



Jyoti Ltd.

Water • Power • Progress



69th

ANNUAL REPORT

2012-13

70 Years of Engineering Excellence

BOARD OF DIRECTORS

Chairman & Managing Director

Wholetime Director

Director

Director

Director

Director

Director

Director

Director

Mr. Rahul Nanubhai Amin

Ms. Shubhalakshmi Rahul Amin

Mrs. Tejal Rahul Amin

Mr. Uresh Vivekchandra Desai

Dr. Mahesh Haribhai Mehta

Dr. Bhimsen Shivdayal Pathak

Dr. Mylavarapu Ramamoorthy

Mr. Bharat Jayantilal Patel

Mr. Subramanian Nata Rajan

**Associate 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 SIXTY-NINTH ANNUAL GENERAL MEETING of the Members of JYOTI LIMITED will be held at the Registered Office of the Company situated at Nanubhai Amin Marg, Industrial Area, P.O. Chemical Industries, Vadodara-390 003, on Thursday, **the 26th September, 2013 at 10.00 a.m.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, Profit and Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. U.V.Desai, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. B.S.Pathak, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. V.H. Gandhi & Co., Chartered Accountants, as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

5. To appoint a Director in place of Mr. Subramanian Nata Rajan, who was appointed as an Additional Director of the Company under Article 124 of the Articles of Association of the Company and who according to Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and who being eligible, offers himself for appointment.
6. To appoint a Director in place of Ms. Shubhalakshmi R. Amin, who was appointed as an Additional Director of the Company under Article 124 of the Articles of Association of the Company and who according to Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and who being eligible, offers herself for appointment.
7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and such other approvals as may be necessary, the Company hereby approves the terms of appointment and remuneration of Ms. Shubhalakshmi R. Amin, as Wholetime Director of the Company for a period of three years with effect from 14th February, 2013, as approved by the Board of Directors at its meeting held on 14th February, 2013 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 alter and vary the terms and conditions of the said appointment and/or remuneration and perquisites so as not to exceed the limits of remuneration specified in Schedule XIII to the Companies Act, 1956 and as may be agreed to between the Board of Directors and Ms. Shubhalakshmi R. Amin.”

Regd. Office :
Nanubhai Amin Marg
Industrial Area
P.O. Chemical Industries
Vadodara-390 003
25th July, 2013

By Order of the Board

S.Singhal
Associate Vice President (Legal) &
Company Secretary

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NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item no. 5, 6 and 7 of the Notice is annexed hereto.
4. All documents referred to in the Notice and Explanatory Statement will be available at the Registered Office of the Company for inspection by Members on all working days between 10.00 a.m. and 12.00 noon.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 20th September, 2013 to 26th September, 2013 (both days inclusive) for the purpose of Annual General Meeting.
6. The Company has appointed MCS Limited as its Registrars and Share Transfer Agent for rendering the entire range of services to the Shareholders of the Company. Accordingly, all documents, transfers, demat requests, change of address intimation 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 Limited

Neelam Apartment, 88, Sampatrao Colony, Alkapuri, Vadodara – 390 007

Tel. : 0265-2314757, 2339397

Fax : 0265-2341639

E-Mail : mcsltbaroda@yahoo.com

7. Shareholders are requested to send their queries in respect of Financial Accounts of the Company for the year ended on 31st March, 2013 at least a week in advance so as to enable the Management to keep the information ready at the time of the Annual General Meeting.
8. The Ministry of Corporate Affairs has vide notification dated 10th May, 2012 issued Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 and has mandated Companies to furnish information regarding unpaid and unclaimed dividend amounts lying with companies along with particulars of names, address, etc. of investors. In line with the same your Company has furnished the information on MCA website as well as its own website i.e. www.jyoti.com. Members are requested to check the particulars and put up their claim for amount lying unclaimed with the Company to Registrars and Share Transfer Agent.
9. A profile of the Directors retiring by rotation and eligible for re-appointment are given in the Directors' Report, which form part of this Annual Report.
10. As you are aware, the Company's Shares have been dematerialised for all investors. Members holding Share Certificates in the physical form are requested to dematerialise their shares by approaching any of the Depository Participants registered with SEBI.
11. Shareholders are entitled to nominate by filling up Form No.2B, a person in whom his / her shares in the Company shall vest in the event of his / her demise. The Shareholders are requested to avail of this facility. The duly filled in and signed Nomination Form No. 2B should be sent to the Registrars M/s. MCS Limited at the above mentioned address.
12. Relevancy of questions and the order of speakers at the meeting will be decided by the Chairman.

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 5**

At the Board Meeting held on 25th July 2013, Mr. Subramanian Nata Rajan was appointed as an Additional Director of the Company w.e.f. 25th July, 2013. By virtue of the provisions of Section 260 of the Companies Act, 1956 and Article 124 of the Articles of Association of the Company, Mr. Subramanian Nata Rajan holds office upto the date of this Annual General Meeting of the Company. Notice under Section 257 of the Companies Act, 1956, has been received by the Company from a Member signifying his intention to propose Mr. Subramanian Nata Rajan as candidate for the office of Director.

Mr. Subramanian Nata Rajan (49) is a qualified Chartered Accountant from ICAI. He started his career as Audit Manager with A. F. Ferguson & Co., Chartered Accountants, New Delhi and was involved in independent audits of large companies.

From 1989 to 1990, he was appointed as Northern Regional Head for Overseas Sanmar Financial Ltd., (part of the Chemplast Group) and was involved in marketing a variety of financial products like leasing, hire-purchase and bill discounting.

From December 1990 to November 2004 he worked with Kotak Mahindra Finance Ltd. (now known as Kotak Mahindra Bank Ltd.) as Head, share finance division which was one of the largest businesses of the Company. He was also a part of the start up team of Kotak Mahindra Asset Management Company Ltd. since its inception in 1998, designated as CIO and was involved in setting up the team as well as the fund business on the equity investment side. He also worked as Senior Vice President in Kotak Mahindra Bank Ltd., Mumbai. He was the equity resource for the Bank's sales team since June 2003. He was also responsible for assisting the team as a specialist in equities to run large client relationships.

In September 2005, he formed a private limited company called Rajan Equity Advisory Private Ltd. as a SEBI registered Portfolio Manager and was managing funds for high net worth clients.

From November 2009, he is working as a Research Analyst in Finquest Securities Private Ltd. and specialising in mid-cap companies.

He is also a Director of Rajan Equity Advisory Private Ltd.

Mr. Subramanian Nata Rajan is not a Member of any Committee of Directors of any other Company.

Mr. Subramanian Nata Rajan holds 12,019 Equity Shares in the Company.

Your Directors feel that his joining the Board will be beneficial and in the interest of the Company.

None of the Directors except Mr. Subramanian Nata Rajan is in any way interested or concerned in the said resolution.

Item No. 6

At the Board Meeting held on 14th February, 2013, Ms. Shubhalakshmi R. Amin was appointed as an Additional Director of the Company w.e.f. 14th February, 2013. By virtue of the provisions of Section 260 of the Companies Act, 1956 and Article 124 of the Articles of Association of the Company, Ms. Shubhalakshmi R. Amin holds office upto the date of this Annual General Meeting of the Company. Notice under Section 257 of the Companies Act, 1956 has been received by the Company from a Member signifying his intention to propose Ms. Shubhalakshmi R. Amin as candidate for the office of Director.

Ms. Shubhalakshmi R. Amin (25), did her IB schooling from The International School, Bangalore and did her Bachelor in Electrical Engineering from prestigious University of Illinois Urbana Champaign, USA. She was recruited from the campus of University of Illinois by Microsoft Corporation at its Seattle Headquarters where she worked for three years as Program Manager.

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She joined the Company as General Manager w.e.f. 24th May, 2012.

Your Directors feel that her joining the Board will be beneficial and in the interest of the Company.

None of the Directors except Mr. Rahul N. Amin, Mrs. Tejal R. Amin and Ms. Shubhalakshmi R. Amin are interested or concerned in the said resolution.

Item No.7

In accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Shareholders of the Company, the Board of Directors of the Company at its meeting held on 14th February, 2013, passed resolution for the appointment of Ms. Shubhalakshmi R. Amin as Wholetime Director of the Company for a period of three years with effect from 14th February, 2013.

Consequent upon death of Ms. Keki R. Patel, Wholetime Director of the Company, it was felt that it is necessary to appoint someone as Wholetime Director of the Company who can be immense help to the Chairman and Managing Director in running the operations of the Company successfully.

Ms. Shubhalakshmi R. Amin (25), did her IB schooling from The International School, Bangalore and did her Bachelor in Electrical Engineering from prestigious University of Illinois Urbana Champaign, USA. She was recruited from the campus of University of Illinois by Microsoft Corporation at its Seattle Headquarters where she worked for three years as Program Manager. She joined the Company as General Manager w.e.f. 24th May, 2012.

The appointment of Ms. Shubhalakshmi R. Amin, as Wholetime Director of the Company was also approved by the Remuneration Committee at its meeting held on 14th February, 2013.

The draft of the Agreement to be entered into by the Company with Ms. Shubhalakshmi R. Amin, which is placed before this meeting and available for inspection by the Members, contain inter-alia the following principal terms and conditions:

Period of Appointment

Three years with effect from 14th February, 2013.

Salary

₹ 2,30,000/- (Rupees Two Lacs Thirty Thousand Only) per month.

Perquisites and Allowances:

In addition to salary, the Wholetime 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 her 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 ₹ 3,00,000/- (Rupees Three Lacs Only) per annum.

“Family” mentioned above means the spouse and dependent children of the Wholetime 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 Wholetime 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 Wholetime Director's remuneration or perquisites as aforesaid.

- i) The Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable to the Wholetime Director at the rate of half month's salary for each completed year of service.
- iii) Encashment of leave at the end of the Wholetime Director's tenure.

Minimum Remuneration

Subject to the ceiling specified in Section II, Part II of Schedule XIII to the Companies Act, 1956, the Wholetime Director shall be paid remuneration by way of salary and perquisites notwithstanding that in any Financial Year during the currency of tenure of the Wholetime Director, the Company has no profits or its profits are inadequate.

Compensation

If before the expiry of the Agreement, the tenure of her office as Wholetime Director is determined, she shall be entitled to compensation for the loss of office subject to the provisions of Section 318 of the Companies Act, 1956.

As long as Ms. Shubhalakshmi R. Amin functions as Wholetime Director, she shall not be interested or otherwise concerned directly or indirectly in any Selling Agency of the Company in future without the prior approval of the Central Government.

The particulars set out above, may be treated as an abstract of the terms of Contract for the remuneration / appointment of Ms. Shubhalakshmi R. Amin, as Wholetime Director of the Company which is required to be given to every member under the provisions of Section 302 (2) of the Companies Act, 1956.

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 upto the date of the Annual General Meeting.

The Board recommends the adoption of this resolution.

None of the Directors except Mr. Rahul N. Amin, Mrs. Tejal R. Amin and Ms. Shubhalakshmi R. Amin are interested or concerned in the said resolution.

Regd. Office :
Nanubhai Amin Marg
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25th July, 2013

By Order of the Board

S.Singhal
Associate Vice President (Legal) &
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Statement in terms of Schedule XIII of the Companies Act, 1956 as amended vide Notification No. GSR 36(E) Dated 16.01.2002 relating to remuneration payable to Wholetime Director.

I. General Information

1. Nature of Industry – Engineering.
2. Date or expected date of commencement of commercial production – The Company is in operation since the year 1943.
3. Financial performance based on given indicators – As per the Audited Financial Results for the year ended on 31.03.2013.

| Particulars | Amount (₹ in Lacs) |
|--|--------------------|
| Sales | 41709.15 |
| Other Income | 278.47 |
| Total Income | 41987.62 |
| Material Cost | 30057.35 |
| Staff Cost | 4709.94 |
| Manufacturing & Other Expenses | 4277.83 |
| Total Expenditure | 39045.12 |
| Profit before Depreciation, Interest & Tax | 2942.50 |
| Depreciation | 903.18 |
| Profit before Interest & Tax | 2039.32 |
| Interest | 5454.38 |
| Loss before Tax | (3415.06) |
| Exceptional items, if any | - |
| Loss before Tax | (3415.06) |
| Net Profit/(Loss) after Tax | (3669.59) |

4. Export performance and net foreign exchange earned for the year ended on 31.03.2013.
(₹ in Lacs)
 - Export Sales (including deemed export) 1333.36
 - Foreign Exchange earnings 1429.23
5. Foreign investments or collaborators, if any – The Company holds 49% in M/s. Jyoti Sohar Switchgear L.L.C., a Joint Venture Company in Sultanate of Oman.

The Company has technical collaboration with Elmecon Ltd., U.K. for manufacturing of 12/17.5 KA Ring Main Unit and associated component.

II. Information about the Wholetime Director:

1. Background details – Ms. Shubhalakshmi R. Amin did her IB schooling from The International School, Bangalore and did her Bachelor in Electrical Engineering from prestigious University of Illinois Urbana Champaign, USA. She was recruited from the campus of the University of Illinois by Microsoft Corporation at its Seattle Headquarters where she worked for three years as Program Manager. She joined the Company as General Manager w.e.f. 24th May, 2012 and appointed as Wholetime Director of the Company w.e.f. 14th February, 2013.

2. Past remuneration – ₹ 4,70,521/- paid as remuneration during the year ended on 31.03.2013.
3. Job profile and suitability – Ms. Shubhalakshmi R. Amin renders services as Wholetime Director of the Company.
4. Remuneration proposed – Salary ₹ 2,30,000/- per month and perquisites more particularly described in the explanatory statement herein before.
5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person – Looking to the size of the Company, the profile of Ms. Shubhalakshmi R. Amin, the responsibilities shouldered by her, the above said remuneration is commensurate with the remuneration package paid to similar senior level appointees in other Companies. The remuneration paid to Ms. Shubhalakshmi R. Amin is within the prescribed limit mentioned in Part-II of Schedule XIII of the Companies Act, 1956.
6. Pecuniary relationship directly or indirectly or relationship with the managerial personnel, if any – Ms. Shubhalakshmi R. Amin is daughter of Mr. Rahul N. Amin, Chairman and Managing Director and Mrs. Tejal R. Amin, Director of the Company.

III. Other information:

1. Reasons for loss/inadequacy of profits: The present financial performance of the Company reflects the difficult economic and business environment. Despite a strong order book, the Company's revenue growth and profitability was muted in the last few quarters due to certain unexpected developments which were beyond the control of management, mainly delays in payment by the Company's clients, employee cost, higher incidence of overheads due to lower sales activity, the expected cashflow have not materialised for the Company. Sustained high working capital requirements on the back of low recoveries coupled with high interest rate scenario have further affected Company's profitability. As a consequence, the Company has witnessed lower turnover, lower operating margins and high interest costs, which has led to your Company incurring net loss.
2. Steps taken or proposed to be taken for improvement – 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.

The Company has decided to balance the uncertainties of project based divisions like Irrigation, Power and Hydel by judiciously concentrating on faster turnover in products based divisions like Switchgear, Rotating Electrical Machines and Standard and Heavy Pumps which have shorter cycle of order receipt to collection. These divisions would thus offset the uncertainties faced by project based divisions when the market and policy are sluggish.

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.

3. Expected increase in productivity and profits in measurable terms :

| Particulars | Current year (₹ Lacs) | Previous Year (₹ Lacs) |
|-------------------|--------------------------|---------------------------|
| Sales | 41709.15 | 50772.78 |
| Other Income | 278.47 | 286.97 |
| Net Profit/(Loss) | (3669.59) | 743.82 |

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DIRECTORS' REPORT

To
The Members of **Jyoti Limited**

Your Directors present this SIXTY-NINTH ANNUAL REPORT and Audited Accounts for the year ended on 31st March, 2013.

FINANCIAL RESULTS

| | (₹ in Lakhs) | |
|--|------------------|----------------|
| | <u>2012-13</u> | <u>2011-12</u> |
| Total Income | 41987.62 | 51059.75 |
| Profit before Finance Cost and Depreciation | 2942.50 | 5498.82 |
| Less: Finance Cost | 5454.38 | 3680.27 |
| Profit/(Loss) before Depreciation | (2511.88) | 1818.55 |
| Less: Depreciation | 903.18 | 690.82 |
| Profit/(Loss) before Tax | (3415.06) | 1127.73 |
| Provision for Taxation | | |
| - Current Tax | - | - |
| - Deferred Tax | 225.28 | 281.52 |
| - Tax expense for earlier years | 29.25 | 102.39 |
| Balance of Profit/(Loss) for the year | (3669.59) | 743.82 |
| Balance brought forward from the previous year | 2613.38 | 2068.64 |
| Amount available for appropriation | (1056.21) | 2812.46 |
| Proposed Dividend | - | 171.29 |
| Tax on proposed Dividend | - | 27.79 |
| Balance Profit/(Loss) carried to Balance Sheet | (1056.21) | 2613.38 |

OPERATIONS

The year under review has not been encouraging for Companies engaged in infrastructure business, your Company not being an exception. This sector was starved of funds and policy support from Central Government and uncertainties at State Government levels due to which many projects were delayed, shelved or ran aground. Added to this, many projects faced legal battles from NGOs or others on environmental clearances. Your Company was thus faced with the piquant situation of existing orders being put on hold by customers and order booking getting dried up or facing stiff erosion in margin. Your Company has thus achieved sales of ₹ 410.43 crores during the year 2012-13 as compared to the sales of ₹ 501.18 crores achieved during the previous year leading to a loss of ₹ 36.70 crores during the current year as compared to the profit of ₹ 7.44 crores achieved during the previous year. The profitability of the Company was eroded on account of lower sales which could not cover the overheads fully.

The Company has taken proactive steps to arrest the downward slide. In line with the reduced turnover, the Company has taken steps to reduce overheads substantially by concentrating its attention on manpower, material, financial costs and other administrative expenses to improve profitability. This will improve bottom line of the Company. The Company has decided to balance the uncertainties of project based divisions like Irrigation, Power and Hydel by judiciously concentrating on faster turnover in products based divisions like Switchgear, Rotating Electrical Machines and Standard and Heavy Pumps which have shorter cycle of order receipt to collection. These divisions would thus offset the uncertainties faced by project based divisions when the market and policy are sluggish.

In spite of above, we are happy to report that the Company has order book of ₹ 603 crores as on 1st April, 2013 and the Company is favourably placed in orders to the tune of ₹ 1000 crores which should fructify soon. Thus, the Company which is in the core sectors of Water and Power has bright future inspite of this temporary setback.

FINANCE

During the year under review, the Company faced unprecedented liquidity crunch due to lower level of collections from customers. Despite intensive efforts and forming of task force to collect the receivables, the market condition did not allow improvement in cash flows from collections and, therefore, the Company had to resort to large borrowings. The Company got excellent support from its lending Banks, by way of increase in normal banking arrangements, to meet challenges on cash flows. Further to this, the Banks additionally supported the Company by way of buyer's credits against import of materials, which buyer's credits were availed at much lower finance costs. Despite this support, the liquidity strain affected the Company's cash flow and resultantly it could not pay some portion of buyer's credit and Government dues aggregating to ₹ 42.43 crores by 31st March, 2013.

In the current financial year 2013-14, the market situation continues to be very difficult in relation to cash inflows. It is also felt that the user business segment of water and power for the Company will continue to be affected for various reasons in near visibility.

The Company has, therefore, approached its bankers for restructuring plans, preferably under Corporate Debt Restructuring (CDR) mechanism, like revising repayment schedule of all existing loans, getting interest reduction on all types of Bank borrowings and other supportive measures so that the Company can withstand the liquidity strain as well as sustain its operations with necessary flexibility of cash flows.

DIVISIONAL PERFORMANCE

ENGINEERED PUMPS & PROJECTS

During the year under review, Engineered Pumps & Projects Division (EPPD) did not focus on growth in view of the difficult market situation. The division was working more towards consolidating and maintaining its present market status. Unfortunately, even in the core sectors of Water Supply, Irrigation and Power there was no major thrust either by way of new projects or financing of existing projects. However, the division could survive on its own, in view of its order book position.

A very important milestone and landmark of the year was with the Power division of EPPD entering into an Agreement with M/s. Termomeccanica Pompe (TMP) of Italy for manufacturing and supply of Concrete Volute Pumps for large Thermal and Irrigation Projects. TMP is the leading manufacturer of Concrete Volute Pumps in Italy. They have supplied and commissioned more than 157 Nos. Concrete Volute Pumps. With this arrangement, your Company can qualify for quoting for large thermal power projects with single unit of 800 MW.

During the year, unfortunately, not even one power project was finalised by NTPC Limited – the largest thermal power producer in the country. However, in the last quarter of the financial year, major tenders were floated for 660 MW and 800 MW power projects by NTPC. In view of the recent collaboration with TMP and earlier collaboration with DMW Corporation of Japan, the division could successfully participate in these bids where earlier your Company was not getting qualified. The division is well placed in these tenders and is looking forward for a major market share in large rating thermal power plants.

During the year, the division has also received a major order from NTPL (a subsidiary of NLC) on a turnkey basis including civil, design, engineering, manufacturing, supply, erection & commissioning of electro-mechanical equipments. The order value is worth ₹ 38 crores. This project is for make up water system and is designed for sea water application.

During the year, the division could get 75% share of various orders finalised by the Government of Gujarat for Lift Irrigation and Water Supply. The division bagged five turnkey projects involving design,

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engineering, manufacturing and supply of electro-mechanical equipments valued at ₹ 85 crores. Similarly, the division has also supplied only pumps and motors for certain projects valued around ₹ 10 crores. In Gujarat alone, the division could successfully bag orders of around ₹ 90 crores and executed orders worth ₹ 65 crores during the same year. The number of large pump orders received from Gujarat State alone during the year under review for Irrigation & Water Supply contracts was 77 in nos.

The division has submitted tenders worth ₹ 1000 crores where they are well placed. Even though temporary slow down was experienced, the division has geared up during this lean period for a better future. The core sectors will definitely get its due attention from the Government and the division is all set to support this growth.

HYDEL

The Hydro Power generation is growing at a very slow pace mainly due to environmental and forest related issues and also lack of support from financial institutions. No major orders were finalised during the year by Government and private developers. Most of the Government projects have been delayed for more than a year.

The division has bagged the 6th project order from Indonesia for 2 x 1.5 MW Hydro Power Project. The division is focusing on further increasing its base in Indonesia.

The division already has a technical tie-up with CKD Blansko Engineering, a.s. of Czech Republic (100% subsidiary of Litostroj Power) for large turbines projects on case to case basis. During the year, the division has procured the complete design of low head turbine models with very high efficiency to improve upon its manufacturing range. This will help the division to quote for major tenders in Kaplan turbines.

The division has already submitted various tenders and many delayed tenders are in pipeline where the division is working actively. The total expected tenders where the division is well placed is approx. ₹ 600 crores. The division expects a very good future in the forthcoming years and presently has a strong order position on hand worth ₹ 100 crores.

ROTATING ELECTRICAL MACHINES

During the year, even though the production levels were maintained similar to the previous year, the price realisation was not good enough to sustain. The Wind Energy Generators and Arno Converters which are the main products of this division, had a set back. The Wind Energy business during the year did not show any sign of improvement which affected generator business badly. The intake of Arno Converters by Indian Railways had also substantially gone down during the year. However, in the forthcoming year, the division expects a very good business for Arno Converters.

During this lean period, the division was getting prepared for its future. All the existing designs were reviewed by the division for improvement in terms of better output. The division has successfully implemented new range of machines with lower frame by using the most sophisticated and latest technology software of ANSYS from USA and Infolytica from Canada. Even the small motor division has gone for a major cost reduction by converting all its existing motors from Copper Wound Rotors to Die-Cast Rotors. This will help the division to compete in the market for lower ratings upto 1000 KW.

The type testing facility has also been created for testing both Horizontal and Vertical Motors upto 2500 KW in-house. However, load testing of the motors can be done with pumps even upto 6 MW with the newly installed captive generator set of 8 MW.

The division is all geared up for growth and is ready to enter the market aggressively.

SWITCHGEAR

During the year under review, the division has registered all time high production of ₹ 7751 lacs (which includes sales of ₹ 7501 lacs), which is 35% higher in terms of value over the previous year 2011-12.

The Company has bagged various 11 kV VCB panel orders from GETCO worth approx. ₹ 2600 lacs. This includes largest order from GETCO for 540 nos. panel supply and buyback having worth ₹ 1350 lacs. Apart from above, GETCO has awarded an order for modification of 514 Nos. panel which were supplied by the Company. This order is a repeat order and under Human Safety aspect.

As reported last year, the Company has developed SF6 Ring Main Unit (Jyoti Ring) with the design collaboration with M/s. Elmecon, U. K. based design house. This product has been tested at ERDA, Vadodara and CESI, Italy. CESI is an International testing laboratory and Jyoti Ring has passed all the type tests successfully in one shot.

During the year under review, the Company has made collaboration and tie-up with Hungary based European Company namely M/s. Protecta Ltd., for Numerical Relays and their sub-station Automation products, with a vision of establishing a manufacturing set-up in India for an Indian market in coming five years. Your Company will be the only Company in India who will supply this Protecta Numerical Relays which are suitable for Transmission, Distribution and Generation requirements.

Your Company has developed HT Automatic Power Factor Capacitor Panels and fully type tested as per latest standards. This product is useful for H.T. Capacitor Banks in Distribution, Generation and Transmission network up to 12 kV systems.

During the year under review, the Company has re-certified various products such as 33kV Indoor VCB panels, 33kV Outdoor VCBs as a continuous product certification process.

With the continuous thrust of the Government in the Power Sector, the requirement of Medium Voltage Switchgear is bound to grow in Power Sector and the division is expected to perform better in the years to come.

EXPORTS

During the year under review, the Company has total exports valued at ₹ 13.33 crores. The Company's major exports are to Sultanate of Oman for Switchgear, Vietnam and Indonesia for Hydrel Turbines. In the years to come, the Company is looking forward to enhance its export market in other countries.

PUBLIC DEPOSITS

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

AUDITORS' REPORT

The observations made in the Auditors' Report are self explanatory and are also clarified in the Notes forming part of the Accounts and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

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

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, 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.

PARTICULARS OF EMPLOYEES

The information required under Section 217 (2A) of the Companies Act, 1956 and the Rules made thereunder, is given in the Annexure to this Report and forms part of the Report. However, in terms of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining copy of the same may write to the Company Secretary at the Registered Office.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis, a Report on Corporate Governance and a Certificate from the Auditors of the Company are given in the Annexure-B and Annexure-C respectively which form part of this Report.

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DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956

The Directors confirm that :-

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed by the Company;
- (ii) such accounting policies have been selected and consistently applied and judgements and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the loss of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) annual accounts have been prepared on a 'going - concern' basis.

DIRECTORS

The Remuneration Committee and the Board of Directors at their meeting held on 14th February, 2013 have approved the appointment of Ms. Shubhalakshmi R. Amin as Wholetime Director of the Company for a period of three years with effect from 14th February, 2013 subject to the approval of Shareholders at the ensuing Annual General Meeting.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Mr. U.V.Desai and Dr. B.S.Pathak retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Brief details about Ms. S.R.Amin, Mr. U.V.Desai and Dr. B.S.Pathak as required under the Corporate Governance Code, are given hereunder.

Ms. Shubhalakshmi R. Amin (25) did her IB schooling from The International School, Bangalore and did her Bachelor in Electrical Engineering from prestigious University of Illinois Urbana Champaign, USA. She was recruited from the campus of the University of Illinois by Microsoft Corporation at its Seattle Headquarters where she worked for three years as Program Manager. She joined the Company as General Manager w.e.f. 24th May, 2012.

Ms. Shubhalakshmi R. Amin is not a Director in any other Company.

Mr. U. V. Desai, 75, is a Graduate in Electrical Engineering from London University, U.K. He has over 40 years experience in Management and Manufacturing. He pioneered in India the concept of Steel Modular Furniture systems for use in Laboratories. He also devotes considerable time for the cause of education as an active Trustee of several Charitable Institutions. Mr. Desai has been a Director of the Company since 29th January, 1995.

Mr. U.V. Desai is not a Director in any other Company.

Dr. Bhimsen Pathak, 79, is B.Sc. Agri. Engg. Allahabad University, 1951, Doctorate in Agri. Engg., Landwirtsch-Aftliche Hochschule, Stuttgart-Hohenheim, West Germany, 1963.

Dr. Bhimsen Pathak joined Punjab Agricultural University (PAU) as Associate Professor in 1965 at Hissar Campus. Early in 1967 he became the first Professor-cum-Head of the Dept. of Agricultural Engineering in the college of Agricultural Engineering (CAE) of PAU at Ludhiana. He played the key role in developing programmes of research and post-graduate teaching in Agricultural Engineering. He took over as Dean, CAE in 1973 and continued in that position till 1980. During this period CAE was awarded ICAR/UNDP Project Centre of Advanced Studies in Agricultural Engineering.

Dr. Bhimsen Pathak introduced the concept of energy being an essential input for modernising Indian agriculture. He was associated with the drafting of ICAR's coordinated project 'Energy Requirements of Agriculture' in 1970 and was the honorary coordinator of this project during initial period of its implementation.

He has been Chairman of the Scientific Panel on Agricultural Engineering of ICAR for about 10 years, Convenor of the Working Group on Energy of National Commission on Agriculture, Chief Editor of Journal of Agriculture Engineering and President of Indian Society of Agricultural Engineering (ISAE). He is a Fellow of Indian Society of Agricultural Engineering, Indian Standards Institute and National Academy of Agricultural Sciences. He was closely associated with the drafting of the policy document on agricultural mechanisation of Ministry of Agriculture, Government of India.

Dr. Bhimsen Pathak has worked as Consultant in many international programmes. From 1985 to 1990 he was FAO-UNDP Project Manager for the establishment of Agricultural Implements Research and Improvement Centre in Ethiopia.

Dr. Bhimsen Pathak joined Sardar Patel Renewable Energy Research Institute (SPRERI) as its Director in 1997 and retired in the year 2010. He has patented the design of modular down draft gasifier and the rights have been transferred to SPRERI. Dr. B.S. Pathak has been a Director of the Company since 27th March, 2009.

Directorship in other Companies are:

Gangeya Green Tech Pvt. Ltd.

Director

Dr. B.S. Pathak is not a member of any Committee of Directors of any other Company.

AUDITORS

The Members are requested to appoint Statutory Auditors at the ensuing Annual General Meeting to hold office from the conclusion of the said meeting until conclusion of the next Annual General Meeting. M/s. V.H. Gandhi & Co., Chartered Accountants, Vadodara, the existing Auditors have, under Section 224 (1B) of the Companies Act, 1956, furnished Certificate of their eligibility for re-appointment.

As per the requirement of Central Government and pursuant to Section 233B of the Companies Act, 1956, and as per Cost Audit Order No.52/26/CAB-2010 dated 24th January, 2012, your Company carries out an audit of cost records relating to Electric Motors and Power Driven Pumps every year. Subject to the approval of the Central Government, the Company has appointed M/s. R.K.Patel & Co., Cost Accountants having their head office at 314, Phoenix Complex, Nr. Suraj Plaza, Sayajigunj, Vadodara-390 005 as Cost Auditors to audit the cost records relating to Motors and Pumps for the Financial Year 2013-14.

As per Cost Audit Order No.52/26/CAB-2010 dated 24th January, 2012 the Company is subject to cost audit and is required to get its cost records relating to Engineering products such as Generator, Turbine, Switchgear and Relay Panels audited for the Financial Year 2013-14. Subject to the approval of the Central Government, the Company has appointed M/s. Y.S.Thakar & Co., Cost Accountants having their head office at SF-7, Vrund Complex, Productivity Road, Akota, Vadodara-390 020 for auditing the cost records relating to Engineering products for the Financial Year 2013-14.

The Cost Audit Reports and Compliance Reports for the Financial Year 2011-12 which was due to be filed in XBRL with the Ministry of Corporate Affairs on 27th September, 2012 extended till 31st December, 2012 was filed on 19th December, 2012.

APPRECIATION

Your Directors place on record their appreciation for the excellent support the Company has received from its employees, customers and shareholders. They also express their sincere thanks to the Bankers and various State Governments for the valuable support extended to the Company.

On Behalf of the Board of Directors

Rahul N. Amin

Chairman & Managing Director

Vadodara

30th May, 2013

ANNEXURE 'A' TO DIRECTORS' REPORT

Statement containing particulars pursuant to Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 and forming part of Directors' Report.

A. CONSERVATION OF ENERGY:

Energy Conservation Measures taken:

- i) Screw Compressor installed in the place of old reciprocating compressor to save energy and avoid intermediate shut down of critical CNC machines.
- ii) Plan to install HT APFC Panel for improving power factor while testing high voltage pump motors in the coming financial year.
- iii) 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
 - Electronic Control System (including Automatic Voltage Regulators)

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,RMXprt, Maxwell, Magnet and ThermNet for design / development and also improvement in performance parameters; alongwith cost reduction will be the top priority.

4. Expenditure on R&D :

| | (₹ in Lakhs) |
|--|--------------|
| a) Capital | 75.21 |
| b) Recurring | 616.66 |
| c) Total | 691.87 |
| d) Total R&D expenditure as percentage of total turnover | 1.65 % |

(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. In addition, cost

reduction and Retrofitting and finally type-testing as per the latest version of IEC: 62271-100 was continued and successfully type tested at PEHLA Test Laboratory at Ratingen and Berlin, Germany. 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 for type-testing of motors has been installed. Gearbox for testing vertical motors with dynamometer has been ordered.
 - c) In the pump group, the major effort was towards consolidation, standardisation 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 towards 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
 - Development and successful type testing of 15.5kV, 21kA, 630 Amp SF6 RMU as per IEC 62271-100, IEC62271-103, IEC62271-102 and IEC62271-200 at CESI, Italy.
 - Development and successful type testing of 7.2kV, 400Amp 8kA Contactor for capacitive switching duties as per IEC62271-106 at PEHLA, Germany.
 - Development and successful type testing of 12kV, 400Amp 8kA Contactor as vacuum switch as per IEC62271-103 PEHLA, Germany.
 - Successful type testing of 12kv, 25kA, 1250 Amp breaker for export for class M2 Mechanical Operations test as per IEC62271-100.
 - (b) Rotating Electrical Machines
 - Design, development and testing of large rating, low speed, vertical / horizontal motors for Lift Irrigation Schemes.
 - Design & development of 2600kW 6.6kV 750 RPM CACA motor for L&T Botad Pumping station.
 - 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 and development of larger rating, low speed, Hydel generator for Indonesia.
 - Design & development of larger rating generators for Hydel Application.
 - (c) Pumps
 - Developed axial flow pump 800 VP for export order to M/s Sigma pumps, Czech Republic.

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- Developed 4 stage pump 750 T pumps to India Bulls power project.
- Developed Horizontal pumps HS size 350 & 450 for Gujarat NC 28 & Gadhada project.
- Developed 750HS pumps for L&T Botad project.
- Developed 800 VM pump for NPCIL Kakrapar project.
- Developed 600 VM & 700 VM new designs for NLC power project.
- Developed 1100 & 1200 VM pumps pull out design for Bhavnagar power project.
- Developed 900 VM 2 stage pumps for Watrak project.
- Developed 100 HST 2 stage pump for L&T Dhanbad.
- Developed 80 HS pump as a part of new development of HS series.

(d) Turbines

- Successfully designed and developed four Jet Vertical Pelton Turbine for export project. It is the first vertical multi Jet Pelton Turbine unit in impulse turbine range.
- Two stage closing system and governor control for guide vane operating mechanism is introduced for long penstock installations.
- ANSYS - Mechanical software is extensively used for structural analysis of turbine components enabling material control.
- Bearing strip is introduced in the operating ring mechanism of Francis turbine in place of spherical ball. It will improve the performance of operating ring and reduce the assembly time and cost.
- Integrally forged shaft flange is introduced in the Kaplan turbine. It will help to eliminate the use of Rigid Coupling which is bought out item. This implementation helps in time & cost saving.
- Common OPU developed for both Turbine & Butterfly valve.
- Successfully Designed, Manufactured and Tested DN 600 (PN36) & DN1000 (PN 32) Spherical Valves.
- Turbine systems (cooling water, drainage, dewatering and oil piping system) are standardised.
- Turbine OPU developed 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) SF6 prototype Ring Main Unit is developed and put to commercial use based on designs received under technical agreement with ELMICON Ltd., U.K.
- (iii) High head Francis turbine model design for head range upto 260 meters.

C. Foreign Exchange Earnings and Outgo:

| | |
|---|-----------------|
| a) Exports (including deemed Exports) | ₹ 1333.36 Lakhs |
| b) Total Foreign Exchange used and earned | |
| i) Total Foreign Exchange used | ₹ 5092.75 Lakhs |
| ii) Total Foreign Exchange earned | ₹ 1429.23 Lakhs |

ANNEXURE 'B' TO DIRECTORS' REPORT

Report on Corporate Governance

(A) 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.

(B) 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 two Executive Directors including the Chairman & Managing Director and six Non-Executive Directors. Ms. Shubhalakshmi R. Amin has been appointed as a Wholetime Director of the Company w.e.f.14th February, 2013.

| Sr. No. | Name of Directors | Executive/ Non-Executive | 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. | Ms. Shubhalakshmi R.Amin* Wholetime Director | Executive | — | — | 3,08,397 |
| 3. | Mrs. T.R. Amin | Non-Executive | 5 | — | 6,42,113 |
| 4. | Mr. U.V. Desai | Independent | — | — | 550 |
| 5. | Dr. M.H. Mehta | Independent | 1 | — | 50 |
| 6. | Dr. B.S. Pathak | Independent | 1 | — | 50 |
| 7. | Mr. B. J. Patel | Non-Executive | 19** | — | 1,21,074 |
| 8. | Dr. M. Ramamoorthy | Independent | — | — | 50 |

* Appointed as Wholetime Director w.e.f. 14th February, 2013

** Including Private Limited Companies

(b) Meetings held in Financial Year 2012-13 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 seven meetings during the Financial Year 2012-13 on 24th May, 2012, 20th July, 2012, 9th August, 2012, 28th August, 2012, 22nd October, 2012, 8th November, 2012 and 14th February, 2013.

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

| Sr. No. | Name of Directors | No. of Board Meetings attended | Attendance at last AGM |
|---------|--|--------------------------------|------------------------|
| 1. | Mr. R.N. Amin Chairman & Managing Director | 7 | Present |
| 2. | Ms. Shubhalakshmi R. Amin* Wholetime Director | -- | -- |
| 3. | Mrs. T.R. Amin | 6 | Present |
| 4. | Mr. U.V. Desai | 6 | Present |
| 5. | Dr. M.H. Mehta | 7 | Present |
| 6. | Dr. B.S. Pathak | 4 | Not Present |
| 7. | Mr. B. J. Patel | 2 | Not Present |
| 8. | Dr. M. Ramamoorthy | 2 | Not Present |

* Appointed as Wholetime Director w.e.f. 14th February, 2013

(C) Committee of Directors

(a) Audit Committee

The Audit Committee consists of four Directors out of which three are Independent Directors. Four Audit Committee meetings were held during the Financial Year 2012-13 on 24th May, 2012, 9th August, 2012, 8th November, 2012 and 14th February, 2013.

The composition of the Audit Committee and the attendance of each Director at these meetings were as follows:

| Sr.No. | Members of Audit Committee | No. of Meetings attended |
|--------|----------------------------|--------------------------|
| 1. | Mr. U.V. Desai (Chairman) | 3 |
| 2. | Mr. R.N. Amin | 4 |
| 3. | Dr. M.H. Mehta | 4 |
| 4. | Dr.B.S.Pathak | 4 |

The terms of reference specified by the Board to the Audit Committee are in conformity with clause 49 of the Listing Agreement and the Companies Act, 1956.

(b) Remuneration Committee

The Remuneration Committee consists of three Independent Directors.

During the Financial Year ended on 31st March, 2013 two Remuneration Committee meetings were held on 24th May, 2012 and 14th February, 2013. The Composition of the Remuneration Committee and the attendance of each Director at these meetings were as follows:

| Sr.No. | Members of Remuneration Committee | No. of Meetings attended |
|--------|-----------------------------------|--------------------------|
| 1. | Dr. B.S. Pathak (Chairman) | 2 |
| 2. | Dr. M.H. Mehta | 2 |
| 3. | Mr. U.V. Desai | 2 |

Remuneration paid to Directors for the Financial Year 2012-13 (₹)

| Sr. No. | Name | Sitting Fees | Salary and other Perquisites | Commission | Total |
|---------|--|---------------|------------------------------|------------|--------------------|
| 1. | Mr. R.N. Amin Chairman & Managing Director | - | 1,19,62,838 | - | 1,19,62,838 |
| 2. | Ms. Shubhalakshmi R. Amin* Wholetime Director | - | 4,70,521 | - | 4,70,521 |
| 3. | Mrs. T.R. Amin | 12,000 | - | - | 12,000 |
| 4. | Mr. U.V. Desai | 12,000 | - | - | 12,000 |
| 5. | Dr. M.H. Mehta | 14,000 | - | - | 14,000 |
| 6. | Dr. B.S. Pathak | 8,000 | - | - | 8,000 |
| 7. | Mr.B.J.Patel | 4,000 | - | - | 4,000 |
| 8. | Dr. M. Ramamoorthy | 4,000 | - | - | 4,000 |
| | Total | 54,000 | 1,24,33,359 | - | 1,24,87,359 |

* Appointed as Wholetime Director w.e.f. 14th February, 2013

1. Service Contract, Notice Period and Severance fees.

The employment of Mr. Rahul N. Amin and Ms. Shubhalakshmi R. Amin are contractual.

2. Stock option details, if any

Nil

(c) Shareholders / Investors Grievance Committee

Shareholders / Investors Grievance Committee was constituted by the Board to monitor the redressal of the Shareholders / Investors grievances. The Committee consists of three Independent Directors.

The Committee looks into redressal of Shareholders / Investors complaints in the matter of share transfer, non-receipt of dividend, annual report, etc. The status report of shareholders complaints and redressal thereof is prepared and placed before Shareholders / Investors Grievance Committee.

The Committee held four meetings during the Financial Year 2012-13 on 24th May, 2012, 9th August, 2012, 8th November, 2012 and 14th February, 2013.

As required by the Listing Agreement executed with the Stock Exchanges, Mr. Suresh Singhal, Associate Vice President (Legal) and Company Secretary had been appointed as Compliance Officer to monitor the share transfer process and liaise with the Regulatory Authorities.

The composition of Shareholders / Investors Grievance Committee and attendance of the Directors in these meetings were as follows:

| Sr. No. | Members of Shareholders / Investors Grievance Committee | No. of Meetings attended |
|---------|---|--------------------------|
| 1. | Dr.B.S.Pathak (Chairman) | 4 |
| 2. | Dr. M.H. Mehta | 4 |
| 3. | Mr. U.V. Desai | 3 |

5 complaints and 326 queries were received during the year under review. All the complaints / queries have been resolved to the satisfaction of the Shareholders. There were no pending transfers as on 31st March, 2013.

(D) Subsidiary Company

The Company has no Subsidiary Company.

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(E) Annual General 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 |
|--------------|--|--|---------------------|
| 2010 | Jyoti Limited Nanubhai Amin Marg, Industrial Area P.O. Chemical Industries Vadodara - 390 003 | Thursday 23 rd September, 2010 | 9.00 a.m. (IST) |
| 2011 | Jyoti Limited Nanubhai Amin Marg, Industrial Area P.O. Chemical Industries Vadodara - 390 003 | Thursday 22 nd September, 2011 | 9.00 a.m. (IST) |
| 2012 | Jyoti Limited Nanubhai Amin Marg, Industrial Area P.O. Chemical Industries Vadodara - 390 003 | Thursday 27 th September, 2012 | 10.00 a.m. (IST) |

No Extraordinary General meeting of Members was held during the year 2012-2013.

Note:-

All the Resolutions set out in the respective Notices for the above Meetings, including the Special Resolutions were duly passed by the Shareholders with the requisite majority in each case. No Resolution requiring Postal Ballot was required / placed at the above Meetings.

(F) Disclosures

(a) Disclosures on materially significant related party transactions

There were no materially significant related party transactions that may have potential conflict with the Company at large.

The Register of Contract for the transactions in which Directors are interested is placed before the Board regularly for its approval.

All related party transactions are negotiated at arms length basis and are intended to further the interests of the Company.

(b) CEO / CFO Certification

The Chairman & Managing Director and Vice President (Finance) looking after finance have certified to the Board compliance in respect of all matters specified in sub-clause V of clause 49 of the Listing Agreement.

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

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

(G) Means of Communication

(a) Financial Results

The quarterly and half-yearly Unaudited Financial Results and the Annual Audited Financial Results are published in Indian Express, Vadodara, Financial Express, Ahmedabad. These results are also placed on Company's web site.

(b) SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralised web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

(c) Other Information

The Company has its own web site <http://www.jyoti.com> on which other related information is available.

(H) Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Annual Report.

(I) General Shareholders' Information

(a) Annual General Meeting

| | |
|--------------------|--|
| Day, date and time | Thursday, 26 th September, 2013 at 10.00 a.m. |
| 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 2013-14 (April to March), excluding Extra Ordinary General Meetings, if any, is as under:

| | |
|---------------------------------------|----------------------------------|
| Fourth Quarter (year 2012-13) Results | 30 th May, 2013 |
| First Quarter Results | July/August, 2013 |
| Annual General Meeting | 26 th September, 2013 |
| Second Quarter Results | October/November, 2013 |
| Third Quarter Results | January/February, 2014 |

(c) Book Closure

| | |
|--|--|
| The Company's Register of Members and Share Transfer Books will remain closed for the purpose of Annual General Meeting. | 20 th September, 2013 to 26 th September, 2013 (both days inclusive) |
|--|--|

(d) Dividend

Not Applicable since no dividend has been recommended.

(e) Listing on Stock Exchanges

| | |
|---|--|
| The Company's Equity Shares are listed on the Stock Exchanges located at: <ul style="list-style-type: none"> • Mumbai • Vadodara (Listing Fees have been paid till date to both the Stock Exchanges) | Address of the Stock Exchanges:- The Stock Exchange-Mumbai 25 th Floor, Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 The Vadodara Stock Exchange Ltd. Fortune Towers, Dalal Street Sayajiganj, Vadodara - 390 005 |
| Stock Code of the Company | BSE 504076 VSE 4076 |
| ISIN No. of the Company's Equity Shares in Demat form | INE 511 D01012 |
| Depositories Connectivity | NSDL and CDSL |

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(f) Market Price Data

The Market Price of the Company's shares traded in Mumbai Stock Exchange during the year 2012-13 was as follows:

| Year 2012-13 | BSE | | SENSEX | |
|-----------------|-------|-------|----------|----------|
| | High | Low | High | Low |
| Month | (₹) | (₹) | | |
| April, 2012 | 74.50 | 64.15 | 17664.10 | 17010.16 |
| May, 2012 | 69.05 | 61.75 | 17432.33 | 15809.71 |
| June, 2012 | 67.75 | 61.00 | 17448.48 | 15748.98 |
| July, 2012 | 74.00 | 63.00 | 17631.19 | 16598.48 |
| August, 2012 | 76.85 | 65.00 | 17972.54 | 17026.97 |
| September, 2012 | 74.95 | 65.00 | 18869.94 | 17250.80 |
| October, 2012 | 78.05 | 71.00 | 19137.29 | 18393.42 |
| November, 2012 | 75.00 | 71.25 | 19372.70 | 18255.69 |
| December, 2012 | 73.80 | 66.00 | 19612.18 | 19149.03 |
| January, 2013 | 71.80 | 65.00 | 20203.66 | 19508.93 |
| February, 2013 | 66.50 | 59.85 | 19966.69 | 18793.97 |
| March, 2013 | 61.75 | 47.30 | 19754.66 | 18568.43 |

(g) Shareholding Pattern as on 31st March, 2013

Equity Shares of ₹ 10 each

| Sr. No. | Category | No. of Equity Shares held | Percentage (%) |
|---------|-----------------------------------|---------------------------|----------------|
| 1. | Promoters | 54,46,503 | 31.80 |
| 2. | Friends & Relatives | 1,50,162 | 0.88 |
| 3. | Mutual Funds & UTI | 65 | - |
| 4. | Banks, F.Is., Insurance Companies | 6,76,532 | 3.95 |
| 5. | Private Corporate Bodies | 39,89,541 | 23.29 |
| 6. | Indian Public | 51,98,092 | 30.35 |
| 7. | NRIs/Foreign Companies | 15,46,323 | 9.02 |
| 8. | Any Other – Directors | 1,21,774 | 0.71 |
| | Total | 1,71,28,992 | 100.00 |

(h) Distribution of Shareholding (as on 31st March, 2013)

| Category | Number of Shareholders | Percentage % | Number of Shares | Percentage % |
|-----------------|------------------------|--------------|------------------|--------------|
| 1 - 500 | 21,214 | 96.41 | 13,00,672 | 7.59 |
| 501 - 1000 | 388 | 1.76 | 3,00,834 | 1.76 |
| 1001 - 2000 | 173 | 0.79 | 2,64,491 | 1.54 |
| 2001 - 3000 | 50 | 0.23 | 1,26,342 | 0.74 |
| 3001 - 4000 | 38 | 0.17 | 1,34,454 | 0.78 |
| 4001 - 5000 | 22 | 0.10 | 1,05,668 | 0.62 |
| 5001 - 10000 | 42 | 0.19 | 3,23,655 | 1.89 |
| 10001 and above | 78 | 0.35 | 1,45,72,876 | 85.08 |
| Total | 22,005 | 100 | 1,71,28,992 | 100 |

(i) Share Transfer Process

The Company's shares being in compulsory demat list, are transferable through depository system. The Company has appointed M/s. MCS Ltd. as its Share Transfer Agent for both physical and demat segment of Equity Shares w.e.f. 1st April, 2003, in compliance with Securities & Exchange Board of India's requirement.

(j) Dematerialisation of Shares

The Equity Shares of the Company are traded compulsorily in the dematerialised form. The Company has 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.

1,61,74,327 Shares were in dematerialised form as on 31st March, 2013 representing 94.43 % of the total Shares.

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

None

(l) Plant Locations

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

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

MCS Limited

Neelam Apartment, 88, Sampatrao Colony, Alkapuri, Vadodara - 390 007

Tel. : 0265- 2314757, 2339397 Fax : 0265-2341639

E-mail : mcsltdbaroda@yahoo.com

(n) Address for Investor Correspondence

JYOTI LIMITED

Company Law Department

Nanubhai Amin Marg, Industrial Area

P.O. Chemical Industries

Vadodara – 390 003 Gujarat (India)

Phone : 0265 – 3054444 Fax : +91-265-2281871/2280671

E-Mail : ashish@jyoti.com/nitika.gupta@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

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, I, Rahul N. Amin, Chairman & Managing Director of the Company, hereby declare that the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended on 31st March, 2013.

For JYOTI LIMITED

Rahul N. Amin

Chairman & Managing Director

Vadodara

30th May, 2013

ANNEXURE 'C' TO DIRECTORS' REPORT

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 on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 the 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 and the representations made by the Directors and the Management, we certify that the Company has complied with conditions of corporate governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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

30th May, 2013

Management Discussion and Analysis

Industry Structure and Developments

The Company has the tradition, all along in the business of capital goods for core industries. Currently, Company is serving the vital fields of national and international economy such as:

- Power Generation (Thermal, Hydel & Nuclear), Transmission and Distribution.
- Agriculture, providing irrigation through pumping systems.
- Water Supply & Sewerage Schemes.
- Defence-particularly Naval & Marine Establishments.
- Core Industries like Steel, Cement, Paper, Sugar, Fertilisers, Chemicals & Petro-chemicals.

It also undertakes turnkey contracts involving civil and electrification projects.

Demand for capital goods generally follows a cyclic pattern depending on the overall economic situation and investment priorities of the Government.

During the year under review, the industrial growth has slowed down due to tight liquidity, inability to raise equity due to uncertain capital market, slowing down of foreign investments and above all, the lack of policy actions and reforms by the Government. This has adversely impacted the confidence of the industry and slowed investments, mainly in infrastructure and capital goods sectors.

The situation is improving marginally now, although the pressure on prices and margins still continues to be severe. The Company has taken several bold steps to remain competitive by reducing cost, rationalising manpower and streamlining operations.

Opportunities and Threats

The Company has a major presence in the small Hydro and Lift Irrigation sectors where a stronger business potential is anticipated. With lot of old projects coming up for refurbishment, Company is targeting a very good and substantial business in the future.

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

However, uncertainties in regulatory environment over coal linkages, land acquisition, environmental clearance, etc., have majorly impacted the new investments and may also further delay the execution of projects which are underway.

Credit period extended to customers not getting honoured results into high level of receivables with resultant strain on cash flow. Barring unforeseen circumstances, the Company expects to increase its volume of business in the current year.

Outlook

As demand for energy in India is projected to grow at a steady rate, there is ample scope and opportunity for companies in various streams of power sector. So, with this in mind, the long term outlook for the industry is bright. The economic growth planned by the nodal agencies of the Government will be a yardstick for the investment in infrastructure sectors, which would result in increase of generation capacity in the years to come.

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 following areas of risk, concerns and threats in its arena of operations:

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The present challenge for the Company is successfully executing low price orders, within the budgeted cost. Further, change in Government policy on land acquisition for industrial projects, allotment of natural resources and its pricing and policy changes in environment related laws is having major impact on investment in new projects.

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 would be difficult for the Indian Industry to achieve the targets. Project execution is largely affected by availability of skilled and unskilled manpower. Retention and competency management 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 and finally 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 is under process of strengthening its own Internal Audit Department. Pre-audits are carried out in certain important areas. There are adequate checks and internal controls for compliance of various statutory requirements. The Audit Committee of the Board of Directors reviews regularly the Internal Audit Reports.

Financial Performance and Operational Efficiency

The Company's sales were ₹ 410.43 crores in Financial Year 2012-13 compared to ₹ 501.18 crores of previous year, 18.11% fall. This was largely due to slowdown in economy and particularly in capital goods industry serving water and power segments. The Company incurred loss (before taxes) of ₹ 34.15 crores as compared to profit (before taxes) of ₹ 11.28 crores in previous year.

The cash flows of the Company were seriously affected on account of lower collections from customers. Resultantly, the bank borrowings increased substantially leading to high finance cost (incl. interest) from ₹ 36.80 crores to ₹ 54.54 crores. The outlook on cash inflows is likely to be subdued in the current year. The Company has given restructuring plans to lending banks which should provide better cash flow management in future.

Human Resource

The Company considers its employees as its valuable assets. Various HR initiatives have been taken to align HR Policies of the Company with the Vision & Mission of the Company.

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 at all levels. The training needs have been identified and it continues to remain a focus area as this is the basis on which subsequent training is designed. A large number of internal as well as external training programmes were conducted to enhance the skill and knowledge of all categories of employees.

In view of the Company's growth plans and current requirements, the primary emphasis is on the quality of talent and this could only be achieved by institutionalisation of a robust talent acquisition process. The selection process across the technical schools from which the Company recruits, was strengthened with inclusion of a written test, psychometric test and a vigorous interview process.

During the year under review, the Company continued to have cordial and harmonious relations with its employees. The Company has a total manpower of 974 as on 31st March, 2013.

INDEPENDENT AUDITORS' REPORT

To the Members of
JYOTI LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Jyoti Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters :-

During the year ended on 31/03/2013, the company has incurred Cash Loss of ₹ 2766.41 lakhs. We also draw attention to Notes to Financial Statements, Note No.26(15), indicating liabilities to banks

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for Buyer's Credit aggregating to ₹ 3703.37 lakhs, which remained unpaid on 31/03/2013. The Management has already taken various actions to improve the Company's future cash flow to meet these obligations. It has also proposed to the banks to restructure loan repayments and to provide other supportive measures, preferably under Corporate Debt Restructuring (CDR) mechanism so that the Company can have further flexibility to manage its future cash flow in much better manner.

Accordingly, these financial statements have been prepared on a Going Concern basis and no adjustments are considered necessary. Our opinion is not qualified in this regard.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Vadodara
30th May, 2013

Vijay H. Gandhi
Proprietor
M.No. 35581

Annexure to Independent Auditors' Report – referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, We state 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 fixed assets. No material discrepancies were noticed on such verification.
- (c) No substantial part of fixed assets has been disposed off during the year.

-
- (ii) (a) The inventory (except those lying with contractor and at Site) has been physically verified during the year by the management at reasonable intervals.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of stocks.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence, provisions of sub clauses 4 (iii) (b), (c) & (d) are not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence, provision of sub clauses 4 (iii) (f) & (g) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services and there is no continuing failure to correct major weaknesses in internal control system.
- (v) (a) The particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of ₹ 5.00 lakhs have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and as per information and explanations given to us, the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, where applicable, have been duly complied by the Company. We are informed by the Management that No order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any Other Tribunal.
- (vii) In our opinion the Company has an internal audit system. However, there is a scope for increasing the coverage so as to be commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account and records maintained by the Company relating to manufacture of Electric Motors & Generators and Power Driven Pumps, Generating Sets, Switchgears and Relays pursuant to the order made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detail examination of the records with a view of determining whether they are accurate or complete. To the best of our knowledge and according to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
- (ix) (a) According to the records of the Company, it is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee' State Insurance, Income tax, Sales tax, Service tax, Wealth tax, Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it. We are

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informed that there are no undisputed statutory dues as at the year end, outstanding for a period of more than six months from the date they became payable.

- (b) According to the records of the Company the following disputed dues of Sales tax, Income tax, Custom Duty, Wealth tax, Service tax, Excise Duty, Cess have not been deposited as under.

(₹ lakhs)

| 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) | * 22.18 | 2000-01 | Income Tax Appellate Tribunal |
| 2 | Income Tax Act, 1961 (Income Tax) | * 10.13 | 2001-02 | Commissioner of Income Tax(Appeals) |
| 3 | Income Tax Act, 1961 (Income Tax) | * 4.50 | 2002-03 | Commissioner of Income Tax(Appeals) |
| 4 | Income Tax Act, 1961 (Income Tax) | * 0.60 | 2003-04 | Commissioner of Income Tax(Appeals) |
| 5 | Income Tax Act, 1961 (Income Tax) | * 0.70 | 2004-05 | Commissioner of Income Tax(Appeals) |
| 6 | Income Tax Act, 1961 (Income Tax) | * 1.32 | 2005-06 | Commissioner of Income Tax(Appeals) |
| 7 | Income Tax Act, 1961 (Income Tax) | * 0.95 | 2006-07 | Commissioner of Income Tax(Appeals) |
| 8 | Income Tax Act, 1961 (Income Tax) | * 20.96 | 2006-07 | Commissioner of Income Tax(Appeals) |
| 9 | Income Tax Act, 1961 (Income Tax) | *7.83 | 2004-05 | Commissioner of Income Tax(Appeals) |
| 10 | Income Tax Act, 1961 (Income Tax) | * 0.76 | 2007-08 | Commissioner of Income Tax(Appeals) |
| 11 | Income Tax Act, 1961 (Income Tax) | * 41.18 | 2006-07 | Commissioner of Income Tax(Appeals) |
| 12 | The Finance Act, 1994 (Service Tax) | 0.58 | May,10 To Feb,11 | Commissioner of Central Excise & Customs (Appeals), Baroda |
| | | 1.60 | Dec,04 To Nov,09 | Commissioner of Central Excise & Customs (Appeals), Baroda |
| | | 3.09 | Apr,05 To Mar,10 | Customs, Excise & Service Tax Appellate Tribunal, A'bad. |
| | | 5.74 | 2006 To Jan,11 | Customs, Excise & Service Tax Appellate Tribunal, A'bad. |
| | | 3.02 | Feb,11 To Dec,11 | Commissioner of Central Excise & Customs (Appeals), Baroda |
| | | 0.67 | Mar,11 To Jan,12 | Commissioner of Central Excise & Customs (Appeals), Baroda |
| | | 0.86 | May, 10 To Oct,12 | Dy.Commissioner of Central Excise, Service Tax & Customs – Baroda. |

* Note :- Amount deposited.

(x) The Company does not have any accumulated losses as per The Financial Statement as at the end of the financial year. The Company has incurred cash losses of ₹ 2766.41 lakhs during the financial year covered by our audit and not incurred cash losses in the immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by management, the Company has delayed repayment of dues to Banks in respect of Buyer's Credit / Letter of Credits.

The following are the details of the delays:

| Particulars | Amt as on 31-03-2013 (₹ Lakhs) | Period of Delays (in days) |
|-----------------|--------------------------------|----------------------------|
| Buyer's Credits | 3703.37 | 20 to 40 days |

(xii) The Company has not taken any Loan from a financial institution or debenture holders. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Therefore, the provision of Clauses 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) In our opinion and based on information and explanations given to us by the management, the term loans have been applied for the purpose of which they were raised.

(xvii) According to the information and explanations given to us, and on an overall examination of The Financial Statement of the Company, we report that funds raised on short-term basis have not been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) The Company has not issued debentures during the year.

(xx) The Company has not raised any funds through Public issue during the year.

(xxi) As per information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Vijay H. Gandhi
 Proprietor
 M.No. 35581

Vadodara
 30th May, 2013

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BALANCE SHEET as at 31st March, 2013

| | Note No. | As at 31-03-2013 ₹ lakhs | As at 31-03-2012 ₹ lakhs |
|--|----------|--------------------------------|--------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| (a) Share Capital | 1 | 1,712.90 | 1,712.90 |
| (b) Reserves and Surplus | 2 | 6,369.80 | 10,047.77 |
| | | 8,082.70 | 11,760.67 |
| Non-current liabilities | | | |
| (a) Long-term borrowings | 3 | 14,394.39 | 8,495.50 |
| (b) Deferred tax liabilities (Net) | 26(11b) | 646.51 | 421.24 |
| (c) Other long-term liabilities | 4 | 4,551.74 | 2,700.30 |
| (d) Long-term provisions | 5 | 853.75 | 650.09 |
| | | 20,446.39 | 12,267.13 |
| Current liabilities | | | |
| (a) Short-term borrowings | 6 | 16,641.50 | 11,428.16 |
| (b) Trade Payable | 7 | 20,839.84 | 23,249.47 |
| (c) Other current liabilities | 8 | 13,306.63 | 11,185.17 |
| (d) Short-term provisions | 9 | 251.79 | 476.82 |
| | | 51,039.76 | 46,339.62 |
| TOTAL | | 79,568.85 | 70,367.42 |
| ASSETS | | | |
| Non-current assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 10(a) | 10,751.82 | 10,020.28 |
| (ii) Intangible Assets | 10(b) | 268.97 | 52.12 |
| (iii) Capital Work-In-Progress | | 4,291.15 | 2,130.37 |
| (iv) Intangible assets under development | | - | 171.93 |
| (b) Non-current Investments | 11 | 134.11 | 134.07 |
| (c) Long-term loans and advances | 12 | 2,948.50 | 2,282.60 |
| | | 18,394.55 | 14,791.37 |
| Current Assets | | | |
| (a) Inventories | 13 | 8,530.41 | 6,895.47 |
| (b) Trade Receivables | 14 | 46,512.79 | 40,528.48 |
| (c) Cash and Cash equivalents | 15 | 2,723.48 | 4,428.43 |
| (d) Short-term loans and advances | 16 | 3,115.37 | 3,493.53 |
| (e) Other current assets | 17 | 292.25 | 230.14 |
| | | 61,174.30 | 55,576.05 |
| TOTAL | | 79,568.85 | 70,367.42 |

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

Rahul N. Amin
Chairman & Managing Director

Directors

Vijay H. Gandhi
Proprietor
M. No. 35581

Ajay Kamdar
Vice President (Finance)

Mrs. T. R. Amin **Ms. S. R. Amin**

Dr. M. H. Mehta **U. V. Desai**

Dr. B. S. Pathak

Vadodara
30th May, 2013

Suresh Singhal
Associate Vice President (Legal) &
Company Secretary

Vadodara
30th May, 2013

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2013

| | Note No. | 2012-2013 ₹ lakhs | 2011-2012 ₹ lakhs |
|---|----------|----------------------|----------------------|
| Revenue From Operations | 18 | 41,709.15 | 50,772.78 |
| Other Income | 19 | 278.47 | 286.97 |
| Total revenue (I) | | 41,987.62 | 51,059.75 |
| Expenses | | | |
| Cost of material and components consumed | 20 | 31,407.59 | 39,568.57 |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 21 | (1,350.24) | (2,347.86) |
| Employee Benefits Expense | 22 | 4,709.94 | 4,401.12 |
| Finance costs | 24 | 5,454.38 | 3,680.27 |
| Depreciation and amortisation expense | | 911.56 | |
| Less:recoupment from revaluation reserve | | 8.38 | |
| Net depreciation and amortisation expense | | 903.18 | 690.82 |
| Other expenses | 23 | 3,661.17 | 3,383.04 |
| Research and Development Expenses | 25 | 616.66 | 556.06 |
| Total Expenses (II) | | 45,402.68 | 49,932.02 |
| Profit/(Loss) Before Tax (I)-(II) | | (3,415.06) | 1,127.73 |
| Tax Expense: | | | |
| - Current Tax (Net) | | - | - |
| - Deferred Tax | 26 (11a) | 225.28 | 281.52 |
| - Tax expense for earlier years | | 29.25 | 102.39 |
| Profit/ (Loss) for the year | | (3,669.59) | 743.82 |
| Earning per Share (Basic & Diluted) (In ₹) (Face Value ₹ 10/-) | | (21.42) | 4.34 |
| 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
 30th May, 2013

Ajay Kamdar
 Vice President (Finance)
Suresh Singhal
 Associate Vice President (Legal) &
 Company Secretary

Rahul N. Amin
 Chairman & Managing Director

Directors

Mrs. T. R. Amin **Ms. S. R. Amin**
Dr. M. H. Mehta **U. V. Desai**
Dr. B. S. Pathak

Vadodara
 30th May, 2013

Notes to Financial Statements

| | As at 31-03-2013 ₹ lakhs | As at 31-03-2012 ₹ lakhs |
|---|--------------------------------|--------------------------------|
| Note 1 - Share Capital and Equity Warrants | | |
| a) Share Capital | | |
| Shares Authorised | | |
| 2,50,00,000 (31st March, 2012: 2,50,00,000) | 2,500.00 | 2,500.00 |
| Equity Shares of ₹ 10 each | 2,500.00 | 2,500.00 |
| Shares Issued, Subscribed and Paid Up | | |
| 1,71,28,992 (31st March, 2012: 1,71,28,992) | 1,712.90 | 1,712.90 |
| Equity Shares of ₹ 10 each fully paid | | |

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 31-03-2013 | | As at 31-03-2012 | |
|--------------------------------------|-------------------|-----------------|------------------|----------|
| | No. | ₹ lakhs | No. | ₹ lakhs |
| Equity Shares of ₹ 10 | | | | |
| 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 | 17,128,992 | 1,712.90 | 17,128,992 | 1,712.90 |

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 31-03-2013 | | As at 31-03-2012 | |
|---|--------------------|--------------|--------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| 1 Nirma Chemical Works Pvt. Ltd. | 1,200,000 | 7.01 | 1,200,000 | 7.01 |
| 2 Minal B. Patel | 1,335,834 | 7.80 | 1,335,834 | 7.80 |
| 3 Insutech Industries Ltd. (Associate company) | 2,337,654 | 13.65 | 2,337,654 | 13.65 |
| 4 JSL Industries Ltd. (Associate company) | 1,074,239 | 6.27 | 1,074,239 | 6.27 |
| 5 Rahul N. Amin | 1,084,100 | 6.33 | 1,084,100 | 6.33 |

| As at 31-03-2013 ₹ lakhs | As at 31-03-2012 ₹ lakhs |
|--------------------------------|--------------------------------|
|--------------------------------|--------------------------------|

Note 2 - Reserves and Surplus

Capital Reserve

| | | |
|--|--------|--------|
| Balance as per last financial statements | 253.04 | 143.06 |
| Add: Forfeiture of Equity warrants | - | 109.98 |
| Closing balance | 253.04 | 253.04 |

Capital Redemption Reserve

| | | |
|--|-------|-------|
| Balance as per last financial statements | 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 | 442.21 | 450.59 |
| Less: amount transferred to the statement of profit and loss as reduction from depreciation. | 8.38 | 8.38 |
| Closing balance | 433.83 | 442.21 |

General Reserve

| | | |
|---|-------|-------|
| Balance as per last Financial Statement | 29.66 | 29.66 |
|---|-------|-------|

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| | As at 31-03-2013 ₹ lakhs | As at 31-03-2012 ₹ lakhs |
|---|--------------------------------|--------------------------------|
| Surplus in the statement of profit and loss | | |
| Balance as per last Financial Statement | 2,613.38 | 2,068.64 |
| Add: Profit /(Loss) for the year | (3,669.59) | 743.82 |
| | (1,056.21) | 2,812.46 |
| Less: Appropriations | | |
| Proposed Equity Dividend [Amount per share ₹ NIL (31st March, 2012: ₹ 1.00)] | - | 171.29 |
| Tax on proposed Equity Dividend | - | 27.79 |
| Net surplus in the statement of profit and loss | (1,056.21) | 2,613.38 |
| Total reserves and surplus | <u>6,369.80</u> | <u>10,047.77</u> |

Note 3 - Long-term borrowings

| | | |
|--|-------------------------|------------------------|
| Term Loans | | |
| From Banks (Secured) | | |
| Retention Money Loans | 7,220.00 | 4,098.86 |
| Other Term Loans | 6,130.24 | 3,926.48 |
| From Others (Secured) | 950.00 | 250.00 |
| Deferred payments credit (Secured) | - | 18.74 |
| Finance Lease obligations (Unsecured) | 94.15 | 201.42 |
| Terms of payment - 12 quarterly installments | | |
| TOTAL | <u>14,394.39</u> | <u>8,495.50</u> |

Notes :-

- 1) a) The term loans, cash credit facilities and others carry interest @ 10.60% to 14.20% 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.
- 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(17) for repayment schedule.

| | As at 31-03-2013 ₹ lakhs | As at 31-03-2012 ₹ lakhs |
|---|--------------------------------|--------------------------------|
| Note 4 - Other long-term liabilities | | |
| Advances from customers | 4,551.74 | 2,700.30 |
| | <u>4,551.74</u> | <u>2,700.30</u> |
| Note 5 - Long-term provisions | | |
| Provisions for Gratuity | 615.66 | 446.79 |
| Provisions for leave benefits | 238.09 | 203.30 |
| | <u>853.75</u> | <u>650.09</u> |
| Note 6 - Short-term borrowings | | |
| Loans payable on demand (Secured) from Banks | 16,641.50 | 11,428.16 |
| Note 7 - Trade payables | | |
| Micro and small enterprises | 158.31 | 187.92 |
| Others | 20,681.53 | 23,061.55 |
| | <u>20,839.84</u> | <u>23,249.47</u> |
| Note 8 - Other current liabilities (Secured) | | |
| Current maturities of long-term debt | | |
| Retention money loans | 502.00 | 152.00 |
| Term loan for ECB | - | 90.80 |
| Other Term loans | 1,491.00 | 1,050.00 |
| Deferred payments credit (Secured) | 18.74 | 22.20 |
| Interest accrued and due (partly paid) (Secured) | 338.66 | 226.70 |
| Interest accrued but not due (Secured) | 60.56 | 36.30 |
| Short-term Loans | | |
| From Banks / Buyer's credit (Secured) | 7,972.09 | 5,409.74 |
| From Others - ICD (Unsecured) | 988.00 | 2,540.00 |
| Finance lease obligations (Unsecured) | 156.76 | 235.38 |
| Other liabilities | | |
| Advances from customers | 1,659.35 | 1,260.87 |
| Unclaimed dividend | 14.40 | 10.51 |
| Others | 105.07 | 150.67 |
| | <u>13,306.63</u> | <u>11,185.17</u> |
| Note 9 - Short-term provisions | | |
| Employee benefits | 251.79 | 277.74 |
| Proposed equity dividend | - | 171.29 |
| Provision for Tax on equity dividend | - | 27.79 |
| | <u>251.79</u> | <u>476.82</u> |

Notes :-

Refer Note no. 3 for securities and interest rate.

| Description | GROSS BLOCK | | | | | | DEPRECIATION | | | | NET BLOCK | |
|--------------------------|---------------------|-----------------|--------------|--------------|---------------------|----------------------|--------------|-------------|-----------------|----------------------|------------------|------------------|
| | Cost as at 31-03-12 | Additions | Adjustments | Deductions | Cost as at 31-03-13 | Total up to 31-03-12 | Deductions | Adjustments | During the year | Total up to 31-03-13 | As at 31-03-13 | As at 31-03-12 |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| (a) Tangible Assets | | | | | | | | | | | | |
| Free Hold Land | 415.36 | 0.36 | — | — | 415.72 | — | — | — | — | — | 415.72 | 415.36 |
| Buildings | 2,389.85 | 658.52 | 6.22 | — | 3,054.59 | 532.31 | — | — | 71.03 | 603.34 | 2,451.25 | 1,857.54 |
| Plant and Equipment | 9,112.54 | 682.32 | 6.28 | 2.15 | 9,798.99 | 2,809.82 | 2.04 | 5.23 | 664.45 | 3,477.46 | 6,321.53 | 6,302.72 |
| R & D Equipments | 774.07 | 75.21 | — | — | 849.28 | 205.40 | — | — | 5.19 | 210.59 | 638.69 | 568.67 |
| Furniture and Fixtures | 307.99 | 25.25 | — | — | 333.24 | 109.26 | — | — | 23.11 | 132.37 | 200.87 | 198.73 |
| Vehicles | 418.32 | 70.94 | — | 36.57 | 452.69 | 96.51 | 15.38 | — | 40.55 | 121.68 | 331.01 | 321.81 |
| Office Equipments | 639.16 | 55.81 | — | 0.37 | 694.60 | 350.62 | 0.23 | — | 56.80 | 407.19 | 287.41 | 288.54 |
| Electrical Installations | 82.60 | 44.15 | — | — | 126.75 | 15.69 | — | — | 5.72 | 21.41 | 105.34 | 66.91 |
| TOTAL | 14,139.89 | 1,612.56 | 12.50 | 39.09 | 15,725.86 | 4,119.61 | 17.65 | 5.23 | 866.85 | 4,974.04 | 10,751.82 | 10,020.28 |
| (b) Intangible Assets | | | | | | | | | | | | |
| Software Licences | 84.25 | 256.33 | — | — | 340.58 | 32.13 | — | — | 39.48 | 71.61 | 268.97 | 52.12 |
| TOTAL | 84.25 | 256.33 | — | — | 340.58 | 32.13 | — | — | 39.48 | 71.61 | 268.97 | 52.12 |
| GRAND TOTAL | 14,224.14 | 1,868.89 | 12.50 | 39.09 | 16,066.44 | 4,151.74 | 17.65 | 5.23 | 906.33 | 5,045.65 | 11,020.79 | 10,072.40 |
| PREVIOUS YEAR | 10,608.39 | 3,646.24 | 46.95 | 77.44 | 14,224.14 | 3,509.41 | 56.87 | 9.81 | 689.39 | 4,151.74 | 10,072.40 | |

Notes :

- 1) Vehicles include gross value of ₹ 197.48 lakhs and Plant & Machinery includes gross value of ₹ 192.57 lakhs purchased under hire purchase arrangements & Lease Finance.
- 2) See Note No.26 (c) (vi) for impairment of ₹ 5.23 lakhs (Previous Year ₹ 9.81 lakhs)

Note 11 - Non-current investments (at cost)

| | Nos. | Face Value ₹ | As at 31-03-2013 ₹ lakhs | As at 31-03-2012 ₹ lakhs |
|---|---------|-----------------|---------------------------------------|--------------------------------|
| Trade Investment | | | | |
| A Investment in Equity Instruments | | | | |
| Quoted | | | | |
| JSL Industries Ltd. (Associate Company) | 286020 | 10 | 32.94 | 32.94 |
| Schneider Electric Infrastructure Limited | 2130 | 2 | 0.06 | 0.06 |
| Elpro International Ltd. | 200 | 10 | 0.02 | 0.02 |
| Voltas Ltd. | 900 | 1 | 0.01 | 0.01 |
| KSB Pumps Ltd. | 720 | 10 | 0.01 | 0.01 |
| Easun Reyrolle Ltd. | 500 | 2 | 0.01 | 0.01 |
| Larsen and Toubro Ltd. | 40 | 2 | *0.00 | 0.00 |
| UltraTech Cement Ltd | 8 | 10 | *0.00 | 0.00 |
| Siemens Ltd. | 620 | 2 | 0.31 | 0.31 |
| MPIL Corporation Ltd. | 2 | 10 | *0.00 | 0.00 |
| Mather & Platt Fire Systems Ltd. | 9 | 10 | *0.00 | 0.00 |
| Kirloskar Brothers Ltd. | 787 | 2 | 0.04 | 0.04 |
| Kirloskar Brothers Investments Ltd. | 52 | 2 | 0.01 | 0.01 |
| ABB Limited | 335 | 2 | 0.32 | 0.32 |
| Best & Crompton Engg. Ltd. | 50 | 10 | 0.01 | 0.01 |
| Crompton Greaves Ltd. | 612 | 2 | 0.11 | 0.11 |
| Suzlon Energy Ltd. | 10 | 2 | 0.01 | 0.01 |
| Kirloskar Electric Co. Ltd. | 100 | 10 | 0.05 | 0.05 |
| Comp-U-Learn Tech India Ltd. | 600 | 10 | 0.06 | 0.06 |
| | | | 33.97 | 33.97 |
| Less: Provision for other than temporary diminution in value | | | 0.07 | 0.11 |
| | | | 33.90 | 33.86 |
| B Others (Unquoted) | | | | |
| Unquoted | | | | |
| Investment in Joint Venture Company | | | | |
| Jyoti Sohar Switchgear LLC, Oman @ | 245,000 | (RO) 1 | 86.73 | 86.73 |
| S & S Power Switchgear Ltd. | 50 | 10 | 0.07 | 0.07 |
| International Pumps & Projects Ltd. | 300 | 10 | 0.06 | 0.06 |
| 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 |
| WPIL Ltd. | 50 | 10 | 0.01 | 0.01 |
| | | | 88.57 | 88.57 |

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| | Nos. | Face Value ₹ | As at 31-03-2013 ₹ lakhs | As at 31-03-2012 ₹ lakhs |
|--|------|-----------------|--------------------------------|--------------------------------|
| C Investments in Government Securities (Unquoted) | | | | |
| 6/7 Years National Savings Certificates (₹ 1,64,360 deposited with Government) | - | 164,360 | 1.64 | 1.64 |
| Sardar Sarovar Narmada Nigam Ltd. | - | 1,000,000 | 10.00 | 10.00 |
| | | | 11.64 | 11.64 |
| Total Investments | | | 134.11 | 134.07 |
| a) Aggregate amount of Quoted Investments (Market value of ₹ 304.31 (Previous year ₹ 421.63)) | | | 33.90 | 33.86 |
| b) Aggregate amount of Unquoted Investments | | | 100.21 | 100.21 |
| | | | 134.11 | 134.07 |
| Aggregate provision for diminution in value of investments | | | 0.07 | 0.11 |
| @ 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 31-03-2013 ₹ lakhs | As at 31-03-2012 ₹ lakhs |
|--|--------------------------------|--------------------------------|
| Note 12 - Long-term Loans and advances | | |
| Unsecured, considered good | | |
| Capital advances | 1,854.64 | 1,357.64 |
| Security deposits | 109.99 | 88.57 |
| Other loans and advances | | |
| Advance payments and MAT credit of Income-tax (net of provisions ₹ 1376.60) | 983.87 | 836.39 |
| | 2,948.50 | 2,282.60 |
| Note 13 - Inventories | | |
| (Valued at lower of cost and net realisable value) (Refer note 26(1)(E)) | | |
| Raw Materials and Components (Refer note 20) | 1,755.06 | 1,470.36 |
| Work-in-progress (Refer note 21) | 5,015.61 | 4,756.26 |
| Finished Goods (Refer note 21) | 1,759.74 | 668.85 |
| | 8,530.41 | 6,895.47 |
| Note 14 - Trade receivables (Unsecured) | | |
| Over Six Months from the date they are due for payment. | | |
| Considered good | 20,917.01 | 7,281.06 |
| Others Considered good | 25,595.78 | 33,247.42 |
| | 46,512.79 | 40,528.48 |

| | As at 31-03-2013 ₹ lakhs | As at 31-03-2012 ₹ lakhs |
|---|--------------------------------|--------------------------------|
| Note 15 - Cash and Bank balances | | |
| Cash and cash equivalents | | |
| Balances with banks: | | |
| On current accounts | 601.31 | 2,300.79 |
| Deposits | 103.07 | 270.80 |
| On unpaid dividend account | 12.40 | 8.52 |
| Cheques, drafts on hand | 52.83 | 101.98 |
| Cash on hand | 15.89 | 28.81 |
| | <u>785.50</u> | <u>2,710.90</u> |
| Other bank balance | | |
| Margin money deposits | 1,937.98 | 1,717.53 |
| | <u>2,723.48</u> | <u>4,428.43</u> |
| Margin money deposits given as security | | |
| Margin money deposits are for guarantees/ letters of credit given by the banks. | | |
| Note 16 - Short-term loans and advances | | |
| Unsecured, considered good | | |
| Advances for supplies and expenses | 2,103.44 | 2,508.94 |
| Advances to Staff | 14.83 | 9.19 |
| Tender deposits/ Security deposits | 264.68 | 276.46 |
| Advances recoverable in cash or kind | 212.74 | 163.89 |
| Advance Payments of c.y. Income-tax (net of provision of c.y. ₹ Nil) | 135.53 | 179.43 |
| Pre-paid expenses | 384.15 | 355.62 |
| | <u>3,115.37</u> | <u>3,493.53</u> |
| Note 17 - Other current assets | | |
| Interest accrued on fixed deposits | 223.10 | 165.40 |
| Dividend receivable on investment | 69.15 | 64.74 |
| | <u>292.25</u> | <u>230.14</u> |

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| | 2012-2013 ₹ lakhs | 2011-2012 ₹ lakhs |
|--|-------------------------|-------------------------|
| Note 18 - Revenue from operations | | |
| Sale of Products | 42,546.62 | 50,941.29 |
| Sale of Services | 197.96 | 391.07 |
| | <u>42,744.58</u> | <u>51,332.36</u> |
| Less: Excise Duty | 1,701.55 | 1,214.43 |
| Net sales | <u>41,043.03</u> | <u>50,117.93</u> |
| Other operating revenues | | |
| Claims | 439.84 | 538.42 |
| Others | 226.28 | 116.43 |
| | <u>666.12</u> | <u>654.85</u> |
| Revenue from operations (Net) | <u>41,709.15</u> | <u>50,772.78</u> |
| Details of products sold | | |
| Pumps and Pumpsets | 8,619.79 | 9,912.86 |
| Rotating Electric Machines | 2,455.33 | 4,400.49 |
| Generating Sets | 2,221.89 | 824.93 |
| Switchboards | 6,511.10 | 4,122.36 |
| H.T. Circuit Breakers | 1,219.51 | 1,509.05 |
| Relays | 505.17 | 567.40 |
| Components, Spares and Others | 19,312.28 | 28,389.77 |
| | <u>40,845.07</u> | <u>49,726.86</u> |
| Details of Services rendered | | |
| Miscellaneous Services | 197.96 | 391.07 |
| | <u>41,043.03</u> | <u>50,117.93</u> |
| Note 19 - Other income | | |
| Income from Investments (Gross) | | |
| Interest on | | |
| Fixed Deposits | 180.16 | 163.30 |
| Income Tax | - | 13.60 |
| Dividend | 69.47 | 65.03 |
| Profit/(Loss) on Sale of Fixed Assets | (7.21) | 11.93 |
| Other non-operating income | 36.05 | 33.11 |
| | <u>278.47</u> | <u>286.97</u> |

| | 2012-2013 ₹ lakhs | 2011-2012 ₹ lakhs |
|---|--------------------------|--------------------------|
| Note 20 - Cost of material and components consumed | | |
| Inventory at the beginning of the year | 1,470.36 | 1,178.95 |
| Add : Purchases | <u>31,692.29</u> | <u>39,859.98</u> |
| | 33,162.65 | 41,038.93 |
| Less : Inventory at the end of the year | <u>1,755.06</u> | <u>1,470.36</u> |
| | <u>31,407.59</u> | <u>39,568.57</u> |
| Details of raw material and components consumed | | |
| Ferrous and Non-ferrous metals | 389.53 | 498.77 |
| Pipes | 60.61 | 87.49 |
| Stampings | 1,638.92 | 1,250.27 |
| Copper wires, strips, rods etc. | 1,181.95 | 1,303.75 |
| Ball Bearings | 426.51 | 753.97 |
| Components & Others | <u>27,710.07</u> | <u>35,674.32</u> |
| | <u>31,407.59</u> | <u>39,568.57</u> |
| Details of inventories | | |
| Ferrous and Non-ferrous metals | 49.28 | 114.82 |
| Pipes | 27.31 | 20.10 |
| Stampings | 40.03 | 55.01 |
| Copper wires, strips, rods etc. | 29.43 | 46.27 |
| Ball Bearings | 72.26 | 63.94 |
| Components & Others | <u>1,536.75</u> | <u>1,170.22</u> |
| | <u>1,755.06</u> | <u>1,470.36</u> |
| Note 21 - Change in inventories of finished goods and work-in-progress | | |
| Inventory at the beginning of the year | | |
| Work-in-progress | 4,756.26 | 2,807.61 |
| Finished Goods | <u>668.85</u> | <u>269.64</u> |
| | 5,425.11 | 3,077.25 |
| Inventory at the end of the year | | |
| Work-in-progress | 5,015.61 | 4,756.26 |
| Finished Goods | <u>1,759.74</u> | <u>668.85</u> |
| | 6,775.35 | 5,425.11 |
| | <u>(1,350.24)</u> | <u>(2,347.86)</u> |
| Details of inventories | | |
| Work-in-progress | | |
| Pumps | 857.67 | 1,006.60 |
| Rotating Electric Machines | 2,812.57 | 2,227.49 |
| Hydro-generating sets | 211.12 | 179.39 |
| Switchboards | 779.93 | 931.11 |
| Vacuum Contactors | 304.96 | 399.05 |
| Relays | <u>49.36</u> | <u>12.62</u> |
| | <u>5,015.61</u> | <u>4,756.26</u> |
| Finished Goods | | |
| Pumps | 659.61 | 144.27 |
| Rotating Electric Machines | 608.98 | 313.96 |
| Hydro-generating sets | 490.76 | 158.53 |
| Switchboards | - | 52.06 |
| Relays | <u>0.39</u> | <u>0.03</u> |
| | <u>1,759.74</u> | <u>668.85</u> |

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| | 2012-2013 ₹ lakhs | 2011-2012 ₹ lakhs |
|---|----------------------|----------------------|
| Note 22 - Employee benefits expense | | |
| Salaries and Wages | 4,010.63 | 3,799.92 |
| Contribution to Provident and other funds | 489.51 | 411.80 |
| Staff welfare expense | 209.80 | 189.40 |
| | 4,709.94 | 4,401.12 |
| Note 23 - Other expenses | | |
| Consumption of Stores and spares | 183.08 | 183.77 |
| Power and Fuel | 170.13 | 240.85 |
| Rent | 66.83 | 41.74 |
| Repairs and Maintenance to | | |
| : Building | 91.83 | 77.55 |
| : Machinery | 68.75 | 83.52 |
| : Others | 113.45 | 113.03 |
| Insurance | 123.00 | 89.07 |
| Rates and Taxes | 49.66 | 41.17 |
| Excise Duty (Including Increase/ (decrease) of Excise Duty on inventory) | 154.79 | 153.57 |
| Publicity | 89.40 | 106.18 |
| Commission | 17.70 | 10.56 |
| Freight and Forwarding Charges | 197.43 | 235.23 |
| Stationery, Postage, Telephones and Telex | 91.50 | 84.43 |
| Bank Charges | 828.46 | 613.33 |
| Cash Discount | 5.17 | 4.26 |
| Audit Fees and Expenses | 7.77 | 5.10 |
| Legal & Professional Fees | 371.79 | 256.93 |
| Travelling | 376.81 | 395.71 |
| Directors' Fees | 0.54 | 0.76 |
| Membership Fees and Subscriptions | 7.58 | 8.37 |
| Charity & Donation | 0.35 | 17.75 |
| Bad Debts Written Off | 172.91 | 156.18 |
| Miscellaneous Expenses | 472.28 | 463.87 |
| Provision for diminution in value of investment | (0.04) | 0.11 |
| | 3,661.17 | 3,383.04 |
| Payment to auditors | | |
| 1) As auditor : | | |
| Audit fees | 4.49 | 2.75 |
| Tax audit fees | 0.84 | 0.75 |
| Other services | 1.40 | 0.71 |
| Reimbursement of expenses | 0.27 | 0.35 |
| 2) Cost audit fees | 0.63 | 0.50 |
| Other services | 0.14 | 0.04 |
| | 7.77 | 5.10 |
| Note 24 - Finance cost | | |
| Interest | 5,412.55 | 3,631.33 |
| Others | 41.83 | 48.94 |
| | 5,454.38 | 3,680.27 |
| Note 25 - Research and development expenses | | |
| Material Consumption | 4.13 | 7.41 |
| Salaries, Wages, Bonus, Gratuity and Other Benefits | 325.47 | 290.56 |
| Contribution to Provident and other funds | 67.62 | 58.38 |
| Power and Fuel | 9.10 | 5.97 |
| Others | 210.34 | 193.74 |
| | 616.66 | 556.06 |

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2013.

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 conversion and on Accrual basis and are in conformity with mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956 and the generally accepted accounting policies in India.

(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 and claims payable are accounted at the time of acceptance.

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 by the reporting date.

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

- (i) Fixed Assets are stated at cost of acquisition (net of cenvat wherever applicable and expenditure incurred including interest on borrowing and financial cost) / construction except certain land and building which were revalued at market value and are stated at revalued Cost.
- (ii) Depreciation is provided :
 - a) In respect of assets acquired upto June, 1986 on straight-line method in accordance with Circular No.1/86 issued by the Department of Company Affairs.

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b) In respect of assets acquired after 1st July, 1986 on straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956.

- (iii) Intangible Fixed Assets: Over their estimated economic life, in accordance with Accounting Standard on "Intangible Assets" (AS-26)
- (iv) An amount representing the difference between depreciation on Revalued Assets and on Original Cost of Assets is transferred from Revaluation Reserve to Statement of Profit and Loss.
- (v) Leasehold Land is amortized over the period of Lease, if any.
- (vi) In case, the recoverable amount of the fixed assets is lower than its carrying amount, a provision is made for the impairment loss, if any.

(D) Investments

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

(E) Inventories

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

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

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

(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

Benefits to employees 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 payable as per Superannuation Scheme is provided by payment 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 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 thereunder.

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.

| | 2012-13 | 2011-12 |
|--|-----------------------|------------|
| | (₹ lakhs) | (₹ lakhs) |
| 2. Estimated value of Capital contracts yet to be executed and not provided | 929.99 | 974.62 |
| 3. Contingent liability to the extent not provided for : | | |
| - Bills/Cheques discounted with scheduled banks | 4393.45 | 1802.04 |
| - Income Tax | 111.11 | 141.68 |
| - Service Tax | 15.56 | 14.70 |
| 4. An amount of ₹ 8.38 lakhs representing difference between Depreciation on Revalued Assets and on original cost of assets is transferred from Revaluation Reserve to Statement of Profit and Loss. | | |
| 5. Earning Per Share | 2012-13 | 2011-12 |
| Profit/(Loss) after Tax available for equity shareholders (₹ lakhs) | (A) (3669.59) | 743.82 |
| No. of Equity Shares / Weighted Average number of equity shares | (B) 171,28,992 | 171,28,992 |
| Earning per share (Basic and diluted) (in ₹) | (A/B) (21.42) | 4.34 |
| Face value of ₹ 10 per share | | |

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6. Net Loss on account of foreign exchange fluctuation ₹ 63.59 lakhs (Previous Year Net Loss ₹ 64.45 lakhs) has been accounted for in the Profit & Loss Account.
7. Based on information / documents available with the Company, Sundry Creditors include :

| | 2012-13 | 2011-12 |
|--|---------------|-----------|
| | | (₹ lakhs) |
| a) Amounts due to Small Scale Undertakings (Total Amount) | 158.31 | 187.92 |
| b) Amount Overdue on account of principal and / or interest | 70.15 | 18.43 |
| c) Amount Outstanding together with interest for more than 45 days | 70.15 | 18.43 |

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

| | 2012-13 | 2011-12 |
|--|---------------|-----------|
| | | (₹ lakhs) |
| (a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year | 158.31 | 187.92 |
| (ii) The interest due on above | 0.56 | 0.82 |
| (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. | — | — |

8. Disclosures for defined benefit plans based on actuarial reports as on 31st March, 2013

| | 2012-13 | | 2011-12 | |
|--|----------------|------------------|----------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| (₹ lakhs) | | | | |
| Expenses recognized in the Statement of Profit & Loss | | | | |
| Current Service Cost | 62.37 | 37.30 | 60.80 | 36.13 |
| Interest Cost | 97.70 | 21.64 | 80.75 | 18.94 |
| Employer Contributions | — | — | — | — |
| Expected return on plan assets | (38.79) | — | (33.31) | — |
| Net Actuarial (Gains) / Losses | 92.48 | 43.32 | (33.19) | (8.26) |
| Past Service Cost | — | — | — | — |
| Settlement Cost | — | — | — | — |
| Total Expenses | 213.76 | 102.26 | 75.05 | 46.81 |

(₹ lakhs)

| | 2012-13 | | 2011-12 | |
|---|-----------------|------------------|----------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| Net Asset / (Liability) recognised in the Financial Statement as at 31st March, 2013 | | | | |
| Present value of Defined Benefit Obligation as at 31st March, 2013 | 1211.49 | 296.10 | 1116.52 | 254.60 |
| Fair Value of plan asstes as at 31st March, 2013 | 402.04 | - | 443.29 | - |
| Funded status [Surplus / (Deficit)] | (809.45) | (296.10) | (673.23) | (254.60) |
| Net Asset / (Liability) as at 31st March, 2013 | (809.45) | (296.10) | (673.23) | (254.60) |
| Change in Obligation during the Year ended 31st March, 2013 | | | | |
| Present value of Defined Benefit Obligation at beginning of the year | 673.23 | 254.60 | 648.19 | 238.88 |
| Current Service Cost | 62.37 | 37.30 | 60.80 | 36.13 |
| Interest Cost | 97.70 | 21.64 | 80.75 | 18.94 |
| Settlement Cost | - | - | - | - |
| Past Service Cost | - | - | - | - |
| Employer Contributions | (77.54) | - | (50.00) | - |
| Acturries (Gains) / Losses | 82.30 | 43.32 | 65.99 | (8.26) |
| Benefits Payments | (28.61) | (60.76) | (132.50) | (31.09) |
| Present value of Defined Benefit Obligation at the end of the year | 809.45 | 296.10 | 673.23 | 254.60 |
| Actuarial Assumptions | | | | |
| Discount Rate | 8.25% | 8.25% | 8.75% | 8.75% |
| Expected rate of return on plan assets | 8.50% | 0.00% | 8.75% | 0.00% |
| Rate of escalation in salary (p.a.) | 6.00% | 6.00% | 6.00% | 6.00% |

9. 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).
10. 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) Subsidiaries Company : —
- (b) Associate Companies : JSL Industries Ltd.
: Insutech Industries Ltd
- (c) Joint Venture : Jyoti Sohar Switchgear L.L.C.
- (d) Key Management Personnel :
- Chairman & Managing Director - Mr. Rahul Nanubhai Amin
- Wholetime Director - Ms. Shubhalakshmi Rahul Amin
- Non-Executive Director - Mrs. Tejal Rahul Amin

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(e) Transactions with related parties during the year 2012-13 (₹ lakhs)

| Nature of Transactions | Associate Companies | Joint Venture | Key Management Personnel |
|--|----------------------------|---------------------------|---------------------------|
| Purchases | 1269.34 (995.28) | — (—) | — (—) |
| Sales | 52.63 (57.86) | 611.92 (334.10) | — (—) |
| Managerial Remuneration / Sitting fees/ Others | — (—) | — (—) | 145.98 (143.59) |
| Rent | 6.04 (3.97) | — (—) | 7.01 (6.71) |
| Outstandings | | | |
| - Payables | 466.42 (157.19) | — (—) | 24.12 (17.99) |
| - Receivables | 16.09 (—) | 1.03 (0.87) | — (—) |

11. Net Deferred Tax Asset / Liability of ₹ 225.28 lakhs for the year on account of Employees benefits and Depreciation has been recognized to the Statement of Profit & Loss.

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

| | As at 31-03-2013 (₹ lakhs) | As at 31-03-2012 (₹ lakhs) |
|-----------------------------------|---|----------------------------------|
| Deferred Tax Liability | 280.19 | 283.86 |
| Less : Deferred Tax Assets | 54.91 | 2.34 |
| Deferred Tax Expense for the year | 225.28 | 281.52 |

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

| | | |
|--|----------------|--------|
| Deferred Tax Liability : | | |
| - Depreciation | 795.95 | 537.40 |
| - Others | 214.42 | 192.78 |
| | 1010.37 | 730.18 |
| Deferred Tax Assets : | | |
| - Provisions (Net of Payment) & Others | 363.86 | 308.94 |
| Net Deffered Tax Liability/(Assets) | 646.51 | 421.24 |

12. (a) Finance Lease Obligations :

The Company has acquired certain hardware, software etc under finance lease. Minimum lease payments outstanding as on 31st March 2013 in respect of these assets are as follows:

(₹ lakhs)

| DUE | Total Minimum Lease Payment outstanding as on 31st March, 2013 | Interest Not Due | Present Value of Minimum Lease Payments |
|---|--|------------------|---|
| Within One Year | 33.55 | 5.96 | 27.58 |
| Later than One Year but Not later than Five Years | 35.09 | 3.99 | 31.11 |
| TOTAL | 68.64 | 9.95 | 58.69 |

(b) 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.

₹ In lakhs

Payable not later than one year

24.76

13. (a) The accounts of Trade Receivables, Trade Payables and Advances are subject to reconciliation. The management does not expect any material difference affecting the financial statements on reconciliation.

(b) In the opinion of the Board, 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.

14. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31st March, 2013.

15. During the year ended 31.03.2013, the Company has incurred Cash loss of ₹ 2766.41 lakhs. Secondly, there were liabilities to banks for Buyer's Credit aggregating to ₹ 3703.37 lakhs, which remained unpaid on 31.03.2013, out of which the Company has already paid ₹ 277.43 lakhs. The Management has already taken various actions for operating cost reduction, improving order inflow, making intensive drive for collection of receivables, etc. to improve the Company's future cash flow to meet these obligations. It has also proposed to the banks to restructure loan repayments and to provide other supportive measures, preferably under Corporate Debt Restructuring (CDR) mechanism so that the Company can have further flexibility to manage its future cash flow in much better manner.

Accordingly, these financial statements have been prepared on a Going Concern basis and no adjustments are considered necessary.

16. The Company enters into Forward Exchange Contracts, being derivative instruments, which are not intended for trading or speculative purpose, but for hedging purposes, to establish the amount of reporting currency required or available at the date of settlement of certain payables and receivables.

The outstanding position and exposure as on 31st March, 2013 is NIL.

17. Repayment Schedule of Bank Loans :-

| Details Of Bank Loans | INSTALLMENT | | |
|--------------------------------------|-------------|----|------------------|
| | Period | No | Starting |
| Capex Term Loan (2009-10) | Quarterly | 20 | October - 2010 |
| Capex Term Loan (2010-11) | Quarterly | 20 | September - 2011 |
| Capex Term Loan (Wind Blade) | Quarterly | 20 | October - 2011 |
| Capex Term Loan (2011-12) | Quarterly | 20 | October - 2012 |
| Capex Term Loan (2012-13) | Quarterly | 20 | August - 2014 |
| Working Capital Term Loan (2012-13) | Quarterly | 20 | June - 2013 |
| Retention Money Term Loan (2010-11) | Quarterly | 20 | June - 2012 |
| Retention Money Term Loan (2011-12) | Quarterly | 20 | October - 2013 |
| Retention Money Term Loan (2012-13) | Quarterly | 20 | August - 2014 |
| Capex Term Loan (Test Bed) | Quarterly | 20 | April - 2010 |

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

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19. Additional information required under Revised Schedule VI to the Companies Act, 1956 (As certified by the Management)

| | | |
|--|------------------|------------------------|
| i) Imports calculated on C.I.F. basis | | (₹ lakhs) |
| Raw Materials | 3,573.44 | (10,220.51) |
| Capital Goods | 537.67 | (726.34) |
| ii) Expenditure in Foreign Currencies | | (₹ lakhs) |
| Travelling Expenses | 49.22 | (59.73) |
| Interest and Financial Charges | 126.09 | (29.45) |
| Others | 806.33 | (489.52) |
| iii) Raw Materials Consumed | (₹ lakhs) | % to Total Consumption |
| a) Imported | 4,683.65 | 14.91 |
| | (9,957.02) | (25.17) |
| b) Indigenous | 26,723.94 | 85.09 |
| | (29,611.55) | (74.83) |
| | 31,407.59 | 100.00 |
| | (39,568.57) | (100.00) |
| iv) Earnings in Foreign Exchange | | (₹ lakhs) |
| a) F.O.B Value of Exports | 610.96 | (307.41) |
| b) Dividend | 69.14 | (64.74) |
| v) Stores Consumed | | (₹ lakhs) |
| a) Imported | - | (-) |
| b) Indigenous | 183.08 | (183.77) |

(Previous year's figures are shown in brackets)

Cash flow statement for the year ended on 31st March, 2013.

| | 2012-2013 ₹ lakhs | 2011-2012 ₹ lakhs |
|--|----------------------|----------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit/(Loss) before tax and non-recurring items : | (3415.06) | 1,127.73 |
| Adjustments for | | |
| 1. Depreciation | 903.18 | 690.82 |
| 2. Finance Cost charged to Profit & Loss Accounts | 5,454.38 | 3,680.27 |
| 3. Interest Received | (180.16) | (176.90) |
| 4. Dividend Received | (69.47) | (65.03) |
| 5. (Profit)/Loss on Sale of Fixed Assets (Net) | 7.21 | (11.93) |
| 6. Provision for diminution in value of Investments | (0.04) | 0.11 |
| | 6,115.10 | 4,117.34 |
| Operating profit before change in working capital | 2,700.04 | 5,245.07 |
| Movement in Working Capital | | |
| 1. Inventories | (1,634.94) | (2,639.27) |
| 2. Trade receivable | (5,984.31) | (21,625.92) |
| 3. Long-term Loans and Advances | (562.32) | (100.14) |
| 4. Short-term Loans and Advances | 378.16 | (1,566.07) |
| 5. Other current assets | (62.11) | 2.93 |
| 6. Trade payable | (2,409.63) | 13,009.96 |
| 7. Long-term current liabilities | 1,851.44 | 751.92 |
| 8. Short-term current liabilities | 1,981.36 | 6,953.50 |
| 9. Long-term provisions | 203.66 | (5.71) |
| 10. Short-term provisions | (25.97) | 46.48 |
| Net change in working capital | (6,264.66) | (5,172.32) |
| Cash Generated from Operations | (3,564.62) | 72.75 |
| Direct Taxes Paid (Net) | (132.84) | (84.32) |
| NET CASH INFLOW FROM OPERATING ACTIVITIES | (3,697.46) | (11.57) |

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| | 2012-2013 ₹ lakhs | 2011-2012 ₹ lakhs |
|---|----------------------|----------------------|
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| 1. Purchase of Fixed Assets | (3,870.24) | (4,691.71) |
| 2. Proceeds from Sale of Fixed Assets | 14.23 | 32.50 |
| 3. Interest Received | 180.16 | 176.90 |
| 4. Dividend Received | 69.47 | 65.03 |
| NET CASH UTILISED IN INVESTING ACTIVITIES | (3,606.38) | (4,417.28) |
| C. CASH FLOW FROM FINANCIAL ACTIVITIES | | |
| 1. Proceeds from long-term borrowings (Net) | 5,898.89 | 5,210.98 |
| 2. Proceeds from short-term borrowings (Net) | 5,213.34 | 3,689.19 |
| 3. Interest Paid | (5,318.15) | (3,568.60) |
| 4. Dividend/ Dividend Tax Paid | (195.19) | (234.38) |
| NET CASH GENERATED IN FINANCIAL ACTIVITIES | 5,598.89 | 5,097.19 |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C) | (1,704.95) | 668.34 |
| Cash and Cash Equivalents as at 01/04/2012 | 4,428.43 | 3760.09 |
| Cash and Cash Equivalents as at 31/03/2013 | 2,723.48 | 4,428.43 |

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
30th May, 2013

Ajay Kamdar
Vice President (Finance)

Suresh Singhal
Associate Vice President (Legal) &
Company Secretary

Rahul N. Amin
Chairman & Managing Director

Directors

Mrs. T. R. Amin **Ms. S. R. Amin**
Dr. M. H. Mehta **U. V. Desai**
Dr. B. S. Pathak

Vadodara
30th May, 2013



ATTENDANCE SLIP

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

I, hereby record my presence at the SIXTY-NINTH ANNUAL GENERAL MEETING of the Company to be held at Jyoti Ltd., Nanubhai Amin Marg, Industrial Area, P.O. Chemical Industries, Vadodara - 390 003 at 10.00 a.m. on THURSDAY, the 26th September, 2013.

Signature : _____

Folio No./Client ID No. : _____ Name : _____

Notes :

1. Only Shareholders/Proxies/Representatives are allowed to attend the Meeting.
2. Shareholders/Proxy desiring to attend the Meeting must complete this Attendance Slip and hand it over at the entrance duly signed.
3. Shareholders/Proxy desiring to attend the Meeting should bring his/her copy of the Annual Report for reference at the Meeting.



PROXY FORM

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

I/We _____

of _____ in the District of _____

being Member/Members of the above named Company, hereby appoint _____

of _____ in the District of _____ (or failing him) _____

of _____ in the District of _____

as my/our Proxy to attend and vote for me/us and on my/our behalf at the SIXTY-NINTH ANNUAL GENERAL MEETING of the Company to be held on THURSDAY, the 26th SEPTEMBER, 2013 and at any adjournment thereof.

Signed this _____ day of _____ 2013.

Folio No./Client ID No. : _____

No. of Shares : _____ Signature : _____

Affix
One Rupee
Revenue
Stamp

Note : This Proxy Form duly completed must be received at the Registered Office of the Company, Nanubhai Amin Marg, Industrial Area, P.O. Chemical Industries, Vadodara - 390 003 at least FORTYEIGHT HOURS before the time for holding the aforesaid Meeting. Proxy need not be a member.



The Company has implemented the “Green initiative” as per Circular Nos.17/2011 & 18/2011 dated April 21, 2011 & April 29, 2011 respectively issued by the Ministry of Corporate Affairs (MCA), to enable electronic delivery of Notices/Documents and Annual Reports to Shareholders. Henceforth, the e-mail addresses indicated in your respective Depository Participant (DP) Accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered e-mail address for serving Notices/Documents including those covered under Section 219 of the Companies Act, 1956. Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialised form with their respective Depository Participant and in respect of shares held in physical form, shareholders can register their e-mail address with the Company at investorscell@jyoti.com mentioning their name(s) and folio number or send the details to the Company’s Registrars and Shares Transfer Agent, MCS Limited.

Shareholders are also requested to take note that they will be entitled to be furnished, free of cost, the aforesaid documents, upon receipt of requisition from the shareholder, any time, as a member of the Company.

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69th ANNUAL REPORT
2012-13

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Jyoti Ltd.
Water • Power • Progress

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

E.Mail : jyotiltd@jyoti.com
Website : <http://www.jyoti.com>

69th Annual General Meeting on
Thursday, the 26th September, 2013
at the Registered Office, Nanubhai Amin Marg,
Industrial Area, P.O. Chemical Industries,
Vadodara - 390 003.