.
15. The infrastructure industry, particularly in water and power segments, has not recovered as expected, resulting in delay in completion of projects and the recovery of dues. The company has assessed and provided for doubtful debts and advances amounting to ₹ 386.44 lakhs. The Company is optimistic of improvement in these industry sectors which will help in speedy execution of projects and resultant collection of its dues.
16. Repayment Schedule of Bank Loans :-

Details of Loans (Original Sanctioned Amount)	INSTALLMENT		
	Period	No	Starting
<b>A :- From Bank</b>			
Existing Term Loan – I (600 lakhs)	Quartely	24	June - 2015
Existing Term Loan – II (13,787 lakhs)	Quartely	32	June - 2015
Existing Term Loan – III (956 lakhs)	Quartely	20	June - 2015
Existing Term Loan – IV (4,000 lakhs)	Quartely	20	June - 2015
FITL (5,349 lakhs)	Quartely	14	December - 2014
WCTL – I (5,168 lakhs)	Quartely	20	June - 2015
WCTL – II (4,327 lakhs)	Quartely	20	June - 2015
Retention Money Term Loan (2,500 lakhs)	Quartely	32	June - 2015
Capex Term Loan (1,200 lakhs)	Quartely	32	June - 2015
<b>B :- From TDB (950 lakhs)</b>	Half Yearly	09	January - 2015

As on 31<sup>st</sup> March, 2016, the overdue amount on account of interest on various Term Loans, Working Capital Demand Loans, Letters of Credit and Installment of Term Loan was ₹ 12,379.19 lakhs.

17. In view of erosion of the Net Worth of the Company as at 31.03.2014, the Company filed a reference application u/s 15 (1) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) with Hon. Board for Industrial and Financial Reconstruction (BIFR) for determination of measures which may be adopted with respect to the Company. The said reference was registered as Case No. 62/2014.

The Hon. BIFR, in the hearing held on 05.10.2015, declared the Company a Sick Industrial Company in terms of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and appointed the lead bank, Central Bank of India as Operating Agency (OA) under section 17(3) of the Act to examine the viability of the Company and for formulating a Draft Rehabilitation Scheme (DRS) for revival of the Company with a Cut Off Date of 31.03.2016.

As per the directions of the Hon. BIFR, the Company has submitted the DRS to the OA, other consortium member banks/lenders and Hon. BIFR. Company's Techno Economic Viability Study (TEV) has also been carried out by a leading agency and a positive TEV has been submitted to the banks. The DRS is presently under consideration of the banks.

As the DRS is still to be approved by the lenders and Hon. BIFR, no effect of the restructuring proposal is considered in the books of account.

18. The Company is very positive about its viability, in lines with the DRS proposal and TEV submitted to the lenders. The Company is optimistic about its future and in view of the Company's ability to continue to execute its orders, despite adversities, it expects that Company's financials will show a marked improvement once the DRS proposal is accepted and implemented by the lenders and the Hon. BIFR. In view thereof, the Financial Statements have been prepared by the Management on a 'Going Concern' basis. No adjustment is considered necessary to the recorded assets, recorded liabilities, contingent liabilities and other commitments for the reasons and perception of the Management.

19. The efforts of the Board of Directors to realize business value from DRS achieved progress with a formal submission of scheme in February 2016. Pending its final approval by the lenders and the Hon. BIFR, the Board of Directors believes, the DRS when implemented will alleviate the current resource crunch and help the Company to achieve robust financial health.

The Board of Directors is of the view that a deferred tax asset of ` 6390 lakhs would be available to the company for adjustment against future tax liability as may accrue and would be applicable to the Company. This has been envisaged in the said DRS proposal. Such a deferred tax asset does not consider tax demand of ` 3026 lakhs arising out of disallowances made in the assessment order recently received for Assessment Year 2013-14. The Board of Directors is of the view that such a tax demand is reversible during ongoing appeal proceedings, as per merits of the same, as advised to the company. However, as a prudent accounting policy, the said Deferred Tax Asset of ` 6390 lakhs has not been recognized in the books of account.

20. The figures of previous year are regrouped / rearranged wherever necessary.

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21. Additional information required under Revised/Modified Schedule III to the Companies Act, 2013  
(As certified by the Management)

<b>i) Imports calculated on C.I.F. basis</b>		(` lakhs)
Raw Materials		<b>158.61</b> (826.68)
<b>ii) Expenditure in Foreign Currencies</b>		(` lakhs)
Travelling Expenses		<b>11.73</b> (6.75)
Others		<b>80.24</b> (30.07)
<b>iii) Raw Materials Consumed</b>	(` lakhs)	% to Total Consumption
a) Imported	<b>230.87</b> (969.86)	<b>1.59</b> (5.11)
b) Indigenous	<b>14,253.41</b> (18,026.41)	<b>98.41</b> (94.89)
	<b>14,484.28</b> (18,996.27)	<b>100.00</b> (100.00)
<b>iv) Earnings in Foreign Exchange</b>		(` lakhs)
a) F.O.B Value of Exports		<b>1,194.28</b> (1,977.89)
b) Dividend		<b>125.14</b> (95.63)
<b>v) Stores Consumed</b>		(` lakhs)
a) Imported		- (-)
b) Indigenous		<b>40.58</b> (95.87)

(Previous year's figures are shown in brackets)

**Cash flow statement for the year ended on 31st March, 2016.**

	2015-2016 lakhs	2014-2015 lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and non-recurring items :	<b>(8,378.42)</b>	(11,337.80)
<b>Adjustments for</b>		
1. Depreciation	<b>1,350.69</b>	1,507.03
2. Finance Cost charged to Statement of Profit & Loss	<b>7,501.05</b>	7,272.79
3. Interest Received	<b>(222.85)</b>	(181.37)
4. Dividend Received	<b>(125.25)</b>	(95.71)
5. (Profit)/Loss on Sale of Fixed Assets (Net)	<b>3.66</b>	194.79
6. (Profit)/Loss on Sale of Investments (Net)	-	(181.47)
7. Bad Debts written off	-	493.38
8. Provision for doubtful debts and advances	<b>386.44</b>	1,065.79
9. Provision for diminution in value of Investments	-	(0.06)
	<b>8,893.74</b>	10,075.17
Operating profit / (loss) before working capital changes	<b>515.32</b>	(1,262.63)
<b>Movement in Working Capital</b>		
1. Trade and Other Receivables	<b>916.02</b>	4,512.16
2. Inventories	<b>1,893.55</b>	1,810.42
3. Trade and Other Payables	<b>19.19</b>	1,493.43
Net change in working capital	<b>2,828.76</b>	7,816.01
Cash Generated from Operations	<b>3,344.08</b>	6,553.38
Direct Taxes Paid (Net)	<b>269.09</b>	(197.03)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES (A)</b>	<b>3,613.17</b>	6,356.35

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	2015-2016 lakhs	2014-2015 lakhs
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
1. Purchase of Fixed Assets (including CWIP and capital advances)	(49.55)	(1,346.73)
2. Proceeds from Sale of Fixed Assets	2.00	179.06
3. Proceeds from Sale of Investments	-	211.73
4. Interest Received	222.85	181.37
5. Dividend Received	125.25	95.71
<b>NET CASH UTILISED IN INVESTING ACTIVITIES (B)</b>	<b>300.55</b>	<b>(678.86)</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
1. Proceeds from borrowings (Net)	987.82	(2,699.06)
2. Interest Paid	(5,364.41)	(5,973.06)
<b>NET CASH GENERATED IN FINANCIAL ACTIVITIES (C)</b>	<b>(4,376.59)</b>	<b>(8,672.12)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>		
	<b>(462.87)</b>	<b>(2,994.63)</b>
Cash and Cash Equivalents as at 01/04/2015	1,745.09	4,739.72
Cash and Cash Equivalents as at 31/03/2016	1,282.22	1,745.09

Notes : i) Previous year figures are regrouped wherever necessary.  
ii) Figures in brackets indicate negative figures.

As per our Report attached of even date

**For V. H. Gandhi & Co.**

Chartered Accountants

Firm Reg. No. 103047W

**Vijay H. Gandhi**

Proprietor

M. No. 35581

Vadodara

30<sup>th</sup> May, 2016

**Jayesh Verma**  
Chief Financial Officer

**Suresh Singhal**  
Vice President (Legal) &  
Company Secretary

**Rahul N. Amin**  
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**Mrs. T. R. Amin**

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**Mr. S. S. Bhattbhatt**

**Mr. U. V. Desai**

**Mr. T. C. Dayal**

**Mr. M. R. Patel**

Vadodara

30<sup>th</sup> May, 2016

## CONSOLIDATED ACCOUNTS

### CONSOLIDATED INDEPENDENT AUDITORS' REPORT

To the Members of  
**JYOTI LIMITED**

#### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **Jyoti Limited** (hereinafter referred to as "the Company") where in Company's investment in its Joint Venture namely Jyoti Sohar LLC (Sultanate of Oman) together referred to as "the Group", comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, available Financial Statement of Joint venture up to 31<sup>st</sup> December, 2015 prepared as per International Financial Reporting Standard, the Consolidated Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements"). As the consolidated financial statements are prepared for the first time, hence, Consolidated Cash Flow Statement has not been prepared. Refer note no. 26(11) of Consolidated Financial Statements.

#### Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position and consolidated financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the Companies included in Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated Financial Statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31<sup>st</sup> March, 2016, and their Consolidated Loss for the year ended on that date.

### **Other Matters**

The financial statements up to 31<sup>st</sup> December, 2015 of Joint Venture company which have been consolidated have been audited by other auditor as per International Financial Reporting Standard, whose report has been furnished to us by the Management and our opinion and report in terms of Sub-Sections (3) and (11) of Section 143 of the Act, in so far as it relates to the amounts and disclosures included in respect of this joint venture company, is based solely on the reports of the other auditors.

We did not audit the financial statements / financial information of joint venture Company whose financial statements / financial information reflect Total Assets of ` 2040.60 lakhs as at 31<sup>st</sup> December, 2015, Total Revenues of ` 2293.73 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements.

The Consolidated Financial Statements also include the Group's share of net profit of ` 478.35 lakhs for the year ended 31<sup>st</sup> March, 2016 as considered in the consolidated financial statements, in respect of joint venture Company whose financial statements / financial information have not been audited by us.

As informed by the management, there are no material transactions during the remaining period i.e. 1<sup>st</sup> January, 2016 to 31<sup>st</sup> March, 2016 of Joint Venture on the consolidated financial statements as at 31<sup>st</sup> March, 2016. Refer Note No. 26 (9) to the consolidated financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

### **Emphasis of Matters**

- (a) *The Net Worth of the Company had become negative since the financial year 2013-14, the Company, in compliance with the provisions of Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985, made a reference to Board of Industrial and Financial Reconstruction (BIFR). The Company has received the letter dated 17th October, 2014 from BIFR for registration under Section 15 (1) of SICA Act, 1985. The Hon. BIFR, in the hearing held on 5<sup>th</sup> October, 2015, declared the Company a Sick Industrial Company in terms of Section 3 (1) (o) of the Sick Industrial companies (Special Provisions) Act, 1985 and appointed the lead bank, Central Bank of India as Operating Agency (OA) under section 17(3) of the Act to examine the viability of the Company and for formulating a Draft Rehabilitation Scheme (DRS) for revival of the Company. As the DRS submitted is under consideration of the banks, no effect of the restructuring proposal is considered in the books of account.*

In view of continued losses, total erosion of the Net Worth, Current Liabilities Exceeds Current Assets, Liquidity constraint and Inability to comply with the terms of loan agreements, there is



an uncertainty about the Company's ability to continue as a going concern. However, the management is very positive about its viability, in lines with the DRS proposal and Techno Economic Viability Study (TEV) submitted to the lenders. The company is optimistic about its future and in view of the Company's ability to continue to execute its orders, despite adversities, it expects that Company's financials will show a marked improvement once the DRS proposal is accepted and implemented by the lenders and the Hon. BIFR. In view thereof, the Financial Statements have been prepared by the Management on a 'Going Concern' basis. No adjustment is considered necessary by the Management to the recorded assets, recorded liabilities, contingent liabilities and other commitments for the reasons and perception of the Management.

- b) The accounts of Trade Receivables, Trade Payables and Advances are subject to reconciliation/confirmation. The financial statements regarding recoverability of Trade Receivables, Advances and Impairment of Assets other than those provided for during the year, which has been considered good by the Management.

Our opinion is not modified in respect of these matters.

### **Report on other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) The matters described in sub-paragraph (a) & (b) under the Emphasis of Matters paragraph above, in our opinion, may have an effect on the functioning of the Company.
  - f) On the basis of written representations received from the directors of the Company as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors of the Company, none of the directors of the company is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - g) The Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial control over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company. The Joint Venture is a Foreign Company, hence, Company's Act, 2013 is not applicable. However, for Indian Company, please refer our Annexure B of Standalone report.
  - h) With respect to the other matters included in the Auditor's Report in accordance with the rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

- i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer note no 26 (1) to the consolidated financial statements.
- ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
- iii) There was no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except dividend under dispute amounting to ` 2 lakhs, which is subjudice.
- iv) Share application money of ` 1980 lakhs of the company, which is outstanding since financial year 2013-14. We have been given to understand by the Management that it will be converted into share capital on approval of appropriate authorities.

**For V. H. Gandhi & Co.**  
*Chartered Accountants*  
Firm Reg. No. 103047W

**Vijay H. Gandhi**  
*Proprietor*  
M.No. 35581

Vadodara  
30<sup>th</sup> May, 2016

## 72nd Annual Report

### CONSOLIDATED BALANCE SHEET as at 31st March, 2016

	Note No.	As at 31-03-2016 ` lakhs	As at 31-03-2015 ` lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	1,712.90	1,712.90
(b) Reserves and Surplus	2	(24,614.67)	(17,939.37)
		(22,901.77)	(16,226.47)
<b>Share Application Money Pending Allotment</b>		1,980.00	1,980.00
<b>Non-current Liabilities</b>			
(a) Long-term borrowings	3	27,881.72	31,945.82
(b) Deferred tax liabilities (Net)		601.21	832.44
(c) Other long-term liabilities	4	4,027.39	3,719.24
(d) Long-term provisions	5	1,006.35	798.08
		33,516.67	37,295.58
<b>Current Liabilities</b>			
(a) Short-term borrowings	6	25,036.04	19,984.12
(b) Trade Payable	7	10,813.96	13,267.80
(c) Other current liabilities	8	13,926.78	9,437.17
(d) Short-term provisions	9	233.90	187.66
		50,010.68	42,876.75
<b>TOTAL</b>		<b>62,605.58</b>	<b>65,925.86</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10(a)	9,823.19	10,918.46
(ii) Intangible Assets	10(b)	63.58	102.22
(iii) Capital Work-In-Progress		3,399.13	3,399.13
(b) Non-current Investments	11	37.25	123.98
(c) Long-term loans and advances	12	1,393.74	1,885.83
		14,716.89	16,429.62
<b>Current Assets</b>			
(a) Inventories	13	6,589.80	7,848.98
(b) Trade Receivables	14	34,599.20	34,998.53
(c) Cash and Cash equivalents	15	2,283.80	1,745.09
(d) Short-term loans and advances	16	4,294.44	4,626.93
(e) Other current assets	17	121.45	276.71
		47,888.69	49,496.24
<b>TOTAL</b>		<b>62,605.58</b>	<b>65,925.86</b>

The accompanying notes are an integral part of the financial statements.

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As per our Report attached of even date

**For V. H. Gandhi & Co.**

Chartered Accountants

Firm Reg. No. 103047W

**Vijay H. Gandhi**

Proprietor

M. No. 35581

Vadodara

30<sup>th</sup> May, 2016

**Jayesh Verma**  
Chief Financial Officer

**Suresh Singhal**  
Vice President (Legal) &  
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**Mr. U. V. Desai**

**Mr. T. C. Dayal**

**Mr. M. R. Patel**

Vadodara

30<sup>th</sup> May, 2016

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31<sup>st</sup> March, 2016**

	Note No.	2015-2016 ` lakhs	2014-2015 ` lakhs
Revenue From Operations	18	<b>23,778.88</b>	23,676.28
Other Income	19	<b>385.49</b>	311.16
<b>Total Revenue (I)</b>		<b>24,164.37</b>	23,987.44
<b>Expenses</b>			
Cost of material and components consumed	20	<b>15,980.19</b>	18,996.27
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	<b>1,356.14</b>	931.24
Employee Benefits Expense	22	<b>3,274.15</b>	3,278.14
Finance costs	24	<b>7,501.05</b>	7,272.79
Depreciation and amortisation expense		<b>1,387.57</b>	1,403.94
Other expenses	23	<b>2,240.03</b>	3,216.26
Research and Development Expenses	25	<b>256.37</b>	226.60
<b>Total Expenses (II)</b>		<b>31,995.50</b>	35,325.24
Profit/(Loss) Before Tax (I)-(II)		<b>(7,831.13)</b>	(11,337.80)
Tax Expense:			
- Current Tax		<b>75.38</b>	-
- Deferred Tax		<b>(231.23)</b>	(122.93)
- Tax expense for earlier years		<b>126.12</b>	139.57
Profit/ (Loss) for the year		<b>(7,801.40)</b>	(11,354.44)
Earning per Share (Basic & Diluted) (In `) (Face Value ` 10/-)		<b>(45.55)</b>	(66.29)
The accompanying notes are an intergral part of the financial statements.	26		

As per our Report attached of even date  
**For V. H. Gandhi & Co.**  
 Chartered Accountants  
 Firm Reg. No. 103047W

**Vijay H. Gandhi**  
 Proprietor  
 M. No. 35581  
 Vadodara  
 30<sup>th</sup> May, 2016

**Jayesh Verma**  
 Chief Financial Officer  
  
**Suresh Singhal**  
 Vice President (Legal) &  
 Company Secretary

**Rahul N. Amin**  
 Chairman & Managing Director

*Directors*

**Mrs. T. R. Amin**      **Mr. U. V. Desai**  
**Mr. V. K. Gulati**      **Mr. T. C. Dayal**  
**Mr. S. S. Bhattbhatt**      **Mr. M. R. Patel**  
 Vadodara  
 30<sup>th</sup> May, 2016

### Notes to Consolidated Financial Statements

	As at 31-03-2016 ₹ lakhs	As at 31-03-2015 ₹ lakhs
<b>Note 1 - Share Capital</b>		
<b>a) Share Capital</b>		
<b>Authorised</b>		
2,50,00,000 (31st March, 2015: 2,50,00,000) Equity Shares of ₹ 10 each	2,500.00	2,500.00
	<u>2,500.00</u>	<u>2,500.00</u>
<b>Issued, Subscribed and Paid Up</b>		
1,71,28,992 (31st March, 2015: 1,71,28,992) Equity Shares of ₹ 10 each fully paid	1,712.90	1,712.90
	<u>1,712.90</u>	<u>1,712.90</u>

Note :

The above includes:

- 1) 6,25,000 Shares allotted as fully paid-up Bonus shares by Capitalisation of General Reserve (1,25,000 Bonus shares were issued in 1969 and 5,00,000 issued in 1976-77)

**b) Reconciliation of the number of shares outstanding at the beginning and the end of the reporting period:**

	As at 31-03-2016		As at 31-03-2015	
	No.	₹ lakhs	No.	₹ lakhs
<b>Equity Shares of ₹ 10</b>				
At the beginning of the period	17,128,992	1,712.90	17,128,992	1,712.90
Issued during the period	-	-	-	-
Outstanding at the end of the period	<u>17,128,992</u>	<u>1,712.90</u>	<u>17,128,992</u>	<u>1,712.90</u>

**The rights, preferences and restrictions including restrictions on the distribution of dividends and the repayment of capital:**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution / repayment of all creditors. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held:

Name of Shareholder	As at 31-03-2016		As at 31-03-2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 Insutech Industries Ltd.	2,337,654	13.65	2,337,654	13.65
2 JSL Industries Ltd.	1,074,239	6.27	1,074,239	6.27
3 Pat Financial Consultants Pvt. Ltd.	-	-	1,336,265	7.80
4 Rahul N. Amin	1,084,100	6.33	1,084,100	6.33
5 Signora Finance Pvt. Ltd.	966,278	5.64	-	-

	As at 31-03-2016 lakhs	As at 31-03-2015 lakhs
--	---------------------------	---------------------------

**Note 2 - Reserves and Surplus**

**Capital Reserve**

Balance as per last Financial Statement		253.04	253.04
Current value of Investment in Joint venture	842.45		
Less: Cost of Investment	86.73	755.72	-
		1,008.76	253.04

**Capital Redemption Reserve**

Balance as per last Financial Statement		25.00	25.00
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**Securities Premium Reserve**

Balance as per last Financial Statement		6,684.48	6,684.48
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**Revaluation Reserve**

Balance as per last Financial Statement		412.97	413.57
Less: amount transferred to General Reserve		1.50	0.60
Closing balance		411.47	412.97

**General Reserve**

Balance as per last Financial Statement		38.18	37.58
Add: amount transferred from Revaluation Reserve		1.50	0.60
		39.68	38.18

**Legal Reserve**

Balance as per last Financial Statement		167.50	-
Add: amount transferred from Statement of Profit & Loss		54.25	-
		221.75	-

**Surplus/(deficit) in Statement of Profit and Loss**

Balance as per last Financial Statement	(25,353.04)	(13,895.51)
Share of Reserve in Joint Venture as per transitional provision of AS-27	329.25	-
Add: Depreciation for earlier period	-	(103.09)
Add: Profit/(Loss) for the year	(7,801.40)	(11,354.44)
Net surplus/(deficit) in the Statement of Profit and Loss	(32,825.19)	(25,353.04)
Transfer to Legal reserve	54.25	-
Dividend for the year	126.37	-
	(33,005.81)	-
<b>Total Reserves and Surplus</b>	<b>(24,614.67)</b>	<b>(17,939.37)</b>

	As at 31-03-2016 ` lakhs	As at 31-03-2015 ` lakhs
<b>Note 3 - Long-term Borrowings</b>		
Term Loans		
From Banks (Secured)	27,509.17	31,329.16
From Technology Development Board (Secured)	372.55	616.66
	<u>27,881.72</u>	<u>31,945.82</u>

**Notes :-**

- 1) a) The term loans, cash credit facilities and others carry interest @ 11.75% to 12.25% p.a.
- b) The term loans, cash credit facilities, interest accrued and due thereon and non-fund based facilities are secured by a first charge created in favour of consortium banks, on the stocks of raw materials, semi finished and finished goods, consumable stores and spares, bills receivables and book debts, furniture, fixtures, office equipments and all other movable and immovable properties, (except those created in favour of Technology Development Board), both present and future, of the company situated at Kasba, Dist. Vadodara, Gorwa, Dist. Vadodara, Mogar, Dist. Anand and Moje Sama in registration District and Sub-District of Vadodara, all in the State of Gujarat .
- c) Also Equity Shares of the core Promoter group have been pledged to Consortium Banks, as per MRA under Corporate Debt Restructuring (CDR) scheme, total no. of shares 54,46,503 equivalent to 31.80% of total Equity Shares.
- 2) The term loan from Technology Development Board carries interest @ 5% and is secured by first charge on the assets created for Wind Turbine Project both, present and future.
- 3) Further, these facilities are also secured by the personal guarantee of Promoter Directors.

	As at 31-03-2016 ` lakhs	As at 31-03-2015 ` lakhs
<b>Note 4 - Other Long-term Liabilities</b>		
Advances from customers	4,027.39	3,719.24
	<u>4,027.39</u>	<u>3,719.24</u>

**Note 5 - Long-term Provisions**

Employee benefits	1,006.35	798.08
	<u>1,006.35</u>	<u>798.08</u>

	As at 31-03-2016 ` lakhs	As at 31-03-2015 ` lakhs
<b>Note 6 - Short-term Borrowings</b>		
Loans payable on demand (Secured) from Banks (Including Due but not paid ` 5390.42 (P/Y ` 435.54)) Refer Note no. 3 for securities and interest rates.	<u>25,036.04</u>	<u>19,984.12</u>
<b>Note 7 - Trade Payables</b>		
Micro and small enterprises	126.51	138.14
Others	<u>10,687.45</u>	<u>13,129.66</u>
	<u>10,813.96</u>	<u>13,267.80</u>
<b>Note 8 - Other Current Liabilities</b>		
Current maturities of long-term debt (Secured)		
Term loan from TDB (Including Due but not paid ` 219.11( P/Y ` NIL))	441.33	222.22
Term loans from Banks (Including Due but not paid ` 3320.50 (P/Y ` 535.00))	7,124.50	5,603.00
Interest accrued and due (Secured)	3,449.16	882.94
Interest accrued but not due (Secured)	154.54	667.41
Finance lease obligations (Unsecured)	-	16.64
Other liabilities (Unsecured)		
Advances from customers	1,876.30	1,764.52
Unclaimed dividend	14.25	14.27
Others	866.70	266.17
Refer Note no. 3 for securities and interest rates.		
	<u>13,926.78</u>	<u>9,437.17</u>
<b>Note 9 - Short-term Provisions</b>		
Employee benefits	<u>233.90</u>	<u>187.66</u>
	<u>233.90</u>	<u>187.66</u>



( ` lakhs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	Cost as at 31-03-15	Additions	Adjustments	Deductions	Cost as at 31-03-16	Total up to 31-03-15	Deductions	Adjustments	During the year	Total up to 31-03-16	As at 31-03-16	As at 31-03-15
<b>(a) Tangible Assets</b>												
Free Hold Land *	650.42	—	—	—	650.42	—	—	—	—	—	650.42	650.42
Buildings	3196.56	—	—	—	3196.56	821.45	—	—	94.03	915.48	2281.08	2265.73
Plant and Equipments	11190.01	43.13	—	—	11233.14	5038.47	179.13	—	727.54	5945.14	5288.00	6139.97
R & D Equipments	1818.77	—	—	—	1818.77	450.77	—	—	158.96	609.73	1209.04	1368.00
Furniture and Fixtures	349.85	1.90	—	1.76	349.99	191.59	1.37	—	29.83	220.05	129.94	155.32
Vehicles	311.14	1.56	—	10.43	302.27	148.21	5.53	—	36.82	179.50	122.77	161.24
Office Equipments	738.63	6.12	—	3.71	741.04	640.32	3.34	—	50.46	687.44	53.60	71.05
Electrical Installations	153.06	0.47	—	—	153.53	46.33	—	—	18.86	65.19	88.34	106.73
<b>TOTAL</b>	<b>18408.44</b>	<b>53.18</b>	<b>—</b>	<b>15.90</b>	<b>18445.72</b>	<b>7337.14</b>	<b>10.24</b>	<b>179.13</b>	<b>1116.50</b>	<b>8622.53</b>	<b>9823.19</b>	<b>10918.46</b>
<b>(b) Intangible Assets</b>												
Software Licences	398.89	—	—	—	398.89	243.37	—	—	91.94	335.31	63.58	102.22
<b>TOTAL</b>	<b>398.89</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>398.89</b>	<b>243.37</b>	<b>—</b>	<b>—</b>	<b>91.94</b>	<b>335.31</b>	<b>63.58</b>	<b>102.22</b>
<b>GRAND TOTAL</b>	<b>18807.33</b>	<b>53.18</b>	<b>—</b>	<b>15.90</b>	<b>18844.61</b>	<b>7580.51</b>	<b>10.24</b>	<b>179.13</b>	<b>1208.44</b>	<b>8957.84</b>	<b>9886.77</b>	<b>11020.68</b>
PREVIOUS YEAR	17985.02	607.41	—	107.16	18485.27	5946.46	35.00	238.41	1314.72	7464.59	11020.68	

**Notes :**

- 1) \* Part of the Land is given on long term lease.
- 2) Adjustments includes provision for impairment of assets amounting to ` 179.13 lakhs (Previous Year ` 89.22 lakhs)

**Note 11 - Non-current Investments (at cost)**

	Nos.	Face Value	As at 31-03-2016 lakhs	As at 31-03-2015 lakhs
<b>A Trade Investment</b>				
<b>Investment in Equity Instruments</b>				
<b>[1] Quoted</b>				
JSL Industries Ltd. (Associate Company)	29,255	10	3.37	3.37
<b>Investment in Joint Venture Company</b>				
<b>[2] Unquoted :</b>				
Jyoti Sohar Switchgear LLC, Oman @	490,000	(RO) 1	86.73	86.73
Less : Transferred to Capital Reserve			86.73	-
			-	86.73
<b>B Others</b>				
<b>Investment in Equity Instruments</b>				
<b>[1] Quoted :</b>				
MPIL Corporation Ltd.	2	10	* 0.00	* 0.00
Mather & Platt Fire Systems Ltd.	9	10	* 0.00	* 0.00
Kirloskar Brothers Investments Ltd.	-	2	0.00	0.02
	(52)			
Kirloskar Oil Engines Limited	790	2	0.01	0.00
Pneumatic Holdings Limited	52	10	0.01	0.00
ABB India Limited	335	2	0.32	0.32
S. Kumars Nationwide Ltd.	50	10	* 0.00	-
International Pumps & Projects Ltd.	300	10	0.06	0.06
WPIL Ltd.	50	10	0.01	0.01
			3.78	90.51
Less:Provision for other than temporary diminution in value			0.00	0.00
			3.78	90.51
<b>[2] Unquoted :</b>				
S & S Power Switchgear Ltd.	50	10	0.07	0.07
SLM Maneklal Industries Ltd.	10	100	0.01	0.01
Advance Bio-Coal (India) Ltd.	500	10	0.05	0.05
Engineering Raw Materials Consumers' Corpn. Ltd.	10	1,000	0.10	0.10
Alternative Energy Industries Ltd.	50	10	0.01	0.01
Gujarat Small Industries	60	100	0.06	0.06
Baroda Industrial Development Corporation Ltd.	132	1,000	1.32	1.32
Gujarat State Financial Corporation	100	10	0.01	0.01
Co-Operative Bank of Baroda Ltd.	100	25	0.03	0.03
Uma Co-Operative Bank Ltd.	440	25	0.11	0.11
			1.77	1.77

	Nos.	Face Value	As at 31-03-2016 lakhs	As at 31-03-2015 lakhs
<b>C Investments in Government Securities (Unquoted)</b>				
6/7 Years National Savings Certificates (` 1,64,360 deposited with Government)	-	164,360	1.64	1.64
Sardar Sarovar Narmada Nigam Ltd.	-	3,000,000	30.06	30.06
			<b>31.70</b>	31.70
Total Investments			<b>37.25</b>	123.98
a) Aggregate amount of Quoted Investments (Market value of ` 49.21 (Previous year ` 87.59))			<b>3.78</b>	3.78
b) Aggregate amount of Unquoted Investments			<b>33.47</b>	120.20
			<b>37.25</b>	123.98

Aggregate provision for diminution in value of investments

- -

@ Equity investments in this Company carry certain restrictions on transfer of shares that are normally provided for in joint venture agreement.

\* Nominal value

	As at 31-03-2016 lakhs	As at 31-03-2015 lakhs
<b>Note 12 - Long-term Loans and Advances</b>		
<b>Unsecured, considered good</b>		
Capital advances	406.56	498.81
Security deposits	108.14	112.78
Other loans and advances		
Advance payments and MAT credit of Income-tax (net of provisions ` 1124.33 (Previous year ` 1387.33))	879.04	1,274.24
	<b>1,393.74</b>	1,885.83
<b>Note 13 - Inventories</b>		
(As verified, valued and certified by the Management)		
(Valued at lower of cost and net realisable value)		
Raw Materials and Components (Refer note 20)	1,891.54	1,722.48
Materials in Transit	66.56	138.66
Work-in-progress (Refer note 21)	4,431.89	5,716.19
Finished Goods (Refer note 21)	199.81	271.65
(Including Goods in Transit ` 26.56 ( P/Y ` 61.07))		
	<b>6,589.80</b>	7,848.98

	As at 31-03-2016 ` lakhs	As at 31-03-2015 ` lakhs
<b>Note 14 - Trade Receivables (Unsecured)</b>		
Over Six Months from the date they are due for payment.		
Considered good	25,828.08	25,391.87
Less: Provision for doubtful receivables	305.62	151.78
	<u>25,522.46</u>	<u>25,240.09</u>
Others - Considered good	9,076.74	9,758.44
	<u>34,599.20</u>	<u>34,998.53</u>
<b>Note 15 - Cash and Bank Balances</b>		
Cash and cash equivalents		
Balances with banks:		
On current accounts	1,075.22	440.39
Cheques, drafts on hand	22.89	13.11
Cash on hand	18.37	22.85
	<u>1,116.48</u>	<u>476.35</u>
<b>Other bank balances</b>		
Unpaid dividend account	14.31	14.33
Margin money deposits (Due within 12 months ` 874.77 (Previous year ` 601.93))	1,153.01	1,254.41
	<u>2,283.80</u>	<u>1,745.09</u>
Margin money deposits given as security for guarantees/letters of credit given by the banks.		
<b>Note 16 - Short-term Loans and Advances</b>		
<b>Unsecured, considered good</b>		
Advances for supplies and expenses	3,631.46	4,573.02
Less: Provision for doubtful advances	80.82	914.01
	<u>3,550.64</u>	<u>3,659.01</u>
Advances to Staff	2.51	3.92
Tender deposits/ Security deposits	129.75	149.54
Advances recoverable in cash or kind	454.37	595.88
Pre-paid expenses	157.17	218.58
	<u>4,294.44</u>	<u>4,626.93</u>
<b>Note 17 - Other Current Assets</b>		
Interest accrued on fixed deposits	121.45	181.08
Dividend receivable on investment	-	95.63
	<u>121.45</u>	<u>276.71</u>

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	2015-2016 lakhs	2014-2015 lakhs
<b>Note 18 - Revenue from Operations</b>		
Sale of Products	23,867.54	24,104.98
Sale of Services	346.82	457.20
	<u>24,214.36</u>	<u>24,562.18</u>
Less: Excise Duty	678.84	1,083.11
Net sales	<u>23,535.52</u>	<u>23,479.07</u>
Other operating revenues		
Claims	188.20	131.30
Others	55.16	65.91
	<u>243.36</u>	<u>197.21</u>
<b>Revenue from operations (Net)</b>	<u><u>23,778.88</u></u>	<u><u>23,676.28</u></u>
<b>Details of products sold</b>		
Pumps and Pumpsets	5,006.85	5,142.10
Rotating Electric Machines	277.83	1,539.16
Generating Sets	822.50	1,072.27
Switchboards	5,837.52	6,321.75
H.T. Circuit Breakers	811.44	1,419.71
Relays	304.80	327.54
Components, Spares and Others	10,127.76	7,199.34
	<u>23,188.70</u>	<u>23,021.87</u>
<b>Details of Services rendered</b>		
Miscellaneous Services	346.82	457.20
	<u>23,535.52</u>	<u>23,479.07</u>
<b>Note 19 - Other Income</b>		
Interest on Fixed Deposits and Others	223.67	181.37
Income from Investments (Gross)		
Dividend	125.25	95.71
Profit/(Loss) on Sale of Fixed Assets (Net)	(3.66)	(194.79)
Profit/(Loss) on Sale of Investments (Net)	-	181.47
Other non-operating income	40.23	47.40
	<u>385.49</u>	<u>311.16</u>

	2015-2016 lakhs	2014-2015 lakhs
<b>Note 20 - Cost of Material and Components Consumed</b>		
Inventory at the beginning of the year	2,087.14	2,325.97
Add : Purchases	<u>15,784.59</u>	<u>18,392.78</u>
	17,871.73	20,718.75
Less : Inventory at the end of the year	<u>1,891.54</u>	<u>1,722.48</u>
	<u>15,980.19</u>	<u>18,996.27</u>
<b>Details of raw material and components consumed</b>		
Ferrous and Non-ferrous metals	181.25	208.77
Pipes	35.24	71.65
Stampings	61.00	153.76
Copper wires, strips, rods etc.	368.35	641.89
Ball Bearings	59.47	130.23
Components & Others	<u>15,274.88</u>	<u>17,789.97</u>
	<u>15,980.19</u>	<u>18,996.27</u>
<b>Details of inventories</b>		
Ferrous and Non-ferrous metals	17.07	29.69
Pipes	1.84	17.53
Stampings	6.36	8.70
Copper wires, strips, rods etc.	18.40	57.20
Ball Bearings	11.95	31.67
Components & Others	<u>1,835.92</u>	<u>1,577.69</u>
	<u>1,891.54</u>	<u>1,722.48</u>
<b>Note 21 - Change in Inventories of Finished Goods and Work-in-Progress</b>		
Inventory at the beginning of the year		
Work-in-progress	5,716.19	5,499.53
Finished Goods	<u>271.65</u>	<u>1,419.55</u>
	5,987.84	6,919.08
Inventory at the end of the year		
Work-in-progress	4,431.89	5,716.19
Finished Goods	<u>199.81</u>	<u>271.65</u>
	<u>4,631.70</u>	<u>5,987.84</u>
	<u>1,356.14</u>	<u>931.24</u>
<b>Details of inventories</b>		
<b>Work-in-progress</b>		
Pumps	740.99	854.13
Rotating Electric Machines	1,295.14	2,011.90
Hydro-generating sets	982.65	949.27
Switchboards	776.61	1,388.63
Vacuum Contactors	605.44	490.82
Relays	31.06	21.44
	<u>4,431.89</u>	<u>5,716.19</u>
<b>Finished Goods</b>		
Pumps	50.33	48.75
Rotating Electric Machines	106.06	142.55
Hydro-generating sets	13.41	19.19
Switchboards	26.56	61.07
Relays	3.45	0.09
	<u>199.81</u>	<u>271.65</u>

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	2015-2016 ` lakhs	2014-2015 ` lakhs
<b>Note 22 - Employee Benefits Expense</b>		
Salaries and Wages	2,798.58	2,795.07
Contribution to Provident and other funds	362.64	353.67
Staff welfare expense	112.93	129.40
	<u>3,274.15</u>	<u>3,278.14</u>
<b>Note 23 - Other Expenses</b>		
Consumption of Stores and spares	40.58	95.87
Power and Fuel	104.42	96.33
Rent	40.72	42.80
Repairs and Maintenance to		
: Building	12.27	64.30
: Machinery	57.11	83.03
: Others	69.07	80.59
Insurance	75.26	115.29
Rates and Taxes	42.56	43.52
Excise Duty (Including increase/ (decrease) of Excise Duty on inventory)	13.81	(113.52)
Publicity	59.86	22.04
Commission	13.24	1.53
Freight and Forwarding Charges	123.88	172.48
Stationery, Postage, Telephones and Telex	51.44	50.24
Bank Charges	362.35	334.21
Audit Fees and Expenses	9.79	6.73
Legal & Professional Fees	336.50	258.57
Travelling	189.23	191.10
Directors' Fees	1.00	0.78
Membership Fees and Subscriptions	4.93	3.71
Bad Debts and advances Written Off	-	493.38
Provision for doubtful debts and advances	386.44	1,065.79
Miscellaneous Expenses	245.57	107.55
Provision for diminution in value of investment	-	(0.06)
	<u>2,240.03</u>	<u>3,216.26</u>
Payment to auditors		
1) As auditor :		
Audit fees	5.95	4.49
Tax audit fees	1.03	1.01
Limited Review & Other services	1.54	0.86
Reimbursement of expenses	0.41	0.37
2) Cost audit fees	0.86	-
	<u>9.79</u>	<u>6.73</u>
<b>Note 24 - Finance Cost</b>		
Interest	7,501.05	7,272.79
	<u>7,501.05</u>	<u>7,272.79</u>
<b>Note 25 - Research and Development Expenses</b>		
Material Consumption	2.86	2.29
Salaries, Wages, Bonus, Gratuity and Other Benefits	104.65	129.42
Contribution to Provident and other funds	11.14	14.21
Power and Fuel	0.89	12.71
Others	136.83	67.97
	<u>256.37</u>	<u>226.60</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31<sup>st</sup> March, 2016.**
**Note 26:- Significant Accounting Policies and Other explanatory notes and information**

	<b>2015-16</b>	2014-15
	( ` lakhs)	( ` lakhs)
1. Contingent liability to the extent not provided for :		
(a) Bills/Cheques discounted with scheduled banks	<b>3,085.56</b>	1,367.14
(b) Income Tax	<b>3,025.89</b>	91.71
(c) Service Tax / Excise Duty/ VAT	<b>77.26</b>	15.18
(d) Compensation payable on bank sacrifice under CDR Scheme	<b>2,375.48</b>	1,402.28
(e) Claims against the Company/disputed liabilities not acknowledged as debts	<b>270.46</b>	222.22

**2. Basis of Preparation**

The Financial Statements of the Joint Venture used in the Consolidation are drawn up to 31<sup>st</sup> December, 2015.

**3. Principles of Consolidation :**

The Consolidated Financial Statements consists of Jyoti Limited (“the Company”) and its Joint Venture (collectively referred to as “the Group”). The Consolidated Financial Statements have been prepared on the following basis:

- The Financial Statements of the Company and its Joint Venture have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Accounting Standard 21 – “Consolidated Financial Statements” specified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard – 27 (“ Financial Reporting of Interest in Joint Ventures”) specified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

**4. Companies included in Consolidation :**

Name	Nature	Country of of Incorporation	Proportion of Ownership Interest as as on 31.03.2016
Jyoti Sohar Switchgear LLC	Joint Venture	Sultanate of Oman	49% shareholding of Jyoti Limited

**5. Accounting Policies :**

The accounting policies of the Company are as per generally accepted accounting principles in India and the accounting policies of its Joint Venture are in accordance with International Financial Reporting Standards (IFRS). However, no adjustment is considered necessary in the consolidated accounts.

**6. Translation of Accounts :**

In Consolidated Financial Statements, the Financial Statements of Joint Ventures have been translated into INR considering as non-integral operations of the Company as prescribed under AS 11: “The Effects of Changes in Foreign Exchange Rates” specified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.



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### 7. Form AOC-I (Pursuant to 1st Proviso to Sub-Section (3) of Section 129 read rule 5 of Companies (Accounts) Rules, 2014)

Sr. No	Part " A " : Subsidiaries	₹ in Lakhs
— N. A —		
Sr. No	Part " B " : Joint Venture	₹ in Lakhs
	Name of Joint Venture	Jyoti Sohar Switchgear LLC
1	Latest Audited Balance Sheet Date	31 <sup>st</sup> December, 2015
2	Shares of Joint Ventures held by the Company on the year end	
	i. No. of Shares	490,000
	ii. Amount of Investments in Joint Venture	86.73
	iii. Extent of Holding %	49%
3	Description of how there is significant influence	-
4	Reason why the Joint Venture is not consolidated	N.A.
	Networth attributable to Shareholding as per latest audited Balance Sheet	3,104.62
	Profit / Loss for the year	1,082.00
	i. Considered in Consolidation	478.35
	ii. Not Considered in Consolidation	603.65

#### Notes :

a) Names of Joint Ventures which are yet to commence operations. - NA

b) Names of Joint Ventures which have been liquidated or sold during the year - NA

8. Earning Per Share		2015-16	2014-15
Profit/(Loss) after Tax available for equity shareholders (₹ lakhs)	(A)	<b>(7,801.40)</b>	(11,354.44)
No. of Equity Shares / Weighted Average number of equity shares	(B)	<b>171,28,992</b>	171,28,992
Earning per share (Basic and diluted) (in ₹)	(A/B)	<b>(45.55)</b>	(66.29)
Face value of ₹ 10 per share			

9. For Consolidation, the Financial Statements of Joint Venture are considered as at 31<sup>st</sup> December, 2015. There are no significant transactions during the period from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> March, 2016.

10. Legal Reserve, as per the accounts of Joint Venture, is made from annual appropriation of 10% of profit for the year, until the accumulated balance of the reserve is equal to one third of the value of the Company's paid-up Share Capital, in accordance with the Commercial Companies Law of Oman 1974, as amended. This Reserve is not available for distribution.

11. During the year, Consolidated Financial Statements have been prepared for the first time, hence, previous year figures have not been consolidated. As a result, the consolidated Cash flow Statement has not been prepared.

**ATTENDANCE SLIP**

CIN : L36990GJ1943PLC000363

NAME OF THE COMPANY: **Jyoti Limited**

**Regd. Office** : Nanubhai Amin Marg, Industrial Area, P.O. Chemical Industries, Vadodara - 390 003.

**Please complete this Attendance Slip and hand over at the Entrance of the Company.**

I/We hereby record my/our presence at the 72<sup>nd</sup> Annual General Meeting held at Jyoti Limited, Nanubhai Amin Marg, Industrial Area, P.O. Chemical Industries, Vadodara — 390 003 on Saturday, 26<sup>th</sup> November, 2016 at 9.00 a.m.

<b>DP ID No.*:</b>	<b>L.F. No:</b>
<b>Client ID No.*:</b>	<b>No. of Shares held:</b>

<b>Name and Address of the Shareholder (s):</b>	

<b>If Shareholder (s), Please Sign here</b>	<b>If Proxy, Please Sign here</b>

\* Applicable for Investors holding shares in electronic form.

**Form No. MGT-11**  
**PROXY FORM**

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

CIN: L36990GJ1943PLC000363

NAME OF THE COMPANY: **Jyoti Limited**

**Regd. Office** : Nanubhai Amin Marg, Industrial Area, P.O. Chemical Industries, Vadodara - 390 003.

Name of Member (s):

Registered Address:

E-mail Id:

Folio No./Client Id:

DP ID:

I/We, being the member (s) of \_\_\_\_\_, Shares of the above named Company, hereby appoint:

- 1) Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_  
 Signature: \_\_\_\_\_, or failing him
- 2) Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_  
 Signature: \_\_\_\_\_, or failing him
- 3) Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_  
 Signature: \_\_\_\_\_,

-----

as my/our proxy to attend and vote for me/us and on my/our behalf at the Seventy Second Annual General Meeting of the Company, to be held on the 26<sup>th</sup> day of November, 2016 at 9.00 a.m. at Registered Office of the Company situated at Nanubhai Amin Marg, Industrial Area, P.O. Chemical Industries, Vadodara – 390 003 and at any adjournment thereof in respect of such resolutions as are indicated below :

**Resolution No.:**

1. Adoption of Financial Statements - To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the Financial Year ended on 31<sup>st</sup> March, 2016, including the audited Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. Re-appointment of Shri Marut Patel (DIN: 06980022), who retires by rotation and, being eligible has offered himself for re-appointment.
3. Ratification of Appointment of Statutory Auditors.
4. Re-appointment of Shri Rahul Amin (DIN: 00167987) as Managing Director.
5. Approval of Remuneration of Cost Auditors of the Company.
6. Special Resolution under Section 180 (1) (a) of the Companies Act, 2013 for Creation of mortgage / charge for Borrowings / Financial Assistance availed.
7. Special Resolution for adoption of new set of Articles of Association.

Sign this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of Shareholder: \_\_\_\_\_

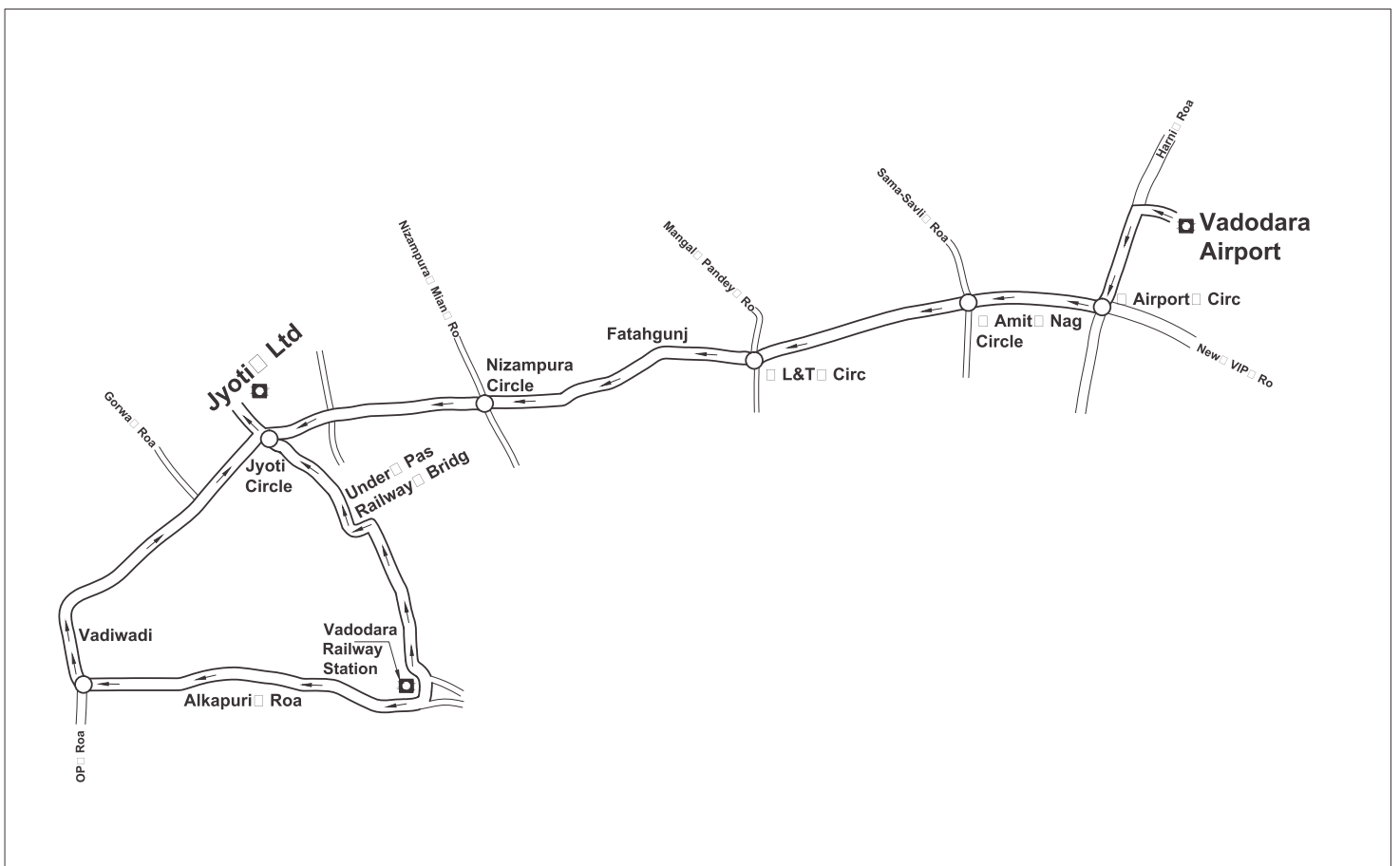
Signature of proxy holder (s): \_\_\_\_\_



**Notes:**

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. **A proxy need not be a member of the Company.**

# ROUTE MAP OF VENUE OF AGM



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# 72<sup>nd</sup> ANNUAL REPORT 2015-2016

## 70 Years of Engineering Excellence

*If undelivered, please return to :*



**Jyoti Ltd.**  
Water • Power • Progress

Nanubhai Amin Marg, Industrial Area,  
P.O. Chemical Industries,  
Vadodara-390 003. (India)

CIN: L36990GJ1943PLC000363

E.Mail : [jyotilt@jyoti.com](mailto:jyotilt@jyoti.com)  
Website : <http://www.jyoti.com>

72nd Annual General Meeting on  
Saturday, the 26th November, 2016  
at the Registered Office, Nanubhai Amin Marg,  
Industrial Area, P.O. Chemical Industries,  
Vadodara - 390 003.